

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

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

Name of Management Organisation : **KATARI AGRO MILL – PT WINDU NABATINDO LESTARI, subsidiary of BUMITAMA AGRI Ltd**  
 Plantation Name : Katari Agro Estate, Plantaran Agro Estate and Pantai Mas Estate  
 Location : Village of Keruing, Sub District of Cempaga Hulu, District of Kotawaringin Timur, Province of Kalimantan Tengah. Indonesia  
 Certificate Code : **MUTU-RSPO/089**  
 Date of Certificate Issue : 26 August 2016                      Date of License Issue : 26 August 2016  
 Date of Certificate Expiry : 25 August 2021                      Date of License Expiry : 25 August 2017

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
<b>ST-2</b>	23 – 26 June 2015	Bukti Bagja (Lead Auditor) , Moh Arif Yusni, Rudi Ramdani; Sofyan Hadi Lubis	Ganapaty R.	Tony Arifiarrachman

Assessment	Approved by MUTUAGUNG LESTARI on:
<b>ST-2</b>	26 August 2016

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 MUTU Certification Accredited by Accreditation Services International  
 on March 12<sup>th</sup>, 2014 with registration number **RSPO-ACC-007**

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Figure 1. Location Map of PT Windu Nabatindo Lestari

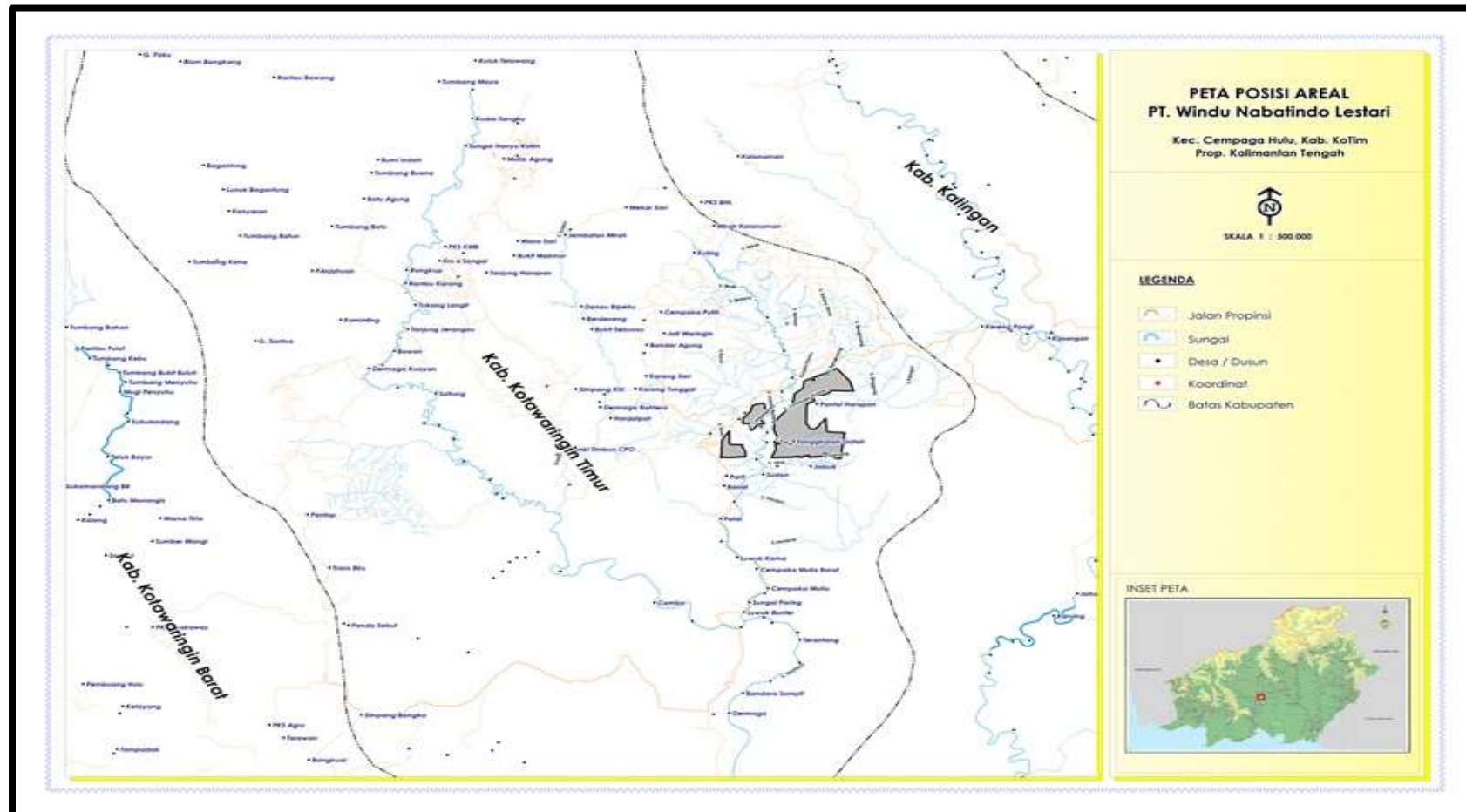
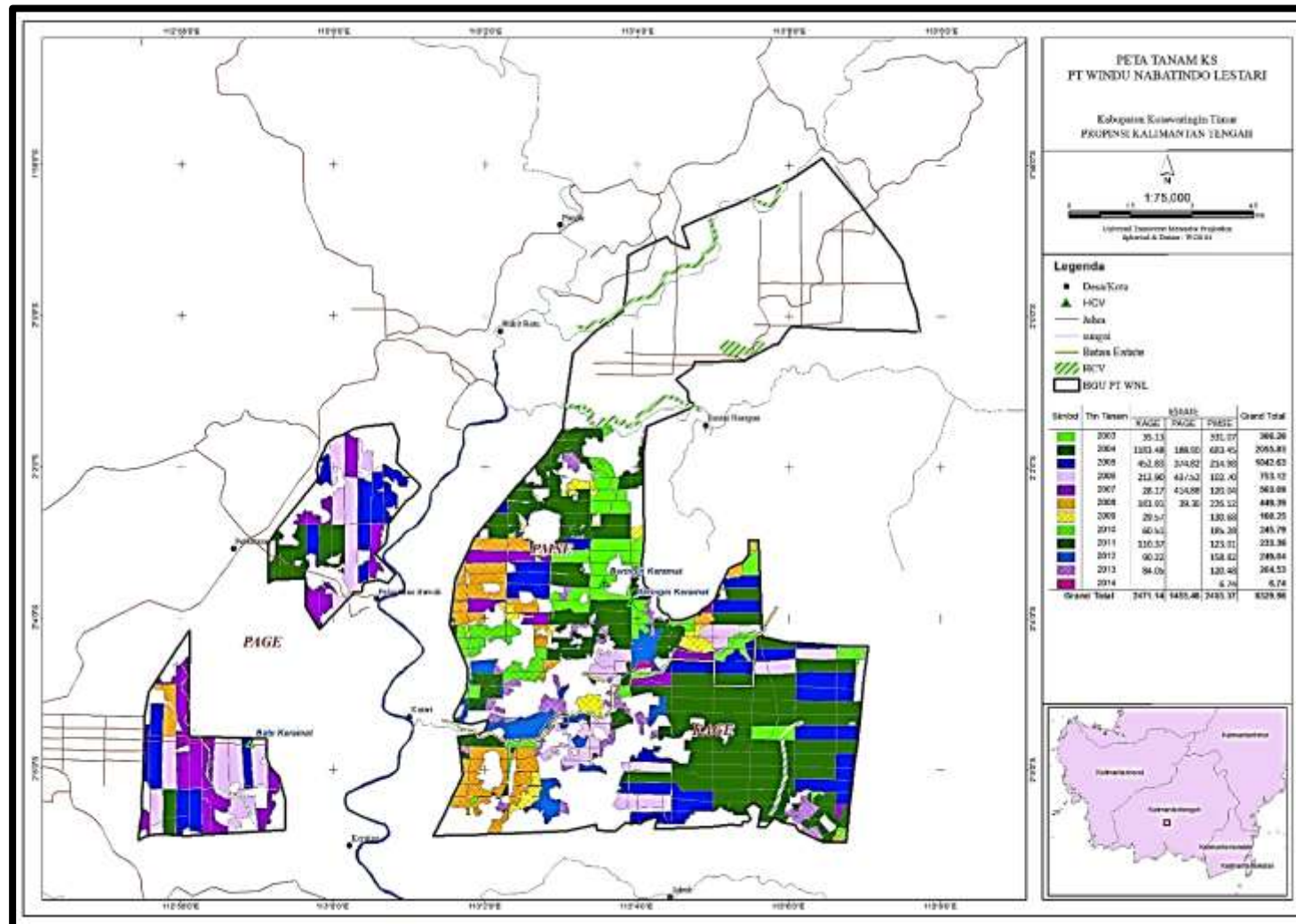


Figure 2. Operational Map of PT Windu Nabatindo Lestari



<b>Abbreviations Used</b>		
AMDAL	:	Analisis Mengenai Dampak Lingkungan ( <i>Social and Environmental Impact Assessment</i> )
APAR	:	Alat Pemadam Api Ringan ( <i>Fire Extinguisher</i> )
APD	:	Alat Pelindungan Diri ( <i>Personal Protection Equipment</i> )
BLH	:	Badan Lingkungan Hidup ( <i>Environment Bodies</i> )
BOD	:	Biological Oxygen Demand
BPN	:	Badan Pertanahan Nasional ( <i>National Land Agency</i> )
CPO	:	Crude Palm Oil
GRK/GHG	:	Gas rumah Kaca ( <i>Green House Gass</i> )
HGU	:	Hak Guna Usaha ( <i>Land Use Permit</i> )
HIRARC	:	Hazard Identification Risk Assessment and Risk Control ( <i>Identifikasi Resiko Bahaya, Penilaian, dan Pengendalian Resiko Kecelakaan</i> )
IPAL / WWTP	:	Instalasi Penyaluran Air Limbah / <i>Waste Water Treatment Plant</i>
IUP	:	Izin Usaha Perkebunan ( <i>Plantation Operation Licence</i> )
IUP-B	:	Izin Usaha Perkebunan untuk Budidaya ( <i>Plantation Business Permit – for Cultivation</i> )
IUP-P	:	Izin Usaha Perkebunan untuk Pengolahan ( <i>Plantation Business Permit for Procassing</i> )
JAMSOSTEK	:	Jaminan Sosial Tenaga Kerja ( <i>Social Assurance of Labor</i> )
KAGE	:	Katari Agro Estate
Jankos / EFB	:	Janjangan Kosong ( <i>Empty Fruit Bunch</i> )
K3 / OHS	:	Keselamatan dan Kesehatan Kerja / <i>Occupational Health and safety</i>
LB3	:	Limbah Bahan Beracun dan Berbahaya ( <i>Hazardous Waste Temporary Warehouse</i> )
NKT/HCV	:	Nilai Konservasi Tinggi ( <i>High Conservation Value</i> )
OER	:	Rendemen Minyak Kelapa Sawit ( <i>Oil Extraction Rate</i> )
PAGE	:	Pelantaran Agro Estate
PMSE	:	Pantai Mas Estate
P2K3	:	Panitia Pembina Keselamatan dan Kesehatan Kerja ( <i>Occupational Safety and Health Committee</i> )
PKO	:	Palm Kernel Oil
PKS	:	PabriK Kelapa Sawit ( <i>Palm Oil Mill</i> )
RKL/RPL	:	Rencana Kelola Lingkungan/ Rencana Pemantauan Lingkungan. ( <i>Environmental Management Plan/ Environment Monitoring Plan</i> )
SOP	:	Standart Opearional Prosedur
TBS / FFB	:	Tandan Buah Segar / <i>Fresh Fruit Bunches</i>
UKL/UPL	:	Upaya Kelola Lingkungan/ Upaya Pemantauan Lingkungan. ( <i>Environmental Management Efforts/ Environmental Monitoring Efforts</i> )

<b>1.0</b>	<b>SCOPE of the CERTIFICATION ASSESSMENT</b>						
<b>1.1</b>	<b>Assessment Standard Used</b>	<ul style="list-style-type: none"> <li><i>RSPO Principles and Criteria (P&amp;C) for for the Production of Sustainable Palm Oil - April 25<sup>th</sup>, 2013.</i></li> <li><i>RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 (Module D / E for CPO Mill)</i></li> </ul>					
<b>1.2</b>	<b>Organisation Information</b>						
1.2.1	Organisation name listed in the certificate	PT Windu Nabatindo Lestari - Bumitama Agri Ltd					
1.2.2	Contact person	Lim Sian Choo					
1.2.3	Organisation address and site address	<b>Head Office:</b> Jl. Melawai Raya No. 10 Kebayoran Baru. Jakarta Selatan 12160. Indonesia  <b>Site Address</b> Village of Keruing, Sub District of Cempaga Hulu, District of Kotawaringin Timur, Province of Kalimantan Tengah. 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-agri.com					
1.2.7	Web page address	<a href="http://www.bumitama-agri.com">www.bumitama-agri.com</a>					
1.2.8	Management Representative who completed the application for certification	Lim Sian Choo (Head Of CSR & Corporate Sustainability)					
1.2.9	Registered as RSPO member	1-0043-07-000-00 – 08 October 2007					
<b>1.3</b>	<b>Type of Assessment</b>						
1.3.1	Scope of Assessment and Number of Management Unit	Palm Oil Mill and supply base <ul style="list-style-type: none"> <li>Katari Agro Mill; Katari Agro Estate (KAGE), Pelantaran Agro Estate (PAGE) and Pantai Mas Estate (PMSE).</li> </ul>					
1.3.2	Type of certificate	Single					
<b>1.4</b>	<b>Locations of Mill and Plantation</b>						
1.4.1	Location of Mill						
	<b>Name of Mill</b>	<b>Location</b>	<b>Coordinate</b> <table border="1"> <tr> <th>Latitude</th> <th>Longitude</th> </tr> <tr> <td>S 2° 5' 31"</td> <td>E 113° 2' 0"</td> </tr> </table>	Latitude	Longitude	S 2° 5' 31"	E 113° 2' 0"
Latitude	Longitude						
S 2° 5' 31"	E 113° 2' 0"						
	Katari Agro	Village of Keruing, Sub District of Cempaga Hulu, District of Kotawaringin Timur, Province of Kalimantan Tengah. Indonesia					
1.4.2	Location of Certification Scope of Supply Base						
	<b>Name of Supply Base</b>	<b>Location</b>	<b>Coordinate</b> <table border="1"> <tr> <th>Latitude</th> <th>Longitude</th> </tr> <tr> <td>S 2° 5' 31"</td> <td>E 113° 5' 9"</td> </tr> </table>	Latitude	Longitude	S 2° 5' 31"	E 113° 5' 9"
Latitude	Longitude						
S 2° 5' 31"	E 113° 5' 9"						
	Katari Agro	Village of Keruing, Sub District of Cempaga Hulu, District of					

	Kotawaringin Timur, Province of Kalimantan Tengah. Indonesia		
Pelantaran Agro	Village of Pelantaran, Sub District of Cempaga Hulu, District of Kotawaringin Timur, Province of Kalimantan Tengah. Indonesia	S 2° 5' 44"	E 112° 58' 3"
Pantai Mas	Village of Keruing, Sub District of Cempaga Hulu, District of Kotawaringin Timur, Province of Kalimantan Tengah. Indonesia	S 2° 3' 25"	E 113° 03' 21"

**1.5 Description of Area Statement**

1.5.1	Tenure	
	• State	8,751.68 Ha
	• Community	- Ha

**1.5.2 Area Statement**

	• Total area	8,751.68 Ha
	• Mature area	5,318.70 Ha
	• Immature area	943.42 Ha
	• Infrastructure	158.12 Ha
	• Emplacement	52.64 Ha
	• Permanent Swamp	120.90 Ha
	• HCV	138.27 Ha
	• Mill	10.09 Ha
	• Nursery	10.28 Ha
	• Reserve Area	1,999.26 Ha

**1.6 Planting Year and Cycles**

1.6.1	Age profile of planting year			
	Planting Year	Hectarage (Ha)		
		Pantai Mas Estate	Katari Agro Estate	Plantaran Agro Estate
	2003	331.10	35.13	-
	2004	682.78	1,182.98	173.64
	2005	109.52	557.71	358.32
	2006	102.70	212.90	423.26
	2007	120.05	28.21	394.24
	2008	224.82	183.06	37.97
	2009	130.74	29.57	-
	2010	185.06	60.57	-
	2011	122.00	109.91	-
	2012	158.62	90.19	-
	2013	125.48	91.59	-
	<b>TOTAL</b>	<b>2,292.87</b>	<b>2,581.82</b>	<b>1,387.43</b>

1.6.2	New Planting area after January 2010	943.42	Ha				
1.6.3	Planting Cycle	1 <sup>st</sup> Cycle					
1.7	Description of Mill and Supply Base						
1.7.1	Description of Mill						
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel	
				Out put (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)
	Katari Agro Mill	45	251,848.87	60,368.17	23.97	10,955.43	4.35
				<i>*Production data source from June 2014 – May 2015</i>			
1.7.2	Description of Certification Scope of Supply Base						
	Name of Estate	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)	Supplied to Mill	
						FFB (tonnes/year)	%
	Pantai Mas Estate	3,239.54	2,292.87	37009.11	16.14	35,568.79	96.11
	Plantaran Estate	1,934.86	1,387.43	23891.7	17.22	22,773.24	95.32
	Katari Estate	3,577.28	2,581.82	42868.02	16.60	42,264.52	98.59
	TOTAL	8,751.68	6,262.12	103,768.83	16.57	100,606.55	96.95
				<i>*Production data source from June 2014 – May 2015</i>			
1.7.3	FFB description from other source						
	Name of sources	Organisation	Location	Supplied to Mill			
				FFB (tonnes/year)			
	Pundu Nabatindo Estate (Certified)	PT WNL	District of Kotawaringin Timur, Province of Kalimantan Tengah. Indonesia	7,408.17			
	Pantai Mas Est - PT Fajar Bumi Nabati	PT Fajar Bumi Nabati / Independent Outgrower	District of Kotawaringin Timur, Province of Kalimantan Tengah. Indonesia	9,855.78			
	Plantaran Estate (Plasma)	Scheme Smallholder Of WNL (408 smallholders)	District of Kotawaringin Timur, Province of Kalimantan Tengah. Indonesia (816.63 Ha)	23,668.81			
	Katari Agro Est - PT Fajar Bumi Nabati	PT Fajar Bumi Nabati / Independent Outgrower	District of Kotawaringin Timur, Province of Kalimantan Tengah. Indonesia	14,872.87			
	Rubung Buyung Est (Plasma)	Scheme Smallholder Of WNL (515 smallholders)	District of Kotawaringin Timur, Province of Kalimantan Tengah. Indonesia (2,769.92 Ha)	40,310.60			
	Kruing Raya Est (Plasma)	Scheme Smallholder Of WNL (600 smallholders)	District of Kotawaringin Timur, Province of Kalimantan Tengah. Indonesia (1,198.47 Ha)	45,631.44			
	Pantai Harapan Est (Plasma)	Scheme Smallholder Of WNL (875 smallholders)	District of Kotawaringin Timur, Province of Kalimantan Tengah. Indonesia (1,734.73 Ha)	6,483.15			
	Panaga Raya Est (Plasma)	Scheme Smallholder Of WNL (330 smallholders)	District of Kotawaringin Timur, Province of Kalimantan Tengah. Indonesia (659.33 Ha)	3,011.50			
TOTAL				151,242.32			
				<i>*Production data source from June 2014 – May 2015</i>			
1.7.4	Product categories			FFB, CPO, PK			
1.8	Estimate Tonnage of Certified Product*						

1.8.1	Past Annual Claim Certified Product		Previous Certificate Claim ..... to ..... (tonnes/year)		Actual certified product ..... to ..... (tonnes/year)	
	• FFB Production		-		-	
	• CPO Production		-		-	
	• Palm Kernel (PK) Production		-		-	
	Wil Be verify during Surveillance assesmtment					
1.8.2	Estimate of Certified FFB Claim					
	Name of Estates	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)	
	Katari Agro Estate	3,577.28	2,581.82	45,869	17.77	
	Plantaran Agro Estate	1,934.86	1,387.43	25,564	18.43	
	Pantai Mas Estate	3,239.54	2,292.87	39,600	17.27	
	TOTAL	8,751,68	6,262.12	111,033	17.73	
	*Projected FFB production for 12 months of certificate					
1.8.3	Estimate of Certified Palm Product Claim					
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO Out put (tonnes)		Extraction (%)
	Katari Agro Mill	45	111,033	26,870		24.2
	*Projected CSPO and CSPK production for 12 months of certificate					
1.9	Other Certifications					
	ISO 9001:2008		-			
	ISO 14001: 2004		-			
	OHSAS 18001:2007		-			
	ISCC		-			
	Others					
1.10	Time Bound Plan					
1.10.1	Time Bound Plan for Other Management Units					
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 Estate	2014	Kotawaringin Timur District, Kalimantan Tengah	Certified
			Pelantaran Agro Estate			Certified
			Katari Agro Estate			Certified
			Koperasi Harapan Abadi			Certified
				2017		Certification Preparation

Katari Agro (PT WNL)	2016	Pelantaran Agro Estate	2016	Kotawaringin Timur District, Kalimantan Tengah	ST-02
		Katari Agro Estate			
		Pantai Mas Estate			
Gunung Makmur (PT KMB)	2014	Gunung Makmur Estate	2014	Kotawaringin Timur District, Kalimantan Tengah	Certified
		Sungai Mentaya Estate			
		Bukit Daman Estate			
		PT. Tanah Tani Lestari			
	2017	KUD Mekar Jaya	2017	Kotawaringin Timur District, Kalimantan Tengah	Certification Preparation
		KUD Sekar Tani			Certification Preparation
		KUD Lestari			Certification Preparation
Bukit Makmur Mill (PT KMB)	2018	Bukit Kecubung Estate	2018	Kotawaringin Timur District, Kalimantan Tengah	ST-01
		Bukit Makmur Estate			
Kotawaringin Mill (PT BGB)	2020	Sepantaian	2020	Central Kalimantan	ST-01
		Danau Merah			
		Kotawaringin			
		Tonam Raya			
Lamandau Mill (PT BGB)	2020	-	2020	Central Kalimantan	-
Kendawangan Mill (PT. Gunajaya Karya Gemilang)	2016	Mekar Utama Estate	2016	West Kalimantan	Certified 2015
		Kendawangan Estate			
		Banjar Sari Estate			
		Seriam Jaya Estate			
		Membuluh Jaya Estate			
	2018	Koperasi Serba Usaha Bersama	2018	West Kalimantan	2018
		Koperasi Binasari			
		Koperasi Serba Usaha Karya Bersama			
		Koperasi Binasari			
		Koperasi Perkebunan Fajar Mandiri			
		Koperasi Rimba Sari			
Pembangunan Raya Mill (PT ASM)	2016	Pembangunan Raya Estate	2016	Ketapang District, West Kalimantan	Certification Preparation
		Bengkuang Raya Estate			
		Belaban Raya Estate			
Sungai Rasau Mill (PT Karya Bakti Agro Sejahtera/KBAS)	2017	Marau Raya Estate	2017	West Kalimantan	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 Tunggai Jaya Mill (PT LSM)	2020	-	2020	Ketapang District, West Kalimantan	NPP
	Suka Damai Mill (PT RSI)	2020	PT. Masuba Citra Mandiri (MCM)	2020	Rokan Hulu District, Riau	2020
	-	-	PT NKU	-	Kalimantan Tengah	NPP
	-	-	PT KML	-	Ketapang District, West Kalimantan	NPP
	-	-	PT AMS	-	Ketapang District, West Kalimantan	NPP
	-	-	PT ASMR	-	Ketapang District, West Kalimantan	NPP
	-	-	PT LGI	-	Ketapang District, West Kalimantan	NPP
1.10.2	<b>Progress of Associated Smallholders and Outgrowers for Certifiable Standard</b>					
	Smallholder partners will be assessed in 3 years after the mill received certificates.					

<b>2.0</b>	<b>ASSESSMENT PROCESS</b>
<b>2.1</b>	<b>Assessment Team</b>
<b>ST-2</b>	<p><b>1. Bukti Bagja ( Lead Auditor).</b> Master of Science majoring environment, Indonesia University. He had involved in RSPO assessment and HCV for GIS. The training he has followed namely ArcGIS, MAPInfo, Global Mapper, ER MAPPER, ERDAS Imagine, Indonesian Sustainable Palm Oil auditor and Awareness RSPO, and Auditor/Lead auditor Management System Certification (ISO 9001-2008). During the assessment the auditor verified Legal, Land Acquisitions / dispute, environment aspects Social, and SCCS aspect.</p> <p><b>2. Moh Arif Yusni (Auditor).</b> Bachelor of Agriculture, majoring of Plant Pest and Diseases (Plant Protection). He has a working experience for 2 (two) years in oil palm Plantation Company in Indonesia. Trainings attended namely: Indonesian Sustainable Palm Oil (ISPO) Lead Auditor training course and Auditor / Lead auditor Management System Certification (ISO 9001-2008). Now he worked at Professional Certification Body. He has been several times following audit related to sustainable palm oil certification system as an auditor. During the assessment the auditor verified OHS, Long Term Economic and social Welfare.</p> <p><b>3. Rudi Ramdani (Auditor)</b> Bachelor of Agriculture Majoring in Agronomy, Agriculture Faculty of Bogor Agriculture Institute. He has working experienced more than two years as an operational staff in a private oil palm plantation company in Indonesia. Several training he has followed namely: Indonesian Sustainable Palm Oil auditor, Awareness RSPO, Management System Certification (ISO 9001-2008) training, and implementation of SMK3. During the assessment, he assets on aspect of Best Management Practices</p> <p><b>4. Sofyan Hadi Lubis (Auditor).</b> 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 Centre for Research, Development and Climate Change Policy (Puspijak) Ministry of Forestry of Indonesia-Bogor and Research Team in cooperation program IPB-ETH Zurich Switzerland – NUS Singapore. He has followed Auditor training ISPO and Auditor/Lead auditor Management System Certification (ISO 9001-2008), ISO 14001, Awareness RSPO, HCV, GHG Calculation and LUC-ISCC. During the assessment the auditor verified HCV, Conservation Area, transparency and environmental aspects.</p>
<b>2.2</b>	<b>Assessment Methodology, Assessment Process and Locations of Assessment</b>
<b>2.2.1</b>	<b>Figure of person days to implement assessment</b>
<b>ST-2</b>	<p>Number of auditors : 4 auditors</p> <p>Number of days for <b>ST-2</b> at site : 3.5 days</p> <p>Number of working days for <b>ST-2</b> at site : 14 Working days</p>
<b>2.2.2</b>	<b>Assessment Process</b>
<b>ST-2</b>	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the P PT Windu Nabatindo Lestari to the requirements of RSPO Principles and Criteria for Sustainable Palm Oil Production April 2013 and Supply Chain Requirement for CPO Mill November 2014.</p> <p>The assessment was conducted in three methods: (1) document review, aiming to observe the sufficiency of types or substances from required documents; (2) interview, aiming to obtain more detailed information and cross check the information; and (3) field observation, aiming to observe directly the sufficiency of implementation on site.</p> <p>Some opportunities for improvement of the results <b>ST-2</b> delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase (<b>ASA-1</b>). Improvement of findings from main assesment findings were observed by auditors at this <b>ST-2</b> assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of report <b>ST-2</b></p> <p>The assessment program please find Appendix 2</p>
<b>2.2.3</b>	<b>Locations of Assessment</b>

ST-2

Number of units in this certification activity is two (2) estates, which supply the raw material (FFB) to one (1) palm oil mill. In conducting the assessment, the team of auditors used the 0.8√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 (1) palm oil mill (**Katari Agro Mill**) and two (2) estates (**Pantai Mas Estate and Pelantaran Agro Estate**)

### Katari Agro Mill

1. **Loading ramp.** Officers had acted according to the SOP, although the grading form has not been filled in an orderly manner. Already carried out repairs in place.
2. **Sterilizer – Despatch.** All the equipments are in appropriate conditions for use. Found some implementations of mill capacity enhancement project became 90 tons, however, in the projects were not found an adequate arrangement of working area thereby potentially cause a disruption on the work processes. Already carried out repairs in place.
3. **Chemical warehouse.** Chemical warehouse is managed properly.
4. **Drainage and water disposal.** Not yet available the effluent testing of boiler and mill drainage discharged into water bodies. Drainage channels around the empty bunch station in filthy conditions and filled with the rest of the empty bunch. Improvements have been made in place with cleanup by using heavy equipment.
5. **WWTP.** WWTP in good condition, there are no indications of leakage. Flow meters and all equipment is functioning properly. However, the location of the WWTP is relatively high ( $\pm 5$  meters) from the average height of the ground so that there is a risk of pollution in case of leakage / damage on the WWTP embankment. Not yet available contingency plan / reserve plans and facilities of countermeasures in case of leakage / damage on the WWTP levee.
6. **Land application block C55, Division I, Katari Agro Estate.** Land application running well. Flat bed in a preserved condition and functioning properly.
7. **Monitoring well block C55 and C56, Division I, Katari Agro Estate.** Monitoring wells in good condition and maintained

### Pantai Mas Estate

1. **Boundaries pole of Land Use Title Area:** Division III, Block A43: National Land Agency Pole 80; Division III, Block A41: National Land Agency Pole 81; Division IV, Block H41: National Land Agency Pole 31; Division I, Block F34: National Land Agency Pole 123 and Division IV, Block F41: National Land Agency Pole 124. Land Use Title Boundaries Pole in good condition and maintained. Company needs to clarify the physical boundary between the Land Use Title area of PT WNL with PT. FBI and PT. GSM to ensure the legality of the land boundary between the company entity.
2. **Block C25, Division 2.** Observation of outlet floodgates to the Cempaga Buang River and water level monitoring in the infield drain. There are also ditches of infield drain with a ratio of 1: 2 to 1: 8 depending on the hydrological conditions in the field.
3. **Block B45, Division 3.** Observation of peat subsidence pole.
4. **Block D44, Division 3.** Spraying activities on the circle and harvesting path. Observations and interviews with supervisor and Spray Gang related to the procedures / work instructions, type of PPE used, company policies related to the freedom of association and gender committee and the equipment of first aid bag.
5. **Block G44, Division 4. Production census.** Observations and interviews with production census workers on the technical of production census.
6. **Block F45, Division 4. Harvest.** Field observations and interviews with harvester and transporter about the application, knowledge on the harvesting and transportation procedures in accordance with the procedure.
7. **Block C36, Division 2.** MOP fertilization activities.
8. **Generator House.** Observations related to the management of Hazardous Waste.
9. **Estate Polyclinic:** Observations and interviews with company paramedic personnel related to the workers health care, medical waste management, medical examination for workers and pregnant workers, housing environmental sanitation.
10. **Estate Hazardous Warehouse:** Hazardous building observation and interviews with warehouse workers. Based on the observations and interviews are known: the building has been equipped with a fire extinguisher, First aid box, reservoirs channel for chemical spills, eye washer. Warehouse officers have known about HIRARC in hazardous warehouse and had followed medical examination.

11. **Estate Hazardous Waste Warehouse:** Based on the field visits known that the hazardous waste warehouse in an empty condition. The mechanism that runs that each hazardous waste generated, sent directly to the Hazardous Waste Temporary Warehouse in CPNT.
12. **BSS House:** Observations of Blocks Spraying System Building, cleaning means for sprayers after work, washing place and work tools storage, workers clean clothes and the management of working tools washing effluent. The entire buildings in preserved condition and fit for use.
13. **BMS House:** Observations on the Block Manuring System Building of fertilization and work equipment storage and the clean clothes storage areas for fertilization workers.
14. **The main Emplacement:** Observations and interviews related to the public facilities provided, land fire extinguishers, hazardous waste storage, hazardous storage, water resources and employee welfare.
15. **Emplacement in Division II:** Observations related to the public facilities provided, light fire extinguishers and water sources.

### Pelantaran Agro Estate

1. **Boundaries Pole of Land Use Title area:** Division III, Block A43: National Land Agency Pole 80; Division III, Block A41: National Land Agency Pole 81; Division IV, Block H41: National Land Agency Pole 31; Division I, Block F34: National Land Agency Pole 123 and Division IV, Block F41: National Land Agency Pole 124. Land Use Title Boundaries Pole in good condition and maintained. However, the boundary between the nucleus estate is not very clear and mixed. Need to reform the physical limits to ensure the areas of nucleus estate and smallholdings.
2. **Block B30, Division 2. Harvest.** Field observations and interviews with harvester and transporter about the application, knowledge on the harvesting and transportation procedures in accordance with the procedure.
3. **Block G13, Division 2. Production Census.** Observations and interviews with production census workers on the technical of production census and employment status.
4. **Block G14, Division 2. EFB Application.** Observations of EFB location for marginal areas
5. **Block D8 and 9, Division 4.** Spraying activities on the harvesting path circle. Observations and interviews with the supervisor and Spray Gang related to the procedures / work instructions, the types of PPE used, company policies related to the freedom of association and gender committee and the first aid bag equipment.
6. **Block C-19.** Observations related to the management of the conservation area.
7. **Block B12.** Observations related to the management of peat.
8. **Generator House.** Observations related to the management of hazardous waste.
9. **Estate Polyclinic:** Observations and interviews with company paramedic personnel related to the workers' health care, medical waste management, medical examination for workers and pregnant workers, housing environmental sanitation.
10. **Estate Hazardous Warehouse:** Hazardous building observation and interviews with warehouse workers. Based on the observations and interviews are known: the building has been equipped with a fire extinguisher, First aid box, reservoirs channel for chemical spills, eye washer. Warehouse officers have known about HIRARC in hazardous warehouse and had followed medical examination.
11. **Estate Hazardous Waste Warehouse:** Based on the field visits known that the hazardous waste warehouse in an empty condition. The mechanism that runs that each hazardous waste generated, sent directly to the Hazardous Waste Temporary Warehouse in CPNT.
12. **BSS House:** Observations of Blocks Spraying System Building, cleaning means for sprayers after work, washing place and work tools storage, workers clean clothes and the management of working tools washing effluent. The entire buildings in preserved condition and fit for use.
13. **BMS House:** Observations on the Block Manuring System Building of fertilization and work equipment storage and the clean clothes storage areas for fertilization workers.
14. **The main Emplacement:** Observations and interviews related to the public facilities provided, land fire extinguishers, hazardous waste storage, hazardous storage, water resources and employee welfare.

### Stakeholders

1. Environmental Body District Of Kotawaringin Timur
2. Social, Labor and Transmigration Agency District Of Kotawaringin Timur
3. National Land Agency District Of Kotawaringin Timur
4. Forestry and Plantation Agency District Of Kotawaringin Timur
5. Katari Village

	6. Tani Sukses Cooperative (Smallholders scheme) 7. Pelantaran Village 8. Pantai Harapan Village 9. Dayak Customary Council of Cempaga Hulu 10. Gender committee and employee representative
<b>2.3</b>	<b>Stakeholder Consultation and Stakeholders Contacted</b>
<b>2.3.1</b>	<b>Summary of stakeholder consultation process.</b>
<b>ST-2</b>	Consultation of stakeholders for PT Windu Nabatindo Lestari was held by: (1) Public notification at website MUTU ( <a href="http://www.mutucertification.com">www.mutucertification.com</a> ) and RSPO Website 30 days before assessment (20 May 2015) (2) Public consultation meeting with stakeholder (National Land Agency, Plantation Agency, Forestry Agency, Labor Agency, Kotawaringin District) on 23 June 2015. (3) Public consultation meeting with Villages Nearby Company Area on 23 June 2015. (4) Public consultation meeting with internal stakeholder on 23 and 24 June 2015. (5) Public consultation email to NGO has been sent on 18 June, 2015 Numbers of input from stakeholders were clarified by PT Windu Nabatindo Lestari as apart of this report
<b>2.3.2</b>	<b>Stakeholder contacted</b>
	<b><i>Please find appendix 1</i></b>
<b>2.4</b>	<b>Determining Next Assessment</b>
	The next visit (ASA-1) will be determined nine (9)– twelve (12) months after this certified issued

### 3.0. ASSESSMENT FINDINGS

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

MUTUAGUNG LESTARI has conducted an assessment of Katari Agro Mill – PT Windu Nabatindo – Bumitama Agri Ltd operation consisting of one (1) mill and three (3) oil palm estates.

During the assessment, there were one (1) Nonconformity were assigned against Major Compliance Indicator; four (4) nonconformities were assigned against Minor Compliance Indicators and one (1) nonconformance) against supply chain requirement for CPO mill and six (06) 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) e.g. (*document record/photographic/etc...*). Those corrective actions taken that consist of one (1) Major non-conformity, one (1) Minor non-conformity and one (1) Supply chain n nonconformity had been closed out shall be verified during next assessment.

MUTUAGUNG LESTARI found that Katari Agro Mill – PT Windu Nabatindo Lestari– Bumitama Agri Ltd complied with the requirements of RSPO Principles and Criteria for Sustainable Palm Oil Production April 2013 and Supply Chain Requirement for CPO Mill November 2014

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

*\*) deleted as appropriate*

Ref Std.	VERIFICATION RESULT of MUTU-Certification	
<b>PRINCIPLE #1 COMMITMENT TO TRANSPARENCY</b>		
<b>1.1</b>	<b>Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.</b>	
	<p>The company has had Procedure No. BGA / WNL-SOC / PRO-29/09/2012) about the Transparency and Mechanism ratified by Area Controller III on August 28, 2012. The procedure is explained that any requests for information can be sent through e-mail, mail, phone, fax or come directly to the regional office and or headquarters for a period of responses 10 days after the receipt. Any informations will be taken note the subject, the type of information requested and made the receipts.</p> <p>Based on the results of document study is known that there are no requests for information by stakeholders. Inbox Book is available only contain the borrowing for facilities / infrastructure, applications for assistance and others. The company has responded the request, for example, requests for road repair in Pelantaran Village on August 26, 2014 have been responded on August 28, 2014, and requests for borrowing the instrument on August 11, 2014 have been responded on August 14, 2014. Based on interviews with the villagers of Pelantaran village, Pantai Harapan village and Katari Hutment obtained information that the application submitted by the community has been responded constructively and quickly by the company.</p>	
	<b>Status:Comply</b>	
<b>1.2</b>	<b>Management documents are publicly available, except where this is prevented by commercial confidentiality or</b>	

**where disclosure of information would result in negative environmental or social outcomes.**

Documents accessible to the public recorded in the document of BGA / WNL-SOC / PRO-29/09/2012, which was approved by Area Controller 03 on August 28, 2012. The types of documents that can be accessed by the public, among others:

**1. The types of documents that are public and can be accessed widely by stakeholders.**

- a. Licensing Document → EIA, Land Use Title and other related permits, Company Registration (TDP) and others.
- b. Company Report Document → Company Annual Report, Monthly Report of Estate and Mill Production.
- c. Work Process document or Standards → SOP, Company Policy, Estate and Mill Operational procedures, Quality Policy and OHS, Environment and Company Social.
- d. Documents Related to the Business Physics and Public Documents → Organizational Structure of the Company, the Company Employee Data, Utilization Data of Foreign Workers (expatriates) Total Area of Estate and Mill Operations accompanied by a map including the *Soil Map*, and others.

**2. The types of documents that are non-public and can be accessed with the approval of Department Head / Area Controller.** For example: Establishment Deed and Deed of Company Amendment, Profit / Loss, Company Balance Sheet, List of Company Assets, Soil List / Land of Plantation Business, Community Development Plan, Payment Data of land acquisition, complaints and grievances, Distribution Map of rare animals in the conservation area and Usage Data of Smallholding Funds.

**3. Types of non-public documents and can be accessed with the approval from Group Department Head / GM Level.** For example: Salary of Employees Class, Shareholders and Company Management Identity, Identity of staff and employees Operations Chief, and third parties Donations.

**4. Types of non-public documents and can be accessed with the approval from Management Level.** Establishment Deed and Deed of Company Amendment, Profit / Loss, Company Balance Sheet, Salary of Employees Class, Shareholders and Company Management Identity, Identity of staff and employees Operations Chief, List of Company Assets, Soil List / Land of Plantation Business, Community Development Plan, Payment Data of land acquisition, complaints and grievances, Distribution Map of rare animals in the conservation area and Usage Data of Smallholding Funds, and third parties Donations.

**Status:Comply**
**1.3**
**Growers and millers commit to ethical conduct in all business operations and transactions.**

The company has had the *Code of Conduct* (BGA-COC-HC-333.1-R0) ratified by the Board of Directors on October 28, 2014. The document (Chapter III & IV) of them explain about the ethics on the stakeholders which provide the mutual synergies, free of corruption, collusion and nepotism (KKN) and are not allowed to receive and / or provide gifts, souvenirs, business dinner or other facilities that could influence the decision making and violated the applicable provisions in the company. The *Code of Conduct* has been socialized to the employees on March 11, 2015.

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

The company has shown the record of compliance with the applicable regulations, such as: Land Use Title document for the cultivated area, Plantation business permit for plantation business, EIA document, hazardous waste temporary storage permit, mill effluent test periodically, implementation report of RKL/RPL periodically, providing PPE to workers, paying salaries in accordance with the regulation, providing facilities and infrastructures for employees and. Nevertheless, the results of document verification and field visits showed the presence of non-compliance with legal requirements, as follows:

- The results of document examinations known that there are employees who work more than 21 working days during the three (3) consecutive months and has not been appointed as Permanent Daily Employee, for example in PMSE in the name of Ahmad Budiyo (Employee Registration Number: 14080006); Abby Takeryo (Employee Registration Number: 15010011); Agustina Herlinda Bele (Employee Registration Number: 140170006), Yuliana Bere (ID Card: 5304225807910003). This is not in accordance with Regulation of Labor and Transmigration Ministry of Indonesia No. 100 Year 2004.
- Plantation Business Progress Report submitted by PT. WNL has not included Katari Agro Mill, it is not in accordance with Law No. 39 Year 2014 Article 48 Paragraph 3 and 4

**Based on the explanation above, then found non conformity 2015.01 on Indicator 2.1.1 with Major category**

Based on interviews with Environmental Body of East Kotawaringin District known that the company has had an environmental permit for the entire area of operations, has had the hazardous waste temporary storage permit, has had the assessment permit of effluent on the ground, reporting the Environmental Management Plan / Environmental Monitoring Plan implementation and the management of mill effluent and hazardous waste periodically. The results of the interviews also obtained information that there has been no reporting by the community related to the pollution by the company. Related to Manpower and OHS aspect, company showed compliance to the regulation such as: OHS certificate for boiler operator, engine operator, forklift operator, electric engineer, welding expert, and others

The company has had a documented system about the law requirements and regulatory that must be met by the company such as in the following document:

- List of laws and rules and regulations on the Occupational Safety and Health No. LAW-WNL-001, Rev 01 applicable on April 1, 2015 which describes about the five types of regulation (Law), two Government Regulations (PP), one Presidential Decree (Kep-Pres), 21 Ministerial Regulations (Per-Men), 9 Ministerial Decrees (Kep-Men), 1 Director-General Decree.
- List of laws and regulations and legislation about Plantation No. LAW-WNL 003 applicable on April 1, 2014 which describes about 12 types of Act (UU), 7 Government Regulations (PP), 1 Presidential Decree (Kep-Pres), 8 Ministerial Regulations (Per-Men), 2 Ministerial Decrees (Kep-Men). There are latest regulations such as Law No. 39 Year 2014.
- List of laws and rules and regulations about Labour No. LAW-WNL 004, Rev 02 applicable on April 1, 2015 which describes about 16 types of Act (UU), 2 Government Regulations (PP), 1 Presidential Decree (Kep-Pres), 11 Ministerial Regulations (Per-Men), 7 Ministerial Decrees (Kep-Men), 1 Local Regulation (Per-Da). The regulations list including the ratification of ILO conventions.
- List of laws and rules and regulations about the Environment No. LAW-WNL-002, Rev 02 applicable on April 1, 2015 which describes about 9 types of Act (UU), 18 Government Regulations (PP), 22 Ministerial Regulations (Per-Men), 11 Ministerial Decrees (Kep-Men), 3 Environment Impact Control Head Decrees; 1 Local Regulation (Per-Da). The regulations list including the ratification of the United Nations Framework Convention about the Climate Change. There are latest regulations such as Government Regulation No. 101 Year 2014.

PT WNL has shown a list of rules and regulations that have been updated and ratified by Area Controller III, for example, Document No. WNL-LAW-002, Rev. 03, dated May 1, 2015. List of these regulations have been explained about the law requirements related to the plantation management, for example, Minister of Environment Regulation No. 05 Year 2014, Law No. 05 Year 2014 about the Soil and Water Conservation, and Government Regulation No. 101 Year 2014 on the Management of Hazardous Waste.

The company has had SOP-WNL-CEK-08 about the regulatory compliance audit and applicable requirements. In the SOP is known that the company conduct the rules adjustment periodically. Adapting on the change of rules in electronic form which are updated in every rule change, whereas in *hard copy* form is updated every six months, for example, environmental regulations which have been updated on April 29, 2015.

To ensure the compliance implementation of regulatory compliance, the company has conducted evaluation which is documented in the audit documents of Law Terms and Rules and Regulations List. Based on the results of these evaluations, there are additional regulations for example, Law No. 37 Year 2014 about the Soil and Water Conservation and Regulation of the Minister of Environment No. 5 Year 2014 about the Effluent Quality Standard.

The Company has made adjustments to the regulatory change for example:

- Regulation of the Minister of Environment No. 14 Year 2013 about the hazardous symbol. The results of field visits showed that the hazardous waste symbol in the Hazardous Waste Temporary Warehouse of Katari Agro Mill and Pelantaran Agro Estate has been adapted to the latest regulations.
- Central Kalimantan Governor Decree No. 43 Year 2014 dated October 28, 2014 about the District Minimum Wage (UMK) and the District Sectoral Minimum Wage (UMSK) 2015 of East Kotawaringin District. Based on the attachment, determined that the District Minimum Wage of East Kotawaringin District amounted to Rp 2,008,254, - / month and the District Sectoral Minimum Wage of other crops farming amounted to Rp 2,108,920.
  - The results of document review and interviews showed that the company has paid the basic wage amounted to Rp 2,108,920.
  - The results of interviews with Labor and Transmigration Agency of East Kotawaringin District known that the company has implemented wages in accordance with District Sectoral Minimum wage amounted to Rp 2,108,920.

**2.1.1 Status: Non Conformity 2015.01 on Indicator 2.1.1 with Major category**

### 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.**

Based on the verification of documents and field visits showed the evidence of the legality of land tenure by PT. WNL as follows:

1. Legality of nucleus estate in the form of Land Use Title certificates (Land Use Title) and Building Use Title from National Land Agency, with a total of **11,565.85** hectares, divided into several documents, namely:
  - a. Land Use Title Certificate No. 24 issued by National Land Agency of East Kotawaringin District, Central Kalimantan Province on March 10, 2004 covering an area of **9,616.28 Hectares**.
  - b. Land Use Title Certificate No. 50 issued by National Land Agency of East Kotawaringin District, Central Kalimantan Province on May 10, 2008 covering of **1,934.583 Hectares**.
  - c. Building Use Title Certificate No. 5 issued by National Land Agency of East Kotawaringin District, Central Kalimantan Province on September 10, 2007 covering of **149,820 M<sup>2</sup>**.
2. As the legality of business / plantation industry, PT. WNL had permission from the local government in the form of license of East Kotawaringin Regent No.525.26 / 151 / V / Ekbang / 2004 dated May 17, 2004 about the Plantation Business Permit to PT. Windu Nabatindo Lestari with the type of oil palm Plant covering of 17,500 hectares.

There is evidence that the company has made the demarcation and maintenance the Land Use Title Boundary, as shown by:

1. List of the Land Use Title boundary coordinates published by National Land Agency.
2. Work Instructions of National Land Agency Pole Maintenance (BGA / WNL-LGL / IK-38 / IX / 12 dated September 1, 2012) which explains that the monitoring was performed once a month and filled in the National Land Agency Pole monitoring form.
3. Documentation of the implementation of National Land Agency Pole regular monitoring, the results of monitoring in 2014
4. The results of field visits in Pelantaran and Pantau Mas estate which showed that the entire poles in good condition and maintained.

To improve the performance, the company needs to clarify the physical boundary between the Land Use Title area of PT WNL with PT. FBI and PT. GSM to ensure the borderline legality of land between the company entity. If necessary, the company can make a land management agreement between PT. WNL with PT. FBI and PT. GSM after the maintenance of PT. FBI and PT. GSM legality is available (**OFI No. 1 with Observation**).

Based on the verification of documents and a public consultation with the surrounding villages community, a number of cases of land conflicts still occur in PT. WNL in 2015 in the form of claims on Land Use Title that has been cultivated by PT. WNL. The number of cases recorded have occurred since 2013 to 2015 was 23 cases and a number of 16 cases have been completed by consensus, while 7 cases are still running. The results of field visits and public consultation showed that the land conflicts have not become a conflict that significantly interfere with the implementation of the plantation and or into an open conflict that disrupt the security. Handling of land conflicts conducted by the Division of DNL assisted by a field coordinator by referring to the procedures for handling the land conflicts No. BGA-SOP-GL-901.5-RO which has been socialized to the community representatives (police chief of Pundu, Military Post Commander, Indigenous Council of Dayak / DAD, Indigenous Demat, Sub-district and Village). Field verification and public consultation showed no indication of the use of force and paramilitary in the settlement of the land issue.

Based on the established procedures known that the company handling the conflict through consultations by involving the village / Sub-district / indigenous council, or by involving facilitators such as, NGOs, Sub-district Head of Cempaga Hulu, Dayak Indigenous Council of East Kotawaringin, etc.

For ongoing land dispute, available complete documentation of the progress of dispute resolution in the form of the minutes of meetings, negotiations, joint measurement, and so forth. As an example:

1. For the settlement of disputes with the public on behalf of Karnadi, available the minutes of land checking between the communities who are overlapping performed double claim on behalf of Padliansyah (Deceased) and Marthinus and Syaminan on March 28, 2015 which are connected by meeting on April 15, 2015 to discuss the land claims performed by Kurnadi in Block F010 covering an area of 6.2 hectares (available a map of the location of land claimed).
2. Settlement of claims on behalf of Hamdi dated January 4, 2013:
  - Minutes of land Investigation No. 140/275 / BAP / PEM-DPH / XII / 2011 dated September 21, 2011
  - Hamsi subpoena to PT. WNL on January 29, 2013, the response was given on February 26, 2013
  - Mapping together the conflict location with Hamdi on February 26, 2013
  - Evidence of negotiations with Hamdi because the company ever compensate for the plots to Kamdi on 2002 amounted to Rp 950,000 (available full evidence of the compensation process).
  - Land compensation mediation on March 5, 2015 between the company and Hamdi
  - Land compensation payment amounted to 25 million on May 25, 2015 as proof of payment, based on the letter of the land claims settlement in Block D 37 Division I PMSE. Signed by Hamdi, Murnelis (witness), and witnesses.
3. The settlement of land claims on behalf of Rosinel:
  - Letter of land claims from Rosinel dated August 14, 2014 to the Estate Manager of PMSE for land in the blocks B29, B30, B31, C29, C30. The letter explained that the heirs from the land owners (Deceased Longos) demanding compensation for land used for plantations. The letter attached a map of the location and witness testimony on behalf of Helmus explaining that the land has not been compensated.
  - Proof of land completion in the form of land compensation amounted to 153.3 million.

<b>Status:Comply</b>
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### 2.3

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

Verification of documents showed that the company has an evidence that in the plantation areas there are no traditional rights in the form of communal land, in the form of:

- a) Documents from the study results of Social Impact Assessment in 2011 which showed that the land in the plantation and its surroundings there are no traditional rights of indigenous people. Land which become the plantation area and in the surrounding areas comes from: land resettlement, individual land obtained from buying or inherited from their parents, as well as state forest clearing by individual.
- b) At the time of ST2 audit, the auditor has verified the existence of traditional rights in consultation with the village board around the estate as well as with local government (National Land Agency and Plantation Agency), which showed that the land clearing does not interfere the traditional rights.

Although PT. WNL legally obtain land rights in the form of Land Use Title certificates, but within the company areas are arable lands belonging to the community that must be released before it is built into plantations. The community arable land generally has been there before Land Use Title issued so that the company can not organize the land if the community is not willing to release their land.

Verification of documents and interviews with community showed that in the early stages of land clearing, the company has socialized to the public with the help of concerned village officials facilitation. For example, available records of socialization for new land clearing plan dated October 24, 2002 to the community around PT WNL. Available minutes of the meeting between the community and the Head of PT. WNL who discusses about communities customary land acquisition, the proposed of oil palm plantation for the community, the completion of community estates which in enclave, and others as deemed necessary. The minutes signed by the company representative, the village head, the head of customs and community representatives.

The process of land acquisition has been done through the identification stages of smallholders / landlords, compensation negotiation, and compensation payments. As the evidence, available the records of voluntary land acquisition process (FPIC) in the early stages of estate development, namely:

- Certificate of land owners from Village Head and Sub-district representative.
- Statement of Land Ownership of Former Field from land owners / smallholders known by the Village Head and Demat / Indigenous Head
- Minutes of Investigation and Measurement of Land, known by the Village Head
- Area Map which are compensated based on the results of measurement by the company and known by the smallholders.
- Letter of Agreement between smallholders with the company for the land compensation with the certain value agreed and known by other parties (Sub-district head, village head, Demat / Indigenous head and smallholders.
- Payment Receipt (receipts) and photos of compensation submission process witnessed by the Village Head and Indigenous Head
- Statement Letter of land handover known by the village head and sub-district representatives

Based on the document review, it is known that all the information regarding the land compensation available at the Public Affairs Department (PAD). The entire document is available in a language that can be understood (Indonesia). The process of land release owned by the community has also been involved village chief, demat / head of customs, and sub-district representative as the witnesses.

**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.**

The Company has shown the business plan for the period of 2012 up to 2016 in the document *Strategic Plan Strive For Excellence and Sustainable Five years Business Plan* which explains the SWOT Analysis (Strength, Weakness,

Opportunity and Threat), and the achievement. In addition, PT WNL has a company work plan document for the short-term, namely Work Plan for 2012.

Based on the observations in the document of company business plan in the period of 2012 up to 2016 and interviews with company management known that there has been no replanting program for the next five years. The first planting is done by WNL in 1998 with a productive period of the plant is expected until the age of 25 years old.

**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.**

The Company has owned the procedures to guide the operational activities for the estate and mill. Based on the results of field visits in Pantai Mas Estate, the procedures have been implemented in the field, for example, the implementation of the company's operations is in accordance with the established procedures. Related to the harvesting, the results of field visits and interviews with the harvesters can be concluded that the knowledge and understanding of the harvesters on the procedure of harvesting is good enough. They understand the standards set of fruit maturity that is 2 loose fruits / kg, the preparation of the midrib, fruit preparation and the use of PPE. In addition, for plant maintenance activities, based on the results of field visits obtained information that the employees already understand about the technicalities of work, has been using the PPE according to the needs and supervisor has understood the aid measures

To ensure the company's operational activities carried out effectively and in accordance with the established procedures, the company has a mechanism for monitoring which implemented by the Quality Control team every month for operational activities (Harvest, Chemist, fertilization, etc.). In addition, through the estate manager, conducted monitoring and evaluation on the realization of harvesting and maintenance, both physical and costs used.

Records of operational activities are available in the SAP program (*Application System of Product and Processing*). Every day the report is inputted based on the supervisor work reports. Information in the SAP has detailed all the activity items carried out every day in the division, such as the type of work, the use of HK, production, materials used, the position of labor, pesticide materials usage, work performance, costs, etc..

Katari Agro Mill has recorded all FFB suppliers. There are 12 FFB suppliers in Katari Agro Mill where 3 FFB suppliers are the estate which become the scope of certification and 9 FFB suppliers are the estates which are in one group.

**Status:Comply**

##### **4.2**

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

The results of document verification and field visits, measures that are undertaken by the company to manage the soil fertility, among others, conduct periodic soil analysis every 5 years, leaf analysis activities regularly every year, visual analysis to determine the presence of pests or disease and nutrient deficiencies. In addition, the company also monitors the water level in the canal on peat soil.

Here's an example of the results of the analysis carried out in PMSE:

- Document from the results of soil samples analysis on January 28, 2015, analysis dated September 19, 2014, for 32 samples from PMSE. For example, for block E29, the type of soil is inceptisol in the circle with depth of 30 cm with the results: total N 8.26, P 45.31, 0.11 K, Mg 0.58, CA 10.38, KTK 198, C orgnaik 4.18.
- Document of PMSE leaf analysis in blocks D026, TT 2011 block area of 32.05 hectares with the results: N 2.94%, P 0.176%, K 0.95%, MG 0:32%, Ca 0:58%.

Records of fertilization has been well documented by the company. The management unit can show the records of fertilization activities. The results of document examination, the company can show the record of fertilization results for

the year 2012; 2013; and 2014. The results of the document examination known that the fertilization records for 2013 and 2014 in Pantai Mas Estate and Pelantaran Agro Estate have realized 100 percent. Likewise, the monitoring of fertilizer in 2015 has been recorded well, for example, for PAGE with a total area of 2,805.56 hectares with a recapitulation of the program and the realization of fertilization in 2015 up to May 2015 as follows:

Description	Urea	RP	MOP	Kies	HGFB	CUSO4
Program	100%	100%	100%	100%	100%	100%
Achievement	87.9%	100%	86,9%	0%	95%	0%

For Kieserite and CuSO<sub>4</sub> programmed in the second semester of 2015.

The company efforts to maintain and improve soil fertility, among others: the provision of inorganic and organic fertilizers (through EFB applications and EFB compost), effluent application, planting cover crops (*Mucuna bractetata*) and selectively weeding measure by maintaining soft weed, as well as other land mechanization measures, such as drainage management, manufacture trenches, and terracing, water level management in the peat soil and water management.

**Status:Comply**

#### 4.3

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

Definition of marginal land according to the Staff of BGA Research Department is a land that has a lot of limiting factors such as: drainage, topography (steep, etc.), texture (sand), structure (hard ground, massive, etc.), and soil chemistry (Ph acidic). The company through BGA research department-group has conducted identification and mapping the marginal areas, to further develop the management strategies in the areas. The company can show the marginal area map contained in the company's operational areas, namely:

- PMSE: Map of flat kaolin area and spodik sandy area with a scale of 1: 35,000, for kaolin covering an area of 296 hectares and spodik sandy covering an area of 392 Ha, lowland area covering of 460 Ha.
- PAGE : Marginal area map, as follows: Map of spodik sandy areas and lowland areas with a scale of 1: 40,000. Spodik sandy area covering an area of 936 hectares and lowland area covering of 437 Ha.

As for the area with a certain slope, the company developed a management program Project E, namely: completion packet of of hill area without conservation, which has a limiting factor, among others, namely: high erosion, high surface runoff, water infiltration in the low soil, low top soil, low organic matter. The management strategy is done by: hoof (if required), individual silt pit, fertilizing with pocket system, EFB application, planting *Mucuna bracteta*, planting *Neprolepis* sp, preparing U-shaped midrib, manufacture the auxiliary road for fruit evacuation.

Based on the map of soil types is known that the type of soil in PT WNL area is Tropudult with an area of 8,706 (21%), Throphemist 6,200 ha (14.9%), Dystropepts 13,290 (32.0%) and Plancaquods 13,330 (32.1%). According to the soil survey reports conducted on January 1 to 10, 2014 by Andy Ardiyanto known that:

- For the type of *Tropudult* soil (enough categories) recommended feasible to be planted. Improvements need to be implemented is a reduction in the rate of erosion by planting a cover crop after land clearing.
- For the type of *Dystropepts* soil (marginal category) recommended feasible to be planted. Improvements need to be done to improve the quality of land, especially in the area which has shallow solum, drainage (peat area).
- For the type of *Placaquods* soil (N-1 category) recommended feasible to be planted with the terms of improvements such as the construction of *discontinue drainage* canals until penetrate the spodik layers, especially at the locations with shallow spodik depths (<60 cm), the addition of organic material on the soil surface and minimize the erosion of top oil during land clearing.

PT WNL has made the installation of subsidence pole in peat areas in Pantai Mas Estate, Katari Agro Estate, Pelantaran

Agro Estate and monitored regularly every month. The results of document examination in Pelantaran Agro Estate there are three subsidence poles in Pelantaran Agro Estate as many as two poles in Block B012; and 1 pole in block B013, while at Pantai Mas Estate in Block D037.

The company has had a drainage system map of Pundu Nabatindo Estate in region 2, which explains the infield ditch flow direction, ditch flow direction, collecting infield, main collecting, outlet, main outlet, and the main river. The management of wetlands in the form of water management where the water level is maintained at 70 cm from the soil surface through the open and close the floodgates and manufacture water-retaining embankments.

The management unit has owned drainage system map, for example, for Pelantaran Agro Estate, which describes the ditch flow direction, collecting infield, Main collecting, ditch next to the embankment, embankment, main river, ditches were not enabled, plan for new floodgate, plan for replacing the floodgate and the total of floodgates as many as 12 units. Based on the field observations it is known that the company had been monitoring the drainage among others, by checking the condition of the floodgate in the inlet and outlet. The water level in the outlet floodgate is still in the normal range (60 cm from the ground).

Based on the work plan study in the next 5 years, known that PT WNL – KAGEM does not have the replanting work plan. The marginal area management is done based on the program that has been created by BGA research department – Group, which consists of five marginal area management programs, adjusted to the marginal area contained in each estate.

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

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

Plans to maintain the quality and the availability of surface and ground water are recorded in the document of Environmental Management and Monitoring Plan, among others, by conducting utilization of mill effluent on land (*Land Application*), testing the quality of mill effluent and surface water quality testing regularly.

The Company has been testing on the water surface (Bengkuang River, Cempaga River, Cempaga Buang and Katari River). The parameters tested still in accordance with related regulation (*Peraturan Pemerintah No. 82, 2001*). Based the result test, it is known there are parameter not accordance with related regulation, for example BOD 12.3 mg/l, COD 24.56 mg/l. The Company has conducted an evaluation and follow-up of management. Based on interview with Locals in Pelantaran Village, Pantai Harapan Village is known, during this time there has been not complaints or negative issued from the Locals related environmental pollution caused by the company's operations.

Based on field observation on Keruing Riparian in Block C-19, it is known that the protection of streams and riparian done by the company such as marking the *buffer zone* in the form of wood pole with maintained condition, installing board ban of chemical applications, planting tree with Belangiran and Meranti types on the riparian with the living conditions and well-maintained, testing the water quality of the river, and others.

Based on interviews with Environmental Body, the company has made the protection and testing the water quality on the river, planting trees and signs of chemicals application on the riparian and never negative issu from public related to river.

The company has been testing the effluent in the inlet and outlet ponds regularly. Parameters monitored, namely Ph, BOD5, COD, Oils and Fats, Lead, Copper, Cadmium and Zinc. Based on laboratory analysis results period July 2014 to May 2015, it is known that the parameters of mill effluent still in accordance with government regulations (*Keputusan Menteri Lingkungan Hidup No. 28 & 29, 2003*). Based on interview with Locals, known was not negative issue related mill effluent. The company has also reported the analysis results to the Environmental Body periodically, for example, reported on April 28, 2015 and May 5, 2015.

The company has been monitoring the use of palm oil mill water through monitoring the use of water in WTP. The use of water for FFB processing from January up to May 2015 amounted to 1.2 m<sup>3</sup> / ton FFB with a budget of 1.3 m<sup>3</sup> / ton FFB. Based on field observations on WTP known that the *flowmeter* of inlet and outlet water discharge is functioning properly.

**Status:Comply**

#### 4.5

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

The company has had the Annual Work Plan for the integrated pest management program for each Estate. In each Estate has formed a special team of the integrated pest management headed by the plants doctor. The team was tasked to conduct plant pest detection activities in each month. The concept of control of plant pests and diseases carried out by focussing on early warning systems of plant pests and diseases, where the early activities are focused on the information about the location of plant pest from field employees, both from harvesters and maintenance employees. The workflow of plant pests and diseases control as follows:

- Early detection from harvest supervisor, harvest administrator, field assistants, harvester, maintenance workers. When an attack is detected, then the plant pest census conducted by the Census team (plant Doctor and 5 to 10 census workers).
- The census results in the form of census recapitulation and the percentage of attacks per type of plant pests and diseases.
- Evaluation of the level of pest attack by plant doctor, field assistants and research staff.
- Plant pest and disease control carried out if the disease has exceeded the threshold.
- Evaluation of the effectiveness of the control of plant pests and diseases that have been made.

The results of document examination of plant pest disease census recapitulation in PMSE and PAGE in May 2015 and field visits and interviews with management obtained information that during 2015 there were no pests and diseases above the economic threshold, so no need pest control. As a precaution to prevent the attack of Oil Palm Leaf Eaters Caterpillar (UPDKS) the company planting and maintaining the useful plants (*Turnera Subulata* and *Antigonon leptosus*).

The company showed a training documentation of Early Warning System of Plant Pest and Disease on February 20, 2015 and April 27, 2015 in PMSE, attended by all supervisors 1 and division supervisors. Material provided by the research team of area 3 BGA – Group. Based on the field interviews with supervisor 1 in Divisions 2 and 3 of PMSE, it is known that the concerned may explain the activities of early warning system of pests and diseases they did.

**Status:Comply**

#### 4.6

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

The company can show a list of pesticides used by the company which is based on the Pesticides Book of Agriculture and Forestry in 2014 issued by the Directorate of Fertilizer and Pesticide, Directorate General of Agriculture Infrastructure and Facility, Ministry of Agriculture of the Republic of Indonesia in 2014, it is known that all types of pesticides used by the company has been licensed and registered , The use of pesticides is carried out by the company has been recorded properly in each estate which identifies the amount of pesticide usage, the work item (chemis circle, harvesting path and inter row) the amount of usage per hectare and the number of applications.

Herbicides used up to May 2015, namely: Primaxone, clean up and garlon. The overall pesticides has had a marketing authorization.

- Primaxone with paraquat active ingredient, used by limited pesticide usage operators. Target weeds: broadleaf weeds, narrow leaf weeds and teki.
- Clean up with isopropil amina glyfosat active ingredient, with systemic work system. Target weeds: broadleaf weeds (*Mikania micrantha* and *Synedrella nodiflora*).
- Garlon with active ingredients tryclophir, Target weeds: broadleaf weeds (*Boreria latifolia*, *Pueraria javanica*,

*Callopogonium muconoides, Centrosema pubescens, Chromolaena odorata, and Eupatorium odoratum*).

In the realization of its use by following the dominance of weeds in the field and rotation of the control programs that have been compiled.

The company has been routinely monitoring the pesticide usage in each month which includes the active ingredient, application areas, LD50 active ingredients, the amount of active ingredient per hectare and the application in the document of pesticide active ingredients analysis. Examples for PMSE up to May 2015 as follows:

- For herbicides with paraquat active ingredient applied to an area of 627 hectares, as many as 169 liters, 276 g / l of active ingredient, the amount of active ingredient used per hectare was 74.39 g for the application up to May 2015.

Based on the results of field visits in Pantai Mas Estate is known that the use of pesticides are in accordance with the designation. The results of interviews with spray supervisor also obtained information that before spraying, the spray supervisor conduct surveys to determine the type of weeds to be controlled and the type of herbicides to be used. Field observations known that the MSDS is supplied in the Hazardous Warehouse, rinse warehouse and spray truck unit.

Based on field interviews with spray teams and supervisor 1 in PMSE and PAGE known until May 2015 there were no prophylactic activity in the control of plant pests and diseases.

The company has been monitoring the use of pesticides that is included in WHO class 1A, 1B, and Paraquat regularly in the document of pesticide active ingredient usage analysis. Based on the document study of the use of pesticide active ingredients and data of chemical warehouse up to May 2015 is known, for example:

**PMSE :**

- The use of paraquat pesticides in 2013 as many as 3,465 liters, in 2014 as many as 1,902 liters, in 2015 up to May 2015 as many as 169 liters.
- The use of rat poison with Bromadiolon active ingredients in 2014 as many as 2,646 kg, in 2015 up to May 2015 there was no use.

The company also has provided MSDS (*Material Safety Data Sheet*) for each type of agrochemical materials (pesticides) which describes about the storage instructions and materials handling, handling in case of an accident (First Aid effort), Hazard identification, action against spills and leaks, personal protective equipment, physical and chemical properties, reactivity and stability, toxicology information, ecology information, waste disposal and transportation. Related to the use of agrochemicals in accordance with its dose, the management unit refers to the recommended dosage contained in each type of pesticide labels and pre-determined budget. Based on the observations in TUS unit in PMSE known that the MSDS and the explanation from the spraying activities are also presented in the form of an explanation notice board mounted in vehicles unit for spray teams (TUS vehicles unit).

Based on the field observations and interviews on the spraying activities in PMSE and PAGE known that:

- Spray teams have been equipped with adequate personal protective equipment (masks, goggles, rubber gloves, apron and boots).
- Supervisor and TUS unit are equipped with First Aid box.
- Spray equipment in good condition.
- Workers can explain the mechanism of safe spraying.
- Workers can explain the type of spraying and spray ban areas.
- The presence of spraying area warning boards.

Based on field interviews with sprayers and supervisor 1 in PMSE and PAGE known there is no application of pesticides by air.

The storage of entire pesticides are stored in each estate chemical warehouse and based on the field visit in the Chemical Warehouse of Pantai Mas Estate and Pundu Estate there has been hazardous Symbol, MSDS (Material Safety Data Sheet), and Oil Trap while for the storage of former pesticide containers are kept in the hazardous waste temporary warehouse that get the permission from the Regional Environment Agency (BLHD) of East Kotawaringin District No. 660/34 / BLH-LB3 / VIII / 2012 dated August 30, 2012 with the period of license valid for 5 years.

The company has had a working instructions regarding to the management of waste from the use of pesticide among others, all the former pesticide containers which have been empty should be controlled and managed properly and should not be used for employee consumption and packaging that are not reused must be perforated in the bottom and sent to the Hazardous Waste Temporary Warehouse. Effluent from the washing of PPE and working clothes drained and provided the pitcher with under flow system to capture the soap particles before being discharged.

Based on the results of field visits in Pelantaran Agro Real Estate and Pantai Mas is known that the use of pesticides is in accordance with the designation. Results from interview with the spray supervisor also obtained information that before carrying out Spraying activity, supervisor conduct surveys to determine the type of weeds to be controlled and the type of herbicide used.

The company has had work instructions regarding to the occupational health and safety and monitoring the use of pesticide with policy No. GA / WNL-K3 / IK-01/03/2012 which was passed on March 12, 2012. The work instructions explaining about the waste management from the use of pesticides namely: Effluent from the washing of PPE and workwear drained and provided the treatment pitcher with under flow system; former pesticide container that has been empty must be controlled and managed with good circulation and may not be used for employee consumption activities, such as for water and food container and the former pesticide containers that are not reused must be perforated in the bottom and sent to the hazardous waste temporary warehouse.

Based on the results of observation in BSS & BMS house known that effluent from the washing of PPE and Spray Team Work Clothes flowed into *treatment* reservoirs which further will be reused as a mixture for spraying. Then washery of former fertilizer sacks supplied to the *treatment* reservoirs which was then applied to the land. Based on the results of field observation in employee housing in Pelantanan Estate is known that workers do not use pesticide containers to keep the water and food.

The Company has been regularly conducting medical examinations for employees who are at high risk. Based on the medical examination conducted by the company, there are no workers who suffered health problems. According to interviews with sprayers obtained information that the medical examinations are conducted regularly and the employee recognized that there is no disturbance or exposure from pesticides. Interview with workers known that they are never get experience of occupational injury which caused by chemical such as irritation, skin disorders or rashes, breathing difficulties or nail problems

Based on the results of field visits and interviews with sprayers in Pelantaran Agro Estate and Pantai Mas Estate is known that there are no sprayers who are pregnant and lactating working with pesticides.

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

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

The Company has a policy related to the OHS program which is committed to make the work environment healthy and safety. The management unit has owned procedures related to the OHS for example, First Aid SOP, Periodic Health Examination SOP, etc. Moreover, the management unit of estate and mill has a work program related to OHS. Based on the results of field visits in Plantaran Agro Estate, Pantai Mas Estate and Katari Agro Mill, the company has applied the

regulations related to the OHS which are documented and evaluated for each month in the regular meeting of Guiding Committee of Occupational Safety & Health boards.

The management unit has had a document of risk analysis for occupational health and safety program. The document drawn up for the identification and analysis of hazard potentials that may occur in each work area as well as the recommendation to minimize the accidents. Based on the document study and field visits either in the mill or in the estate is known that the management unit has socialized the risk analysis document to all employees.

The management unit of estate and mill provides OHS training to workers, among others, training related to the First Aid (P3K) to the workers who attend the training are the people who are in the operational activities in the field (estate) and mill. Besides, training related to the emergency response is also routinely performed. There are also available procedures related to the emergency response.

Based on the results of field visits and interviews with workers in Pelantaran Agro Estate and Pantai Mas Estate known that the management unit has been providing PPE to employees, for example PPE provided including shoes, helmets, goggles and gloves for Harvesters. The results of field visit was also known that the harvest supervisor has been equipped with first aid box. Based on the results of interviews with supervisor known that the supervisor had understood first aid in case of occupational accidents in the field, for example, when exposed spines, the measures carried out by cleaning the wound and providing first aid then the supervisor brought the workers to the clinic to be treated by estate nurse

The management unit of PT. WNL owned the Guiding Committee of Occupational Safety & Health (P2K3) which is responsible for OHS program in each work unit (Mill and Estate). Results of interviews with Labor and Transmigration Agency of Kotawaringin District 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 workplace accidents investigation, work accidents recapitulation, Guiding Committee of Occupational Safety & Health activity reports, employee health examination reports, minutes of Guiding Committee of Occupational Safety & Health meetings held every month

The management unit has been providing accident insurance for their employees in accordance with the conditions set by the government. The insurance is in the form of Employment Social Insurance Agency which is paid routinely to the Social Insurance Agency. But, the results of document examination and interviews with daily workers in PT WNL known that all temporary employees or daily workers are not included in the Work Accident Insurance Program. **Based on the explanation, then found non conformity No 2015.02 on Minor Indicator 4.7.6**

<b>4.7.6</b>	<b>Status: Non conformity No 2015.02 on Minor Indicator</b>
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#### **4.8**

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

The company has had a training program which describes about the training type, training time and trainee. In addition, the company has also made the training needs identification matrix which describes about the training type, trainee, the estimated number of participants, facilitators, implementation needs annually and the target in one year. Records of training to the employees in PT WNL among others:

1. Nurturing Culture training program on September 12, 2014 with the participants as many as 48 people (*Human Capital*).
2. Upskilling Upkeep (*manuring and spraying*) central Kalimantan region on August 25 to 27, 2014 with the participants as many as 17 people (*agronomy*).
3. Refresher training on the use of spray equipment on June 24, 2015 with the participants as many as 35 people (*agronomy*).

**Status: Comply**
**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.**

Environmental analysis document owned by the company is:

- EIA document in accordance with the Regent Decree of East Kotawaringin No. 16 / komisi-Kotim / VI / 2008 dated June 28, 2008 on the Environmental Feasibility of Plantation and Palm Oil Mill Development Activity of PT. Windu Nabatindo Lestari in East Kotawaringin District, Central Kalimantan Province. The scope of the EIA study is Plantation Development (Pundu Nabatindo Estate, Pantai Mas Estate and Katari Agro Estate) covering an area of 9,616.28 hectares and Palm Oil Mill capacity amounted to 90 Tons FFB / Hour. *The types of impacts managed and monitored are the nature of the soil (fertility), surface water quality, abundance of benthos, number and distribution of the population, employment and business opportunities, income level, Public unrest and the Potential for accidents and Disease transmission.*
- Environmental Management Efforts / Environmental Monitoring Efforts document of Pelantaran Agro Estate covering an area of 1,934.58 hectares in accordance with the Decree of East Kotawaringin Environmental Body No. 660/27 / RKM / UKL-UPL / BLH / V / 2013 dated May 22, 2013. The environmental permit is in accordance with East Kotawaringin Regent Decree No. 188.45 / 297 / Huk-BLH / 2013 dated May 30, 2013. *Types of impacts that must be managed and monitored are Work Accidents, Water Quality, Hazardous Waste, Public Unrest, Air Quality, Noise and Public Health.*
- Environmental Management Efforts / Environmental Monitoring Efforts document of Katari Agro Mill covering an area of 13.55 hectares with a capacity of 90 tons FFB / hour in accordance with the Decree of East Kotawaringin Environmental Body No. 660/31 / RHM / UKL-UPL / BLH / 2013 dated June 26, 2013. The environmental permit is in accordance with East Kotawaringin Regent Decree No. 188.45 / 298 / Huk / BLH / 2013 dated June 26, 2013. *Types of impacts that must be managed and monitored are Public perception on the increase in the labor, Increase in workplace accidents, air and noise quality degradation, water pollution, solid waste pollution, WTP clean water, water and soil pollution and the utilization of effluent in the soil.*

Based on the results of field observations, interviews with the company's management as well as interviews with East Kotawaringin Environmental Body known that there are no changes in the practice that is being run by estate and mill, so that there are no changes for the environment documents owned. The environmental documents owned is still the old documents, namely EIA in 2008 for plantation scope (Pundu Nabatindo Estate, Pantai Mas Estate and Katari Agro Estate) and palm oil mill (Pundu Nabatindo Lestari Mill) and Environmental Management Efforts / Environmental Monitoring Efforts in 2013 for the mill scope of Katari Agro Mill.

The Company has implemented the environmental management and monitoring to reduce or prevent negative impacts, which are recorded in the Environmental Management Plan / Environmental Monitoring Plan report of second semester in the period of July to December 2014. The implementation report of Environmental Management Plan / Environmental Monitoring Plan is then reported to the Environmental Body of East Kotawaringin District on April 20, 2014. Based on the observations on that document is known that the company has conducted management and monitoring in accordance with the direction from the environmental documents, among others:

- **Management of soil quality.**  
Management of soil quality made by the company, for example, by planting cover crops, utilizing the EFB for mulching, fertilization according to the research recommendation, the use of pesticides allowed by the government, conduct soil quality testing for the annual *Land Application* activity and report the results to the Environmental Body of East Kotawaringin District.

- **Management of water quality.**

Soil quality management conducted by the company, for example by utilizing the mill effluent on land (*Land Application*), to test the quality of mill effluent, the water quality in the monitoring wells, ground water quality, aquatic biota and river water quality.

- The company has been testing the mill effluent with the result is still in accordance with the environmental quality standard
- The company has been testing the water quality in the monitoring wells at 4 points with the parameters Ph, BOD, DO, N) 3-N, NH3-N, Cd, Cu, Pb, Zn, Chloride and Sulfate. The test results showed that the test parameters in general are still in accordance with the environmental quality standards.
- The company has been testing the quality of clean water in Plantaran Agro Estate, Emplasment Utama, Plantaran Agro Estate, Division 2 and 3 in accordance with Regulation of Health Ministry No. 416 Year 1999 about the terms and supervision of water quality
- The company has been testing the surface water of Bengkuang River Upstream and Downstream; Cempaga river, Cempaga Buang River and Katari River (**see 4.4.3**)
- The company has been testing the abundance of aquatic biota with the results are still ranged between moderate and good.

- **Management of air quality.**

Soil quality management performed by the company, for example, by watering the soil, planting trees in the housing and office area, maintenance the mill tools periodically, install the *dust collector* on the boiler and install the *filters* on the generators and boilers chimney, perform periodic testing of air quality.

The results of air quality testing in second semester of 2014 (ambient and emission) known that is still in accordance with the maximum limit of quality standards set. However, for the noise there are still results that do not fit in the Boiler, Engine Room, Kernel (> 85 DbA). To anticipate the impact, the company has been providing PPE in form of Ear Plug and Ear Muff for operators who are working in high noise place.

**Status:Comply**

**5.2**

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

The company already has a record of HCV identification made by PT WNL in collaboration with the Faculty of Forestry, Bogor Agricultural University for 2 months (September up to October 2010). HCV drafting team has gained approve from the RSPO with the Team Leader on behalf of Dr. Ir. H. Nyoto Santoso, MS. The documents of analysis and HCV identification have also been reviewed by Dr. Kunkun Jaya Gurmaya.

Based on the document known that the identified HCV covering an area of 273.14 hectares with the establishment covering an area of 206.42 hectares in accordance with the Internal Office Memo dated November 5, 2014. The Company had socialized the determination of HCV on September 25, 2014 which was attended by all employees of Area III and IV. The attributes of HCV in PT WNL that is:

1. Bengkuang Riparian and Bengkuang Tributary covering of 63.8 hectares in PNBE (HCV 1.1; 1.2;1.3;2.3 & 4.1).
2. Cempaga Buang Riparian covering of 43.22 hectares in PMSE (HCV 1.1;1.2;1.3;2.3 & 4.1).
3. Katari Riparian covering of 34 hectares in KAGE and PMSE (HCV 1.1;1.2;1.3;2.3 & 4.1).
4. Keruing Riparian covering of 50.67 hectares in PAGE (HCV 1.1;1.3 & 4.1).
5. Kerangas Forest covering of 14.7 hectares (HCV 2.3).
6. Sacred Stone covering of 0.01 hectares (HCV 6).
7. Sacred Tree covering of 0.02 hectares (HCV 6).

The types of animals that come into the category of rare, threatened and endangered or RTE (rare, threatened or endangered) among others; Orang Utan (*Pongo pygmaeus wurmbi*), Uwa-uwa (*Hylobates agilis*), Bekantan (*Nasalis Larvatus*), Honey Bear (*Ursus Malayanus*), Pekaka Emas (*Pelargopsis capensis*), Raja Udang Meninting (*Alcedo*

*meninting*), Rangkong (*Buceros rhinoceros*), Elang bondol (*Haliaeetus indus*) etc.

The results of observation to Keruing Riparian in Block C-19 (HCV.1.1), has already available the *buffer zone* boundary markers in the form of wooden pole with maintained condition, HCV attributes signboard, prohibition signboard of chemical application, planting of tree with the types of Belangiran and Meranti in living conditions and well-maintained and etc.

The results of interviews with Environmental Body of East Kotawaringin District known that the company has made the protection of riparian by planting trees and installing a signboard a ban on the chemical application. Until now there has never been a complaint from the public related to the river pollution.

Based on the HCV documents, there are HCV areas covering of 206.42 hectares and the types of animals that come into the category of rare, threatened and endangered or RTE. The company conducted the protection of HCV areas and RTE animals in accordance with the work plan set in 2015, among others, the installation of the *signboard* ban on the activity of burning and hunting the protected animals, installing the *buffer zone* pole, planting trees around riparian, socialization the HVC to all employees and to the surrounding community, monitoring and patrolling regularly and others.

Based on the results of the visit to Keruing Riparian in Block C-19 (HCV.1.1) known that is already available signboard ban on burning activity and hunting the protected animals, planting trees around the riparian, installing buffer zone pole, and others. The results of the visit are not found protected animals.

The Company has implemented a program to educate the workforce regularly about the status of RTE species and HCV areas, among others: the socialization of HCV to employees on March 17, 2015 by the Assistant Division 1 with the number of participants as many as 20 people (PMSE employees) and 20 BSS Supervisors and PAGE Employees). Material presented about not being allowed to spray, hunting wildlife and cut down the trees in the HCV area. Socialization of HCV to all representatives of PT WNL employees with 16 participants. Material presented include the management of HCV to the HCV officers (basic knowledge about HCV and operating instructions for managing the HCV).

Actions taken if found individuals who work for the company capture, hurt, collecting or killing of these species include: The individuals will be penalized under the Act No. 5 Year 1990 Article 21 about **"Whoever capture, maintain, and or trade in protected species, threatened with a maximum prison sentence of five years and a fine amounted to 100 million rupiah"**.

The company has been monitoring RTE species and HCV areas regularly based on the work plan set, for example, wildlife monitoring, signboard monitoring, patrols and HCV maintenance, and others. Based on the results of the visit to Keruing Riparian in Block C-19 (HCV.1.1), available *signboard* ban on burning activities and hunting of protected animals with good conditions, there is a chemical fertilizer which is applied to the HCV area in block C-19 and not found protected animals.

The company is encouraged to ensure the application of fertilizer in the HCV area in accordance with the policy set (**OFI No.4 with Observation**).

Based on the results of the visit to Keruing Riparian in Block C-19 (HCV.1.1), it is known that the defined HCV area is the company area (not a public land). The results of interviews with the public is also there is no conflict of communities area which used as the HCV area / conservation.

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

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

The company has had a document of waste and pollution sources identification in 2015. The document explains that: There are four waste sources in the estate operational area and eleven waste sources in the mill operational area. Hazardous waste and including the former pesticide containers generated by PT WNL are stored temporarily at the

licensed hazardous waste temporary warehouse (Regional Environmental Body Decree of East Kotawaringin District No. 660/34 / BLH-LB3 / VIII / 2012 dated August 30, 2012) located in Transi Central, Pelantaran Agro Estate and Pundu Nabatindo POM). Then periodically submitted to the licensed hazardous waste collector namely CV. Nazar (Minister of Environment Decree No. 06.8.05 Year 2015, dated May 13, 2015).

Based on the observations on the Hazardous Waste balance document known that the hazardous waste from the estate and mill is sent to the Centra Pundu Nabatindo Traksi to be submitted to the collector (CV Nazar). Then for medical waste throughout the estate is periodically submitted to the hazardous waste temporary warehouse in Centra Pundu Nabatindo Traksi and then sent to the Sari Mulia Hospital to be destroyed.

The Company has implemented a waste management plan, for example:

- Used oil, former battery, dust cloth and other hazardous waste are kept in the licensed hazardous waste temporary warehouse and then handed over to the licensed collector (CV Nazar).
- Katari Agro Mill effluent managed at the WWTP and applied to the land (Land Application) after the BOD in accordance with the environmental quality standards.
- Exhaust waste is managed by testing at accredited laboratory and the results are reported to the Environmental Body of East Kotawaringin District.
- Fiber and shell waste is used as the boiler fuel.
- EFB waste is used as the organic mulch.
- Organic waste is discarded to the temporary waste disposal and periodically dumped into landfill (TPAS). The company is encouraged to perform the organic and inorganic waste separation in its management to avoid or reduce the pollution / contamination **(OFI No.5)**

Based on the observations to the POM, found:

- Waste management facilities (WWTP) Katari POM are located higher than the surrounding environment (+ 5 meters). However, it has not shown the evidence of analysis and plans to mitigate the risk of pollution in case of damage in the embankment on a large scale.
- The company could not show the evidence of management and monitoring of effluent that comes out from the mill, especially boiler exhaust and mill drainage to fit with the provisions of the applicable quality standard.

**Based on the explanation, then found non conformity 2015.03 with Minor category**

<b>5.3.3</b>	<b>Status: Non conformity 2015.03 with Minor category</b>
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<b>5.4</b>	<b>Efficiency of fossil fuel use and the use of renewable energy is optimised.</b>
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The Company has analyzed the use of renewable energy (fiber and shell) that is used as the boiler fuel. The study is recorded in the document of renewable energy usage monitoring in the period of January to May 2015. Based on the document observation known that: processed FFB amounted to 101,721 tons; The use of fiber amounted to 12,212 tons; The use of shells amounted to 1,029 tons; and Kw amounted to 2,931.7 Based on these data it is known that the energy efficiency resulting from the use of renewable energy amounted to 0.028 Kwh / ton FFB.

During the period of January up to May 2015 the total of shell usage amounted to 1,029 tons or equivalent to 293,550 liters of diesel fuel, while the use of fiber amounted to 12,212 tons or equivalent to 293,088 liters of diesel fuel. If the price of diesel fuel industry is Rp 7,000 / liter, then the savings that can be made from fiber is Rp 2,054,850,000 and shell is Rp 2,052,616,000.

<b>Status: Comply</b>
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<b>5.5</b>	<b>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.</b>
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The company has a policy related to the ban on burning contained in the technical guideline No. BGAAGRKS-PTKS-PLH ratified on May 27, 2011. The policy stated that land clearing for oil palm cultivation is done with the maturation process of the land and without the burning process. This policy has been implemented, for example, in Pelantaran Agro Estate,

land clearing in 2008 conducted by *stacking* covering an area of 236.5 hectares (available records in the form of land clearing activity photos and Collective Labor Agreement No. 152-SAB / WNLL-KAGE / AGR-JKT / 07/2013 about the lease of heavy equipment (*excavators*) for stacking activities. Meanwhile, for Pantai Mas Estate, land clearing activities in 2013 conducted by *stacking* covering an area of 71.2 hectares.

Based on field observations, in some planting locations still can be seen the remains of pile and embankment from logged at the time of land clearing.

<b>Status:Comply</b>
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## 5.6

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

Katari Agro POM has identified the source of pollution / contamination and made plans to reduce the pollution / contamination. Pollution sources were identified, namely Enginee Room, Loading Ramp Station, Workshop, Kernel Station, Press Station, Office, Housing and Mess, Boiler Station, Water Treatment Station, Laboratory and Station. For example, in the wokshop identified Used oil, used battery, former Filters, Dust Cloth which is managed by storage in the hazardous waste warehouse and delivered to the licensed collector. In the Enginee Room identified air pollution which is managed by monitoring it regularly.

Katari Agro POM also has identified the sources of environmental emissions. There are seven (7) emission sources which are identified, namely the operation of vehicles, generators, boilers, incinerators, waste operation, sterilization and PKO processing. The control is done partly by monitoring and testing the vehicle emissions, testing the generator and boiler emissions, utilizing the effluent and use the Personal Protective Equipment.

The management unit of estate identified the sources of pollution / contamination and made palns to reduce the pollution / contamination. There are 5 sources of pollution which were identified, namely Generator House, Fertilization, Workshop, Chemical / Spraying Warehouse and Office. For example, in the Generator it is identified the Used oil, Dust Cloth, Air Pollution Emissions, and others which are managed by storage in the Hazardous Waste Temporary Warehouse and handed over to the licensed collector. For the fertilization it is identified the Used Sacks, Gloves, laundry water which are managed by storing in the former goods warehouse, stored in the hazardous waste warehouse and temporary tank and then applied to the land.

The management unit (Katari Agro Mill) has identified the sources of GHG emissions in the POM recorded in the documents of pollution and emission sources identification as well as the reduction efforts that have been approved by the Mill Manager on April 22, 2015. For example, FFB transport is produced the truck exhaust with the type of emission is CO<sub>2</sub>, steam processing generating boiler chimney with the types of emissions are CO<sub>2</sub>, CH<sub>4</sub>, and N<sub>2</sub>O, electric lighting produced generator exhaust with the type of emissions are CO<sub>2</sub>, CH<sub>4</sub>, and N<sub>2</sub>O and the operation of waste produced gas emissions with the type of emissions are CO<sub>2</sub>, and CH<sub>4</sub>.

The management unit has identified the source of GHG emissions in the mill and POM (CO<sub>2</sub>) which is recorded in the document of palm green house gas (GHG) estimation of PT WNL in the period of 2014 which was approved by Sustainability System and Management on April 17, 2015. Sources of emissions (GHG) in the Estate, namely Land use change, Fertilizer, Pesticide and diesel used for transport and generators. Sources of emissions (GHG) in the POM, namely Methane POME in open pond systems, EFB Mulching, and Diesel used in palm oil mill and the sources of transport emissions, namely Transport of Kernel to the KCP and transport of CPO to the Refinery.

Based on the field observation to the POM and Estate not found ex-combustion and combustion activities.

The company has been monitoring the emissions quality in accordance with the work plans which are recorded in the environmental documents (RKL/RPL 32ocument). The result test in accordance with related regulation and reported to

the Environmental Body on April 20, 2014.

The company has been testing the noise at the location Boilers, Engine Room, Kernel, Stews and Thresher with reference to *Keputusan Menteri LH No. 48, 996*. The results tests shown that there is parameters not comply with related regulations (> 85DbA). The company has an action management by giving ear muff and ear plug for operators, engine maintenance periodically and greening the area around. Based on field observations in Stasiun Boiler and Stasiun Sterilizer, operators using PPE when working.

The Company also made the calculation of GHG in 2014, with a total of GHG is 1,305.5 kg CO<sub>2</sub> / ton of Palm Product. GHG calculation results have been reported to the RSPO Secretariat.

**Status: Comply**

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

**6.1**

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

The Company has a Document of Social Impact Assessment (SIA) conducted by a third party (IPB) for 2 months (July 26 up to August 6, 2010). The location of SIA study is the village of Pundu, Pelantaran, Keruing, Bukit Raya, Pantai Harapan, Bukit Batu, Sudan and Sei. Ubar Mandiri. The SIA document contains about the general conditions and characteristics of the community around PT WNL, Strategic Issues, Employment and the relationship between the parties, the impact of PT WNL, PT WNL Social Management Plan, as well as the conclusions and recommendations.

Available recording evidence of community meetings around the estate during the preparation of the environmental and social impact assessment. The respondent data from Kruing Village as many as 11 people, Bukit Raya Village as many as 17 people, Pundu Village as many as 17 people, Bukit Batu Village as many as 7 people, Sudan Village as many as 12 people, Pantai Harapan Village as many as 29 people, Sei. Ubar Mandiri as many as 9 people, Pelantaran Village as many as 3 people.

SIA document contains about the general conditions and characteristics of the community around PT WNL, Strategic Issues, Employment and the relationship between the parties, the impact of PT WNL, PT WNL Social Management Plan, as well as the conclusions and recommendations. Social Management Plan for 2014 to 2015 among others:

- Community economic Improvement Program
- Community education quality improvement program
- Counseling and improving the public health quality
- Establish the communication and networking with all stakeholders who are related to PT. WNL
- Improving labor facility
- Measuring the level of community satisfaction and the success of the company's work program

However, it has not yet available the evidence of a regular review on the Social Management Plan in a participatory manner. Based on the evaluation of the success of previous management plans to anticipate the changes and developments of plantation business such as the operationalization of Katari Agro Mills POM. **Based on the explanation, then found non conformity 2015.04 with Minor category**

The company has been paying particular attention to the plantation operational impact on the smallholders through the Environmental Impact Assessment (EIA) in 2008 and Social Impact Assessment in 2010, which has the scope to cover the smallholdings area. The document of impact analysis describes about the potential impacts from the development of smallholdings especially in the form of improving the welfare of the community around the estate and business opportunity to become a company partner. PT. WNL manages the community plantation area by using the partnership method (partnership with full management / fully manage).

The company is encouraged to further improve the capacity of smallholders (cooperatives and smallholders) in order to manage the cooperative nicely (OFI No. 6)

**6.1.4 Status: Non conformity 2015.04 with Minor category**

### 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.**

Verification of documents showed the communication procedure is available in the SOP No. SOP-WNL-KOM-01, which was approved by Area Controller 3 on August 29, 2013. The procedure describes about the *flowchart* and communication mechanisms through the delivery of official mail which was delivered to the company either in the form of complaint or information. The company will respond no later than 15 days after receipt.

For consultations initiated by the company (if required), the procedure is through the delivery of consultation plan / dialogue with the public in written form through the Village Chief / Indigenous Chief / Community leaders or the local government, then the response from the Village Chief / Indigenous Chief / Community Leaders or Mediator (Government officials), Management Head Office / relevant parties gave positive responses in written form (no later than 15 days).

In the company structure, a field that is responsible for communication and handling the social issues are: the Department of DNL (Document and License), CSR, and field coordinator in each estate. DNL Department officers who deal with PT. WNL in the name of Hendri Girsang while the CSR Officer in the name of Ahmad. For the effectiveness of communications, besides the officials from DNL Department and CSR, the Company also has the officers who are responsible for consultation and communication with the community in each estate.

For the communication purpose, available a list of Stakeholders in PT WNL from January up to December 2013 which include: The Government of Central Kalimantan province, the Government of East Kotawaringin, the Government of Cempaga Hulu District, the Village Government around (for example: Pundu Village, Pantai Harapan Village, Sei. Ubar Village, Keruing Village, Bukit Batu Village, Pelantaran Village, Sudan Village, Bukit Raya Village), Community leaders including Dayak Customary Council (DAD) and Demat in Cempaga Hulu, Plantation, University, contractors and suppliers, and so forth.

**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.**

The Company has a Communication Procedure (SOP-WNL-KOM-01) ratified by Area Controller 3 on August 29, 2013. The external communication in the form of an official letter that was delivered to the company in the form of a complaint or information responded by the company no later than 15 days after receipt.

The procedures have been explained adequately about the mechanism of consultation / dialogue with the community through consultation / dialogue with the community through the Village Chief / Indigenous Chief / Community leaders or local governments. The Company also has the document of Code of Conduct No. BGA-COC-HC-333.1-RO Chapter V about the Enforcement and Reporting 5.3. The Reporting Mechanism of Violations through the complaint box and hotline telephone. The Company shall follow up each report which potentially harmful in material and can damage the image of a company, among others caused by irregularities, manipulation and so forth, the complainant shall state his identity and the report recipients **shall keep the identity of the complainant, the company will provide law protection in accordance with the applicable laws.**

As explained in the previous indicators 2.2.3, a number of cases of land conflicts still occur in PT. WNL in 2015 in the form of land claims that have been cultivated by PT. WNL. Based on the case recapitulation of land conflicts in PT WNL, the number of recorded cases occurred since 2013 were 23 cases and a number of 16 cases have been completed by

consensus, while the 7 cases are still running.

For all the conflict that goes, available the evidence and the documentation that the company has made efforts in accordance with the conflict resolution procedure. In addition to the documentation examples of conflict resolution which has been mentioned in indicator 2.2.3

**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.**

The company has had a document of land compensation procedure No. SOP-PAD-001 which describes about the construction of quality standards for land compensation process (GRTT) and land in all operational areas of BGA. The mechanism / general process be taken that is:

- Determination of the Annual Work Plan (RKT) of oil palm plantation development by the representative of the responsible department (Partnership and Development Centre and Regional, Estate Manager, Regional Head, GM Plantation).
- Checking the feasibility in technical agronomy and recommendations on the area by the representative of the responsible department (Research, PAD, GIS, Agronomy).
- Conduct an inventory, pioneering and measuring and inventory teams formed by representatives of the responsible department (PAD center and regions, GIS, Research, Village Government, Sub district Government, Community leaders and landowners).
- Conduct socialization to the land owners based on the results of the inventory by the relevant department (regional PAD, inventory teams and landowners).
- Negotiations with land owners at a price approved by the company management.
- Making the preparation of Land compensation payment implementation (land compensation legal documents, the place and time of execution, documentation and photos)
- Land compensation payment to the landowners.
- Making the minutes of land compensation payments.
- Land compensation handover.

There is sufficient evidence that the process and result from any negotiated agreements and compensation claims have been documented with the evidence of the involvement of those affected parties. The documents opened and accessible to the public related to the applicable issue.

Total locations that have been compensated in WNL area (Estate Land Use Title and Mill Building Use Title) since 2006 up to 2012 was 6,712.27 hectares with a total value of compensation was Rp 4,622,029,559 recorded on each estate / plantation, that is:

- Land compensation recapitulation in KAGE for 73 recipients with a value of Rp 783,540,000 with a total area of about 672 hectares. Payment is made in stages from 2007 to 2010.
- Land compensation recapitulation in PAGE for 222 recipients with a value of Rp 1,443,100,000 with a total area of about 1,230.45 hectares. Payment is made in stages from 2004 to 2009.
- Recapitulation of land acquisition in 2013 in PAGE covering an area of 124.79 hectares with a nominal value of Rp 970,695,000. After 2013 there were no land acquisition activities.

**Status:Comply**

#### 6.5

**Pay and conditions for employees and for employees of contractors always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.**

The results of document verification and interviews with the management, the company already has an Office Memo from

Human Capital Group Head No. 010 / IOM / HC-BGA / I / 2015 about the setting of wages in accordance with Central Kalimantan Governor Regulation No. 43 Year 2014 set that the District Sectoral Minimum Wage of East Kotawaringin amounted to Rp 2,108,920 or Rp 84,357 / day.

The results of document verification known that the wages earned by workers in accordance with the District Sectoral Minimum Wage of East Kotawaringin, namely for permanent daily employees with the basic wage amounted to Rp 2,108,920 / month and Temporary Workers with wage received per day amounted to Rp 84,357.

The results of interviews with employees in Tanah Mas Estate and Plantaran Agro Estate known that the salary levels are in accordance with the applicable regulations. Interviews with workers' representatives (Bipartite Cooperation Institution and Gender Committee) known that the company has paid wages according to the applicable regulations.

The company has the Company Regulations in 2014 to 2016 in accordance with the Decree of Directorate General of Industrial Relations and Labor Social Security No. KEP.343 / PHIJSK-PKKAD / PP / IV / 2014 dated April 7, 2014. In the company regulation has clarified about the rights and obligations including working hours (Article 8), overtime (Article 9), entitlements (article 28 to 29), and the reason for layoffs (Article 48 to 58), labor social security (Article 23), holiday allowance (chapter 24) and others. The company regulations have been informed to the manager and the staff (93 employees) on February 26, 2015 in Metro Pundu Learning Centre, but the socialization of Company Regulation has not carried out until the workers level.

Based on interviews with Bipartite Cooperation Institution obtained information that the company regulations have been agreed by the employee and have been socialized to the employees.

Based on the field observations in the housing of Plantaran Agro Estate and Tanah Mas Estate known that:

- Means of residence: G6 housing in the form of permanent housing, there are 2 bedrooms, living room, kitchen and toilets. Lighting sources come from a generator set with a capacity of 45 KVA. Clean water sources from water wells with decent conditions to use. Household waste management has already done sorting organic and inorganic waste. Inorganic waste is transported by a garbage truck as many as two times a week and collected in the landfill (TPAS).
- Education facilities: Available places for Early Childhood Education (ECD), Kindergarten (TK) and Primary School.
- Health facilities: Available clinic with doctors and nurses who are already certified by Hygiene Company and Occupational Health.
- Public facilities: Available employees hall, daycare and the Smart House is a facility which means non-formal education aimed at children and mothers activities in the plantation environment.
- Places of worship: Available mosques.
- Sport facilities: Available football field.

Based on interviews with employees obtained information that the facility provided by the company is sufficient and decent. In addition, it also obtained information that most workers do not live in the estate housing but returned home in the village around the estate operational.

However, the company has not been able to show sufficient proof of clean water supply to the workers according to the standard from Health Ministry Regulation No. 416 Year 1990 about the terms and supervision of water quality. **Based on the explanation, then found non conformity 2015.05 with Minor category**

The company provides employees Cooperative facilities that sell the household goods and the company allows vegetables sellers, etc. to enter the employee housing. The company is always doing monitoring activities related to the prices of basic commodities in order to remain reachable by employees.

Results of interviews with employees every month (after payday) the company provides transportation for transporting employees to shop at the nearest markets.

6.5.3	<b>Status: Non conformity 2015.05 with Minor category</b>
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**6.6**

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

Policy about provides the freedom to workers to organize is documented in the company policy ratified by Area Controller on March 02, 2012. In the policy stated that **"The company gives freedom to all employees to form or be a member of a worker union in accordance with Law No. 21 Year 2000 about freedom of association"**.

The Company has evidence / documentation of socialization related to the Internal Memo of Freedom of association in Region 3, on September 9, 2012 in Division I of PNBE which was attended by the manager, assistant manager, harvest supervisor 1, harvester, BSS and BMS team. Results of interviews with Bipartite Cooperation Institution obtained information that the company does not limit the workers to form worker unions.

The company can show a record of meetings with Bipartite Cooperation Institution, for example, on December 20, 2014 in the meeting room of Metro Pundu Region which discusses about: 1) Provision of fire extinguisher in employee housing, 2) mechanism of employee internal complaints which uncovered, attended by 6 members

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

**Children are not employed or exploited.**

Policy about opportunities and equal treatment in employment opportunity, freedom of association, workers age requirements and protection for female workers ratified on March 2, 2012 by Area Controller 3 and 4.

Point 2 stated does not employ children under age (under 18 years) in accordance with the Ministry of Labor and Transmigration Decree No. 235 / Men / 2003 and Act No. 13 Year 2003 about Employment.

Based on the Employee Parent Book in March 2015, the youngest employee was 18 years old (harvest administrator) with date of birth May 28, 1996 and started work on March 1, 2014.

The results of interviews with employees, employees are aware that the minimum age for employment is 18 years old and based on the results of field visits known that there are no employees under 18 years old.

<b>Status:Comply</b>
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**6.8**

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

Based on the company document study has shown enough evidence regarding to the implementation of anti-discrimination policies in the list of employees. Based on the interviews with sprayers in Pantai Mas and all employees, they received equal employment opportunity and do not differentiate between local communities, women, and migrant workers.

Based on the employee parent book in March 2015, the workers are come from the Dayak tribe, Banjar tribe, Javanese, Bugis, Flores, Lombok, Banten, Betawi, Sundanese, and Malay. Based on a review of company documents have shown sufficient evidences regarding to the implementation of anti-discrimination policies in the list of employees.

Based on the interviews with employees, Bipartite Cooperation Institution obtained information that there was no indication of discrimination based on ethnicity, religion, race and class. In addition, employees also know that all employees have the same opportunities to work and get promotion.

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

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

Based on the results of document review, interviews with workers and field observations proved that there is no use of labor which is trafficked or forced in any forms.

	<b>Status:Comply</b>	
<b>6.10</b>	<b>Growers and mills deal fairly and transparently with smallholders and other local businesses.</b>	
	<p>FFB purchase price applicable in the Management Unit (Katari Agro Mill) can be viewed by the public through the determination of FFB purchase price set by Central Kalimantan Governor every month. FFB pricing set by the Governor of Central Kalimantan through the meeting with the relevant stakeholders. The activity was recorded in the minutes of FFB pricing in Central Kalimantan Province for the period of March 2015 which was attended by 45 participants and for the period of April 2015 which was attended by 41 participants including KUD representatives in Central Kalimantan.</p> <p>Cooperation in purchasing FFB from smallholdings performed under the contract fairly, legally and transparently through the agreement No. 01 / KOP-HA / III / 2006 and No. 01 / MCC-WNL / III / 2006 dated March 21, 2006 on the Development and Management of Oil Palm Cultivation through Partnerships Pattern of KKPA covering an area of 5,750 hectares, between PT. WNL with Harapan Abadi Cooperative, Pantai Harapan Village, Cempaga Hulu Sub district, East Kotawaringin District. The agreement was signed completely by the company representatives and representatives from the cooperative boards and known by the Regent of East Kotawaringin.</p> <p>Verification of documents showed that the company has made payments on time. As shown by documents:</p> <ol style="list-style-type: none"> <li>Complete recapitulation of FFB payments to all suppliers for each payment period. The payment period has been likened with two weekly period.</li> <li>Proof of payment in the form of: invoices and weighbridge tickets, receipts via cash or bank transactions.</li> </ol>	
	<b>Status:Comply</b>	
<b>6.11</b>	<b>Growers and millers contribute to local sustainable development wherever appropriate.</b>	
	<p>The company has a record of the local development contribution, among others:</p> <ol style="list-style-type: none"> <li>Tax payment <ul style="list-style-type: none"> <li>Land and Building Tax payments of PT. WNL Estate for 2014 on October 25, 2014 with a value of Rp 1,134,501,400</li> <li>Land and Building Tax payments of PT. WNL Estate for 2014 on October 25, 2014 with a value of Rp 86,191,004</li> <li>Other taxes such as motor vehicle tax and income tax</li> </ul> </li> <li>CSR program <ul style="list-style-type: none"> <li>Heavy machinery assistance for the manufacture of senior high school treads in Hampalit Village on March 2015.</li> <li>Funds for repairs the Mosque in Pantai Mas, Katari Hutment on January 30, 2015.</li> <li>Assistance for the construction of Al-Mujahideen Mosque in Sungai Ubar Mandiri Village on April 7, 2015.</li> <li>Heavy machinery assistance to flatten the yards of Al-Khoirot Islamic boarding school on March 25, 2015.</li> <li>Material assistance for the construction of Ampung Church in Keruing Village on February 28, 2014.</li> <li>Material assistance for the construction of Church in Bukit Raya Village on October 14, 2014.</li> </ul> </li> <li>The involvement of local contractors for certain jobs and purchases from local businesses</li> <li>Smallholdings plantation development through cooperation with Harapan Abadi Cooperative since January 4, 2005 with a total of planted area of about 1,735 hectares.</li> </ol>	
	<b>Status:Comply</b>	
<b>6.12</b>	<b>No forms of forced or trafficked labour are used.</b>	
	Based on the document study, interviews with workers and field observation proved that there is no use of trafficked labor or forced in any forms.	
	<b>Status:Comply</b>	
<b>6.13</b>	<b>Growers and millers respect human rights</b>	

The Company has a Company Regulation which includes the Right of employees who are part of human rights; the company has conducted socialization about Company Regulations on February 26, 2015 in Pundu Nabati Learning Centre, which was attended by 95 employees (manager and staff).

**Status: Comply**

### PRINCIPLE #7 Responsible development of new plantings

#### 7.1

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

PT WNL has been conducted RSPO NPP Procedure on 2013. Document of the social and environment impact assessment owned by PT WNL is described on the criteria 5.1 and 6.1.

Environmental analysis document owned by Windu Nabatindo Lestari (WNL) is:

- EIA document is in accordance with the decision of the Regent of East Kotawaringin No. 16 / komisi-Kotim / VI / 2008 dated June 28, 2008 on the Environmental Feasibility of Plantation and Palm Oil Mill Development Activity of PT. Windu Nabatindo Lestari in East Kotawaringin District, Central Kalimantan Province.
- Environmental Management Efforts / Environmental Monitoring Efforts document for Pelantaran Agro Estate covering an area of 1,934.58 hectares in accordance with the recommendations from the Head of Environment Agency No. 660/27 / Rkm / UKL-UPL / BLH / V / 2013 dated May 22, 2013 and the environmental permit in accordance with the decision of East Kotawaringin Regent No. 188.45 / 297 / Huk-BLH / 2013, dated May 30, 2013. Aspects that must be managed and monitored are: Work accidents, water quality, fish species decline, Hazardous waste, public unrest, air quality, noise and public health.
- Environmental Management Efforts / Environmental Monitoring Efforts document for Katari POM covering an area of 13.55 hectares in accordance with East Kotawaringin Regent Decree No. 188.45 / 297 / Huk-BLH / 2013 dated May 30, 2013. Aspects that must be managed and monitored are: Perception and increased in labor, increased in occupational accidents, Increased in noise, air quality decrease, water pollution, fish decrease, solid waste pollution, WTP clean water, pollution of water and soil caused by hazardous waste and utilization of effluent in the soil.

PT WNL has shown the evidence of community involvement in the preparation of environmental documents (Environmental Management Efforts / Environmental Monitoring Efforts) of Katari Mill described in the minutes of meeting of Environmental Management Efforts / Environmental Monitoring Efforts Examination of Katari POM Development in PT WNL. This event was attended by Local Government of East Kotawaringin District, Environmental Body of East Kotawaringin District, Forestry and Plantation Agency of East Kotawaringin District, Sub district Head of Cempaga Hulu and Village Head of Katari.

The company has been doing social management in accordance with the directives of environmental documents, for example:

- Giving priority of employment opportunities to local communities with decent wages in accordance with the District Sectoral Minimum Wage, implementing partnership programs with the community in the smallholdings cooperative container and provide specific skills training for communities around the estate in collaboration with local university.
- Conduct socialization, implement a partnership program with the community in a container of smallholdings cooperative, smallholders coaching and implementing CSR programs. The Company also conducted interviews with internal and external perception on the existence of the company. The results of interviews are generally the communities feel the positive benefits with the company's existence.

The Company has implemented a partnership program with the communities in smallholdings cooperative container, it is outlined in the form of Memorandum of Understanding between PT WNL with Harapan Indah Cooperative (Pantai Harapan Village) on July 28, 2005 and Cooperative Agreement Letter between PT Harapan Abadi with PT WNL No. 01 / KOP-HA / III / 2006 (registration for cooperatives) No.01 / PKS-WNL / III / 2006 (registry for company) agreed on March 21, 2006.

The members of the cooperative amounted to  $\pm$  2,875 members with an area of  $\pm$  5,750 ha. In addition, the company has also provided specific skills training for communities around the estate in collaboration with local universities as well as empowering local contractors.

**Status:Comply**

### 7.2

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

Based on the map of soil types is known that the type of soil in PT WNL area is Tropudult with an area of 8,706 ha (21%), Throphemist 6,200 ha (14.9%), Dystropepts 13,290 ha (32%) and Plancaquods 13,330 (32.1%). According to the report of soil survey conducted on January 1 to 10, 2014 by Andy Ardiyanto known that:

- For soil *Tropudult* (enough categories) recommended feasible to be planted. Improvements need to be done is a reduction in the rate of erosion by planting a cover crop after land clearing.
- For soil *Dystropepts* (marginal category) recommended feasible to be planted. Improvements need to be done is to improve the quality of land, especially in the area with shallow solum, drainage (peat area).
- For soil *Placaquods* (N-1 category) recommended feasible to be planted with the terms of improvements such as, the construction of discontinue drainage to penetrate the spodik layers, particularly at locations with shallow spodik (<60 cm), the addition of organic material on the surface of the soil and minimize erosion of top oil during land clearing.

The information of the soil types then used as the main reference in the management, ranging from the land clearing process and as well as further soil fertility management.

The company has had a map of the drainage system, for example, for Pelantaran Agro Estate, which describes about the flow direction of the trench, collecting infield, Main collecting, ditch next to the embankment, embankment, major rivers, ditches were not functioned, plans for new floodgate construction, replacement plan of floodgate and the total of floodgates as many as 12 units. Based on field observations it is known that the company had been monitoring the drainage, among others by checking the condition of the inlet and outlet floodgate. The surface level of the water at the outlet gate is still in the normal range (60 cm from the ground).

**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.**

Distribution of planting years in PT WNL consists of 1998 to 2013. Based on the results of HCV identification in 2014 it is known that there were oil palm plantation on Keruing Riparian. Keruing riparian planting carried out before the identification of HCV. For HCV areas that have been planted oil palm perform some management of which is to restore the function through the planting of trees in the riparian area.

Based on the results of observations to Keruing Riparian in Block C-19 (HCV.1.1), has already available a buffer zone boundary markers in the form of wooden pole in maintained condition, HCV attributes signboard, signboard of chemical application prohibition, planting tree with Belangiran and Meranti types with living conditions and well-maintained and others.

Results of interviews with Environmental Body of East Kotawaringin District known that the company has made the protection of riparian by planting trees and installing a signboard a ban on the application of chemicals. Until now there has never been a complaint from the public related to the pollution of rivers.

The Company has identified HCV conducted by RSPO Approve assessor. Identification activities have involved communities as respondents. Available respondent data in the assessment of HCV, respondents consisted of Keruing Village (11 people); Bukit Raya Village (17 people); Pundu village (21 people); Bukit Batu Village (7 people); Sudan village (12 people); Pantai Harapan Village (29 people); Sei. Ubar Mandiri Village (9 people); Pelantaran Village.

Based on the identification of HCV documents is known that the history of the use of PT WNL before land clearing in the form of secondary forest from logging activities by PT Inhutani. While based on the Landsat imagery map coverage of the June 20, 2008 showed that the land cover consists of secondary forests, shrubs, fields, settlements and oil palm.

The company also owns land cover map based on the Land Imagery TM5 coverage of June 2005 (1: 100,000), which explains that the land cover in PT WNL consists of:

- Agroforestry / mixed farming: 2,257.73 Ha.
- Shrub: 2,528.85 Ha.
- Secondary forest: 162.09 Ha.
- Open field: 1,116.97 Ha.
- Oil palm: 5,482.25 Ha.

Based on the information from the company's management, it is known that BGA Group performed takeover of PT WNL thus the land clearing commencement date is not known. Based on the planting years is known that the oldest plant is a plant from 1998.

Based on the results of observations to Keruing Riparian in Block C-19 (HCV.1.1), has already available a buffer zone boundary markers in the form of wooden pole in maintained condition, HCV attributes signboard, signboard of chemical application prohibition, planting tree with Belangiran and Meranti types with living conditions and well-maintained and others.

Results of interviews with Environmental Body of East Kotawaringin District known that the company has made the protection of riparian by planting trees and installing a signboard a ban on the application of chemicals. Until now there has never been a complaint from the public related to the pollution of rivers.

HCV identification results showed that there are no areas that are needed by the community to meet the basic needs in the area of PT WNL (HCV-5).

<b>Status:Comply</b>	
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#### 7.4

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

The company has had:

- Soil types map in Region III for each Estate with a scale of 1:80,000. For example: the soil type is Tropudult with an area of 8,706 (21%), Throphemist 6,200 ha (14.9%), Dystropepts 13,290 ha (32%) and Plancaquods 13,330 ha (32.1%).
- Slopes class map in Region 3 with a scale of 1: 80,000, as follows: slopes 0 to 8% covering an area of 2,211 ha, slopes 8 to 15% covering an area of 9,197 ha and slopes 15 to 30% covering an area of 142 ha with a total of 11,550 Ha.
- Slopes class map of PT WNL recorded on EIA document with a scale of 1: 85.000, which also classifies 3 slopes classes, namely: Flat 0-8%. Sloping 8-15% and slightly tilted 15-25%.

Based on the information, then the company through the research department of BGA - Group developed 55 projects of marginal land management based on the limiting factor.

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

During this time there was no evidence of traditional rights in the area of new land clearing. For individual land which became plantations, there is a process of land acquisition which is done through the identification stages of smallholders

/ landlords, negotiating for land compensation and the payment of land compensation. Available the records of land acquisition process voluntarily (FPIC) in the early stages of the estate development, namely:

- Land Ownership Certificate from Village Head and Sub district representatives.
- Letter of Statement of Former Field Land Ownership from owners / smallholders known by Village Head and Demat / Indigenous Head.
- Minutes of Inspection and Measurement of Land, known by Village Head
- Area map which are compensated based on the results of measuring by the company and known by the smallholders.
- Letter of Agreement between the smallholders with the company for land compensation with certain value agreed and known by other parties (Sub-district, village chief, Demat / Head of Indigenous and Smallholders.
- Payment Receipt (receipts) and photos of compensation submission process witnessed by the Village Head and Head of Indigenous.
- Letter of Statement of land handover known by the village chief and Sub-district representatives.

**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.**

As outlined in the criteria 6.4. PT. WNL has owned the document of land compensation procedures No.SOP-PAD-001 which describes about the preparation of standards process of land compensation (GRTT) in all BGA operational areas.

For all the land which was developed as a plantation, including the new land clearing, has been provided sufficient evidence that the process and results from any negotiated agreements and compensation claims have been documented with the evidence of the involvement of those affected parties. The documents are opened and accessible to the public which are relevant to the applicable issue.

PT WNL planting site entirely covered in a land that has been compensated since 2006 up to 2012 amounted to 6,712.27 Ha with a total value of compensation amounted to Rp 4,622,029,559 recorded on each estate / plantation, that is:

- Land compensation recapitulation in KAGE for 73 recipients with a value of Rp 783,540,000 with a total area of about 672 hectares. Payment is made in stages from 2007 to 2010.
- Land compensation recapitulation in PAGE for 222 recipients with a value of Rp 1,443,100,000 with a total area of about 1,230.45 hectares. Payment is made in stages from 2004 to 2009.
- Recapitulation of land acquisition in 2013 in PAGE covering an area of 124.79 hectares with a nominal value of Rp 970,695,000. After 2013 there are no land acquisition activities.

**Status:Comply**

#### 7.7

**Use of fire in the preparation of new plantings is avoided other than in specific situations, as identified in the ASEAN guidelines or other regional best practice.**

The company has a policy related to the ban on burning contained in the technical guideline No. BGAGRKS-PTKS-PLH ratified on May 27, 2011. The policy stated that land clearing for oil palm cultivation is done with the maturation process of the land and without the burning process. This policy has been implemented, for example, in Pelantaran Agro Estate, land clearing in 2008 conducted by stacking covering an area of 236.5 hectares (available records in the form of land clearing activity photos and Collective Labor Agreement No. 152-SAB / WNLL-KAGE / AGR-JKT / 07/2013 about the lease of heavy equipment (excavators) for stacking activities. Meanwhile, for Pantai Mas Estate, land clearing activities in 2013 conducted by stacking covering an area of 71.2 hectares.

**Status:Comply**

#### 7.8

**New plantation developments are designed to minimise net greenhouse gas emissions.**

Calculation of carbon stock will be made when there is a new plantation developments after August 1, 2014. Based on the observation of PT WNL statement area, there is no plantation development after August 1, 2014. However, the company has calculated the estimations of Greenhouse Gases and has plan to minimize greenhouse gas emissions, recorded in the SOP of Palm Green House Gas (GHG) Estimation of PT WL in the period of 2014 which was approved by the Sustainability System & Management on April 17, 2015.

The company has performed GHG calculations in 2014, with total of GHG amounted to 1,305.5 kg CO<sub>2</sub> / ton Palm Product. GHG calculation results have been reported to the RSPO Secretariat.

The Company has a plan to minimize greenhouse gas emissions, which are recorded in the SOP of Palm Green House Gas (GHG) Estimation of PT WNL in the period of 2014 which was approved by the Sustainability System & Management on April 17, 2015, among others: Composting plant, Diesel usage monitoring, Shell and Fiber usage monitoring, Implementation of water management in peat land by adjusting the depth of groundwater between 40-60 with GHG emission targets of 5 to 10% in the period of 2 to 3 years, optimizing the use of fertilizers to increase the production and N<sub>2</sub>O emission reduction by Mulch Application, Applied Zero Burning Policy and so forth.

The results of field observation in Block 12, Division IV known that the peat water surface at the level of 50 cm and the floodgate has been maintained properly. Officers conducted monitoring of water level regularly, if the water level is above 60 cm then the floodgates will be opened, otherwise if the water level is below 40 cm the door is closed or dammed the water.

<b>Status:Comply</b>
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#### **PRINCIPLE #8 Commitment to continuous improvement in key areas of activity**

##### **8.1**

##### **Growers and millers regularly monitor and review their activities and develop and implement action plans that allow demonstrable continuous improvement in key operations.**

The company has always carried out monitoring and reviewing the activities performed through the:

- RSPO Internal audit.
- Agronomy Internal audit.
- Monitoring of air quality.
- Monitoring of emission quality from generator and boiler.

##### **Agronomic aspects:**

The company has been conducting monitoring of groundwater levels in peat area, peat soil degradation rate observation and the management of water management.

##### **Environmental aspects:**

- **Management and monitoring of river water quality**, where the company has made the buffer zone area along the riparian, making water treatment plant for the effluent, utilizing the effluent to the land, testing the mill effluent quality, ground water and river quality and Reported the test results to the Environmental Body of East Kotawaringin District.
- **Management and monitoring of air quality and noise**, where the company has been planting trees in the housing and offices area, maintenance of mill tools regularly, installing the dust collector on the boiler and installing filters on the generator and boiler chimneys, conduct air quality testing regularly, facilitate workers with PPE, air quality testing and reporting the test results to the Environmental Body of East Kotawaringin District.
- **Waste utilization**: For example, the utilization of mill effluent on the land, the utilization of empty fruit bunch as mulch, the utilization of fiber and shells as boiler fuel.
- **Greenhouse Gases (GHG)**. The company has had the mitigation efforts of GHG emission, for example, by applying zero burning policy, the management of proper fertilization, the utilization of fiber and shell to replace fossil fuels,

the maintenance of engine which is the emission sources regularly, testing the quality of emissions regularly, conduct emission and GHG calculations regularly and reported to the RSPO secretariat.

### Social aspect

The Company has a Social Management Plan in 2014 to 2015

No	Program	Realization
1	Improving the local economy	2014-2015
2	Improving the quality of public education	2014-2015
3	Extension and improvement of the quality of public health	2014-2015
4	Build communication and networking with all stakeholders relevant with PT. WNL	2014-2015
5	Improving labor facility	2014-2015
6	Measuring the level of people satisfaction and the success of the company's work program	2014-2015
<b>Status:Comply</b>		

**3.2. Summary of Assessment Report of Supply Chain Requirement**

Clause	(Module E) CPO Mills - Mass Balance Requirements
<b>E.1</b>	<b>Definition</b>
<b>E.1.1</b>	<p><b>Certification for CPO mills is necessary to verify the volumes of certified and uncertified FFB entering the mill and 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.</b></p> <p>Document of FFB processing in the mill during the last 12 months showed the supply of fruits in Katari Agro Mill (KAGM) comes from the certified nucleus estate sources and supplemented from smallholdings with full manage system that has not been certified. Therefore, the management of PT. WNL has established supply chain scheme that will be used is the mass balance scheme. With the mass balance scenarios, KAGM facilities will only claim certified palm oil products in accordance with FFB proportion from processed certified estates.</p> <p>Total supply of FFB in the last 12 months period from the time of the audit (June 2014 to May 2015) showed the total of incoming FFB as many as 101,902,260 tonnes. List of FFB suppliers during the last 12 months are as follows:</p> <ol style="list-style-type: none"> <li>1. Katari Agro Estate (certified) amounted to 18.6%;</li> <li>2. Pelantaran Estate (certified) amounted to 14.1%</li> <li>3. Pantai Mas Estate (certified) amounted to 19.1%;</li> <li>4. Pundu Nabatindo Estate (certified) amounted to 5.6%;</li> <li>5. Rubung Buyung Estate (uncertified smallholding) amounted to 15.8%;</li> <li>6. Keruing Estate (uncertified smallholding) amounted to 16.6%;</li> <li>7. Pantai Harapan Estate (uncertified smallholding) amounted to 4.9%</li> <li>8. PNRE (uncertified smallholding) amounted to 2.2%.</li> </ol>
	<b>Status:Comply</b>
<b>E.2</b>	<b>Explanation</b>
<b>E.2.1</b>	<p><b>The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the CB in the public summary of the P&amp;C certification report. 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.</b></p> <p>Estimation of certified CPO and PK products can be estimated by CB based on the data from the production of CPO and PK in the last year (June 2014 to May 2015) and budget / projection of CPO and PK increased production for the next year. The actual tonnage of certified products can not be verified in stage 2 because KAGM not yet received RSPO certificate.</p>
	<b>Status:Comply</b>
<b>E.2.2</b>	<p><b>The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).</b></p> <p>Will be verified at the time of ASA-1 after the company received a certificate.</p>
	<b>Status:Comply</b>
<b>E.3</b>	<b>Documented procedures</b>

**E.3.1**

**The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:**

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

Identification Procedures and Product Traceability No. GBA-SOP-SSM-LO-405.1, R1 was passed on April 23, 2015. This procedure describes about:

- The definition of POM, FFB, CPO, OER, FFA, Mass Balance, Supply Chain. The mass balance system allowed mixing of palm oil products with RSPO certified and RSPO non-certified at any stage in the supply chain under the condition that the overall number of products controlled by the company, so that the RSPO certified products delivered will never exceed the volume received by the last user from the supply chain.
- The responsibility of Area Controller, Mill Manager, certification & compliance department; OQC Department, Commercial & Logistic Group Department Head. Area Controller responsibility is to ensure the procedure of identification and product traceability socialized and applied throughout the operating unit of PT WNL.
- 7.1: Identification of the material status (FFB) derived from the estate with RSPO certified characterized by the use of RSPO logo on each Delivery Order Letter.
- 7.1: for the estimation of FFB processing and RSPO certified products produced in the mill through the calculation of daily production report and the delivery taken based on the weighing data, marked on each weigh ticket (weighbridge tickets).
- 6.1: the storage period for the entire records or reports from FFB reception in the POM, palm oil processing, CPO product storage, palm kernel and CPO products delivery, kernel to the buyers is 5 years.

**Status:Comply**

**E.3.2**

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

The procedures of Identification and Product Traceability have been explained how the reception and processing of FFB with RSPO certified and non-certified. The identification of the material status (FFB) derived from the RSPO certified estate characterized by the use of RSPO logo on each Delivery Order Letter.

The estimation of FFB processing and RSPO certified products based on the calculation of daily production reports and delivery reports based on the weighing data marked on each weighing ticket. The procedures need to be equipped with a mass balance calculation guide.

**Status:Comply**

**E.4**

**Purchasing and goods in**

**E.4.1**

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

Delivery Order Letter document includes the: RSPO code (prints the name of the RSPO) for the estate from certified sources, Bar code which (containing information of estate, division, and the number of Delivery Order Letter), the origin of estate, division, date / month / year, destination POM, type of vehicle, vehicle number, driver, harvest block, planting year, Estimates Total of bunch, FFB Average rate Estimation, Loose fruit Estimation, Signature of weighing officer, driver, division assistant, fruit transport officer

Documents Inspection showed:

- Documents of weighing tickets not yet equipped with the RSPO certification marking according to the SOP
- a list of certified and non-certified suppliers updated and officially as the basis for the calculation of mass balance.

The facility of Katari Agro Mill POM can not demonstrated well the verification of incoming fruit from certified and uncertified sources mainly from nucleus estate which is divided into several estate in the name of PT. WNL, PT. FBI and PT. GSM. **Based**

on the explanation, then found Non conformity 2015.06 with Major category.	
<b>SCCS Clausul E.4.1</b>	<b>Status: Non conformity 2015.06 with Major category.</b>
<b>E.4.2</b>	
<b>The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.</b>	
Will be verified at the time of ASA-1 after the company received a certificate. However, SOP about the Identification and Product Traceability No. BGA-SOP-SSM-LO-405.17.3 had arranged that the company will be given written information to the RSPO certification bodies, if there is an excessive production of RSPO certified from the projected.	
	<b>Status:Comply</b>
<b>E.5</b>	<b>Record keeping</b>
<b>E.5.1</b>	
<b>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> <b>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.</b> <b>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.)</b>	
Will be verified at the time of ASA-1 after the company received a certificate	
	<b>Status:Comply</b>
<b>E.5.2</b>	
<b>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.</b>	
Not Applicable. Katari Agro Mill (KAGM) does not conduct outsource activity to the independent palm kernel crushers.	
	<b>Status:Comply</b>

**3.3. Conformity Checklist of Certificate and Logo Use** *(Only apply for Surveillance Assessment Report)*

<b>1.</b>	<b>Evidence of permission or approval certificate and logo from Certification Body which submitted by Client</b>	<b>X or√</b>
ST-2	NA, Will be verify during Surveillance Assessment	
	<b>Status:</b>	
<b>2.</b>	<b>Implementation of certificate and logo used by Client comply with size and type (shape) against Guideline of Logo Use</b>	<b>X or√</b>
ST-2	NA, Will be verify during Surveillance Assessment	
	<b>Status:</b>	
<b>3.</b>	<b>Implementation of Certificate and Logo is not used on product</b>	<b>X or√</b>
ST-2	NA, Will be verify during Surveillance Assessment	
	<b>Status:</b>	
<b>4.</b>	<b>Controlling of Certificate and Logo, including withdrawing inappropriate logo.</b>	<b>X or√</b>
ST-2	NA, Will be verify during Surveillance Assessment	
	<b>Status:</b>	

**3.4. Summary of RSPO Partial Certification.**

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

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

	<b>Status: Comply</b>	
<b>7.3</b>	<b>New plantings since November 2005, have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values.</b>	
	<p><b>PT Bumitama Gunajaya Abadi</b> PT Bumitama Gunajaya Abadi has identified HCV on 2012. According to the landsat image of 2003, the condition of the land layer on the area of PT Bumitama Gunajaya Abadi is consisted of the bushe (1,187.74 ha), small bushes (1,706.73 ha), secondary forest (66.83 ha), tersier forest 1,886.95 ha), mix land (252.51 ha) and the enclave (552.24 ha).</p> <p><b>PT Karya Makmur Langgeng</b> PT Karya Makmur Langgeng has identified HCV before the land clearing program. The HCV was identified on 2012. Meanwhile, the land clearing was conducted after NPP program on 2013.</p>	√
	<b>Status: Comply</b>	
<b>7.5</b>	<b>No new plantings are established on local peoples' land without their free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.</b>	
	<p><b>PT Bumitama Gunajaya Abadi</b> The management unit has procedure of the land and crops compensation number SOP-BGB-GRTT-PAD-001 dated October 12<sup>th</sup> 2012. It was approved by the Area Controller 5. It describes the stages on the land and crops compensation for stocktaking the future-compensated land, socialization to the landowners, negotiation on land and crops compensation, management approval, conducting payment, land handover and documentation. According to the result of the document review, all the process of the compensation have been documented and the company does not force the community. There is evidence of the compensation over the land acquisition. For example, the payment receipt in Tonam Raya Estate, Block M-39 for 20 Ha on June 26<sup>th</sup> 2013. It was given to the land owner and witnessed by the Chief of Kotawaringin Hulu, the company GIS staff, TRYE Manager, Coordinator of the Public Affair Department and the Head of the Company Administration.</p> <p><b>PT Karya Makmur Langgeng</b> The management unit has socialized the estate establishment to achieve the community's approval. There are minutes of meeting of the estate establishment socialization of PT.Karya Makmur Langgeng in Simpang Dua and Simpang Hulu Sub-District, Ketapang District on:</p> <ol style="list-style-type: none"> <li>Dated March 5<sup>th</sup> 2012 in the Church of Pantan Hamlet, Kampar Sebomban Village, Simpang Dua Sub-District. It was attended by <b>TP3K (Team of the District Estate Establishment Guidance) Ketapang</b>, The Forum of the Sub-District Head of Simpang Dua, the Head of Dayak Customary Board of Simpang Dua, the Chiefs of Villages and Village Supervising Board (BPD) of Kampar Sebomban, the Chief of Pantan Hamlet, the Chief of Mentawa Hamlet, the Chief of Semandang Kanan Village, the Chief of Sekucing Baru Hamlet, the Chief of Sei Tontang Hamlet, the Chief of Selantak Hamlet.</li> <li>Dated March 6<sup>th</sup> 2012 in the Hall of the Elementary School of Kek Lipur Hamlet, Paoh Concong Village, Simpang Hulu Sub-District. It was attended by <b>TP3K (Team of the District Estate Establishment Guidance) Ketapang</b>, The Forum of the Sub-District Head of Simpang Dua, the Head of Dayak Customary Board of Simpang Hulu, the Chiefs of Paoh Concong Village, the Chief of Kek Lipur Hamlet, Chief of Baram Hamlet and the community representatives.</li> </ol> <p>The management has shown the evidence of the record of the land acquisition. There was a process of the land compensation for the operational area of PT KML which was conducted on April 19<sup>th</sup> 2013 to September 19<sup>th</sup> 2013. There are 154 location hotspot within 2,522.85 ha.</p>	√
	<b>Status: Comply</b>	
<b>7.6</b>	<b>Local people are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.</b>	
	<b>PT Bumitama Gunajaya Abadi</b>	√

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

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

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

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
2015.01	2.1.1	<b>The Fulfillment of Regulatory</b> <ul style="list-style-type: none"> <li>The results of the document examination, it is known that there are employees who work more than 21 working days during the three (3) consecutive months and has not been appointed to be Permanent Daily Employee, for example, in PMSE in the name of Ahmad Budiyo (Employee Registration Number: 14080006); Abby Takeryo (Employee Registration Number: 15010011); Agustina Herlinda Bele (Employee Registration Number: 140170006), Yuliana Bere (ID Card: 5304225807910003). This is not in accordance with the Regulation of Labor and Transmigration Agency No. 100 Year 2004.</li> <li>Plantation Business Progress Report submitted by PT. WNL has not included Katari Agro Mill, it is not in accordance with Law No. 39 Year 2014 Article 48 Paragraph 3 and 4</li> </ul>	PT WNL	Major	Before the report submitted	PT WNL must be able to show: <ol style="list-style-type: none"> <li>The implementation evidence of the employees appointment according to the applicable regulations</li> <li>Reporting the plantation business for Katari Agro Mill in every semester according to the applicable regulations</li> </ol>	<b>Root Cause:</b> <ul style="list-style-type: none"> <li>Do not do promotion of employees according to the applicable SOP and policies in the company</li> <li>Failure to do plantation business reporting and the weaknesses in the control function.</li> </ul> <b>Corrective Action:</b> <ul style="list-style-type: none"> <li>Employees on behalf of Yuliana Bere &amp; Abby Takeryo skip for 5 consecutive days, then made the call and and they were both laid off</li> <li>The promotion of employees on behalf of Ahmad Budiyo &amp; Agustina Herlinda Bere to become Permanent employees on August 1, 2015</li> <li>Plantation Business Progress Report of first and second quarter in 2015 and the Proof of submission of the reports to the East Kotawaringin Plantation Agency</li> </ul> <b>Preventive Action:</b> <ul style="list-style-type: none"> <li>Improve the control function on the implementation of regulations and company policies.</li> </ul>	Closed With Observation	23 June 2016

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							<ul style="list-style-type: none"> <li>Compile and report the Plantation Business Progress Report by Regional PAD Department, in accordance with applicable regulations.</li> </ul> <p><b>Auditor Verification, October 7, 2015</b> The company can show the proof:</p> <ul style="list-style-type: none"> <li>The promotion of temporary workers on behalf of Ahmad Budiyanto &amp; Agustina Herlinda Bere to become permanent employees on August 1, 2015, <b>however, it is required the entire implementation evidence on the application of the appointment rules of employees in accordance with the applicable regulations</b></li> <li>Reporting the Plantation Business Progress Report in the first and second Quarter, which has been included Katari Agro Mill to the Plantation Agency of East Kotawaringin District on August 23, 2015</li> </ul> <p><b>Auditor Verification, October 21, 2015</b> The management unit can show the proof that the employees who work more than 21&gt; days created work agreement of temporary workers signed by both parties and in it describes about the Period and the Work Contract Status; Tasks and Placement; Wage; The termination of the Agreement and the Settlement of Disputes, <b>However,</b></p>		

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							<p>according to the Labor and Transmigration Ministerial Decree No. 100 Year 2004 Article 10 (Ten) Paragraph 3 (three) states that "In the case of workers / laborers who work for 21 (twenty one) days or more during the three (3) consecutive months or more, then the Daily Workers Agreement change into Work Agreement of Specific Time"</p> <p><b>Auditor verification, June 10, 2016</b> The company show proof of:</p> <ul style="list-style-type: none"> <li>• Intern Office Memo from Regional Head 2 Acting staf, No 008/Reg-Head.2/Int/VI/2016 dated June 6, 2016 to Head of Kalteng about request plan of designation program of temporay employees to permanent employees for Pantai Mas Estate as 104 and Katari Agro Estate as 119 employees (total 223 temporary employees).</li> <li>• List of temporary employees of Pantai Mas Estate and Katari Agro Estate which will be programmed to permanent employees.</li> </ul> <p>Based on evidence that has been showed, auditor team concluded that is still required proof of over all implementation rules of employees designation according to the legal rules, so this nonconformance is still not fulfilled.</p> <p><b>Auditor verification, June 26, 2016</b></p>		

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							<ul style="list-style-type: none"> <li>- <b>Root Cause</b> Not doing employees promotion based on procedure and policy of the company, because of lack of control and knowledge from Area Human Resources Department, and replacement of Human Resources Department staff, wher all of the previous HRD staff has been mutated.</li> <li>- <b>Corrective action</b> Employees on behalf of Yuliana bere &amp; Abby Takeryo skip for 5 days, then both were called and dismissed. Designation employees on behal f of Ahmad Budiyanto and Agustina Herlinda Bere to permanent daily employee, since August 1, 2015. Identification for all employees which work more than 21 days and 3 month continues and make designation programme.</li> <li>- <b>Preventive action</b> Increase control function of implementation of company rules and policy by doing rspo monthly meting, where HRD as part of team and doing internal audit every year to monitor and make sure employees designation has been done based on related procedure &amp; policy.</li> </ul>		

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							<p><b>Auditor observation on June 26, 2016</b>  Company can show additional proof as of:</p> <ul style="list-style-type: none"> <li>- Identification of root cause, corrective action and preventive action which will be done.</li> <li>- Proposal of non permanent daily worker which will be promoted on June 2016, that is 38 employees from Katari Agro Estate and 36 employees from Pantai Mas Estate.</li> <li>- Approval and response from Head of Kalteng to IOM approval designation permanent daily employees PMSE and KAGE2016 on June 22, 2016.</li> <li>- Examples of non permanent employee designation letter to daily permanent employee of KAGE and PMSE.</li> <li>- Minutes of meeting RSPO dated May 26, 2016 and June 21, 2016 which one of the discussion point are obedience of rules, to ensure that company comply with all related regulation and work agreement is implemented.</li> </ul> <p><b>Auditor conclusion</b>  Based on the evidence given, auditor team stated that nonconformance is <b>closed with observation</b>.</p>		
2015.02	4.7.6	<b>Work Accidents Insurance</b> PT WNL has not been able to show the proof that all Temporary staff or daily workers were included in the program of	Estate	Minor	ASA-01	PT WNL must be able to show the proof that all employees have been included in the program of	<p><b>Root Cause:</b>  Employment policies related to the Social Insurance Agency for employees from the Head Office which has not been</p>	closed	October 7, 2015

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
		Work Accident Insurance.				work accident insurance	<p>implemented by the Regional HRD Personnel</p> <p><b>Corrective Action:</b></p> <ul style="list-style-type: none"> <li>Registration of Social Insurance Agency for Temporary Workers by Regional HRD</li> <li>Proof of Social Insurance Agency payment in August 2015, and the list of participants who took part.</li> </ul> <p><b>Preventive Action:</b></p> <p>Registering every new employees who are registered as workers, in accordance with the regulations and company policies</p> <p><b>Auditor Verification, October 7, 2015</b></p> <p>The company can show the proof of Employment Social Insurance Agency payment for Temporary Workers in August 2015 and paid on September 15, 2015</p>		
2015.03	5.3.3	<p><b>Handling the potential of mill effluent pollution</b></p> <ul style="list-style-type: none"> <li>Waste management facilities (WWTP) of Katari POM is located higher than the surrounding environment (<math>\pm</math> 5 meters). However, it has not shown the evidence of analysis and plans to mitigate the risk of pollution in case of damage in the embankment on a large scale.</li> <li>The company could not show the</li> </ul>	Katari Agro Mill	Minor	ASA-01	The company must show the document which contains about the analysis and plans to mitigate the risk of pollution due to the leakage of waste adequately	<p><b>Root Cause:</b></p> <p><b>Corrective Action:</b></p> <p><b>Preventive Action:</b></p>		

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
		evidence of management and monitoring of effluent out from the mill, especially the boiler waste and mill drainage in order to conform with the provisions of the applicable quality standard.							
2015.04	6.1.4	<b>Evaluation of the Social Impact Management Plan.</b> Has not provided proof of a regular review of the Social Management Plan in a participatory manner to anticipate changes and developments on the plantation business such as the operationalization of Katari Agro Mills POM.	PT WNL	Minor	ASA-01	The company must show the proof of regular review on the Social Management Plan in a participatory manner to anticipate the changes and developments on the plantation business	<b>Root Cause:</b>  <b>Corrective Action:</b>  <b>Preventive Action:</b>		
2015.05	6.5.3	<b>Decent water supply for Workers</b> The company could not show enough evidence of decent water supply for workers according to the standard from Regulation of Health Ministry No. 416 Year 1990 on the terms and supervision of water quality	Katari Agro Mill	Minor	ASA-01	The company must be able to show sufficient evidence of decent water supply for Workers.	<b>Root Cause:</b>  <b>Corrective Action:</b>  <b>Preventive Action:</b>		
2015.06	SCCS Standard 2014	<b>Verification of certified and uncertified fruit</b> Katari Agro Mill POM facility has not been able to demonstrate well the verification of incoming fruit from certified and uncertified sources mainly from the nucleus estate which is divided into	Katari Agro Mill	Major	Before the report submitted	Katari Agro Mill POM facility must be able to demonstrate well the verification process of the incoming fruit from certified and non-certified sources	<b>Root Cause:</b> Was not done separation of FFB original recording, both from the Delivery Order Letter or recording in the POM, which is derived from PT WNL and / or PT FBI & GSM  <b>Corrective Action:</b>	closed with observation	<b>October 6, 2015</b>

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
		several estates in the name of PT. WNL, PT. FBI, and PT. GSM					<ul style="list-style-type: none"> <li>- Perform the Delivery Order Letter separation for FFB derived from PT WNL, PT FBI and PT GSM. (For example, Delivery Order Letter for PMSE &amp; KAGE)</li> <li>- Perform manual recording in KAGM POM based on the Delivery Order Letter for FFB from PT WNL and others.</li> </ul> <p><b>Preventive Action:</b></p> <ul style="list-style-type: none"> <li>- Improving the control function on the recording of FFB that goes to POM</li> <li>- Fixing the recording system, both from the number of blocks, and data in SAP</li> </ul> <p><b>Auditor Observation</b>  <b>October 7, 2015.</b>  Auditor appreciate the effort that has been done and has observed the separation of Delivery Order Letter documents from PT. FBI (uncertified) and PT. WNL (certified).</p> <p>However, to complete the verification process of certified and non-certified FFB in the POM, needed the additional documents in the form of:</p> <ul style="list-style-type: none"> <li>- The list of block defined includes <i>uncertified</i> (PT. FBI) which supply the fruit / will supply the fruit to the POM</li> <li>- Examples of daily recapitulation which shows the calculation results of</li> </ul>		

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							<p><i>certified and uncertified FFB which includes fruits from PT. FBI.</i></p> <p><b>Auditor Verification, October 21, 2015</b>  The management unit can show the block list which became the part of certified and non-certified area, along with the production recapitulation of Certified and non-certified FFB from the nucleus estate which is divided into several estates in the name of PT. WNL, PT. FBI and PT. GSM. Based on the evidence of these improvements, the auditor team stated that the findings stated <b>closed with observation.</b></p>		

### 3.5.2 Opportunity for Improvement

No	Ref Std	Descriptions
1.	<b>Major 2.2.2</b>	The company needs to clarify the physical boundary between PT WNL Land Use Title with PT. FBI and PT. GSM to ensure the land borderline legality between the company entity. If necessary, the company can make a land management agreement between PT. WNL with PT. FBI and PT. GSM after the maintenance of PT. FBI and PT. GSM legality is available (Observation).
2	<b>Major 2.1.1</b>	The company needs to proactively ensure the fulfillment of the requirements of the plantation business (IUP) in accordance with the applicable regulations especially for the processing unit (Observation).
3.	<b>Minor 2.2.3</b>	The company is encouraged to perform social communication and social approach to be more effective to prevent more land conflicts in the plantations.
4.	<b>Minor 5.2.4</b>	The company is encouraged to ensure the application of fertilizer in the HCV area in accordance with the policy set (Observation)

No	Ref Std	Descriptions
5.	<b>Minor 5.3.3</b>	The company is encouraged to do the organic and inorganic waste separation in its management to avoid or reduce the pollution / contamination.
6.	<b>Minor 6.1.5</b>	The company is encouraged to further improve the capacity of smallholders (cooperatives and smallholders) in order to manage the cooperative well.

### 3.5.3 Noteworthy Positive Components

No	Ref Std	Descriptions
1	-	Commitment to implement the principles of sustainable management of oil palm and showed the seriousness to obtain RSPO certificate
2	<b>Minor 6.1.4</b>	PT. WNL has realized the construction of smallholdings in the form KKPA covering of $\pm$ 50% from the total area of the company's operations.
3	<b>Minor 6.11.1</b>	PT. WNL has participated in community empowerment through various productive CSR activities and get recognition from the government

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

Implementation: Wednesday, June 23, 2014		
Public Issues (Institution/ NGO/Community)	Management Responses	Auditor Responses
<b>Environmental Body of East Kotawaringin District</b> (Division Head of Preservation and Restoration of the Environment, Division Head of Supervision and Control of Environment and Environment Licensing Sector) <ul style="list-style-type: none"> <li>- The company has had environmental documents (EIA for Pantai Mas Estate, Environmental Management Efforts / Environmental Monitoring Efforts for Pelantaran Agro Estate and Environmental Management Efforts / Environmental Monitoring Efforts for Katari Agro Mill) ratified by East Kotawaringin Regent.</li> <li>- Environment document has involved the participation of stakeholders (local government, Local Environment Agency, Forestry and Plantation Agency, Sub district Head of Cempaga Hulu and Katari Hutment Head).</li> <li>- The company has had the Hazardous Waste Temporary Warehouse which was approved by the Regent of East Kotawaringin. The Hazardous Waste Temporary Warehouse permit for Katari Agro Mill is still in the process of settlement.</li> <li>- Company (Katari Agro Mill) has the permission of Land Application assessment.</li> <li>- Company (Katari Agro Mill) has been testing the quality of effluent every month and has reported the test results to the Environmental Body of East Kotawaringin District quarterly.</li> <li>- The Company has reported the management of Hazardous Waste (balance sheet and manifest) to the Environmental Body of East Kotawaringin District quarterly.</li> <li>- The Company has reported the results of the air quality and noise testing to the East Kotawaringin per semester.</li> <li>- The Company has submitted the report of Environmental</li> </ul>	Positive issue. PT WNL shall consistently report the environment aspect referring the regulations and terms.	The auditor team has observed the requirement met with criteria 1.1; 2.1; 4.4; 5.1 and 5.3.

Implementation: Wednesday, June 23, 2014		
Public Issues (Institution/ NGO/Community)	Management Responses	Auditor Responses
<p>Management Plan / Environmental Monitoring Plan implementation periodically (second semester of 2014).</p> <ul style="list-style-type: none"> <li>- The company has been managing the riparian.</li> <li>- Until now, there have been no issues and reports from other parties about the negative impact on the environment as a result of estate and mill management in PT Pundu Nabatindo Lestari (Katari Agro Mill).</li> </ul> <p><b>Suggestion:</b></p> <ul style="list-style-type: none"> <li>- The company needs to consider to report the results of flora and fauna monitoring to the Environmental Body of East Kotawaringin District.</li> </ul>	<ul style="list-style-type: none"> <li>- The company shall coordinating with the Environment Agency in term of conservation area within PT WNL</li> <li>- The company shall coordinating with the Environment Agency in term of the reporting of flora and fauna monitoring within PT WNL operational area..</li> </ul>	
<p><b>Social, Labor and Transmigration Agency of East Kotawaringin District</b> (To the Division of Industrial and Labor Relations)</p> <ul style="list-style-type: none"> <li>- Company (Katari Agro Mill) has implemented the wage standard in 2014 / 2015 in accordance with the District Sectoral Minimum Wage.</li> <li>- Social Protection: <ul style="list-style-type: none"> <li>▪ Not all workers enrolled in the Employment Social Insurance Agency</li> <li>▪ Not all workers enrolled in the Health Social Insurance Agency</li> </ul> </li> <li>- Company (Katari Agro Mill) has provided adequate housing facilities, clean water, clinics and school BUS.</li> <li>- Regular reporting obligations have been delivered by the</li> </ul>	<ul style="list-style-type: none"> <li>- Positive issue. PT WNL shall consistently report the manpower and OHS referring the applied regulations and terms.</li> </ul>	<p>The auditor team has observed the requirement met with criteria 1.1; 2.1; 4.7; 5.6 and 6.5</p>

Implementation: Wednesday, June 23, 2014		
Public Issues (Institution/ NGO/Community)	Management Responses	Auditor Responses
<p>company, for example Guiding Committee of Occupational Safety &amp; Health quarterly reports and the labor compulsory reports annually.</p> <ul style="list-style-type: none"> <li>- Company (Katari Agro Mill) has the permission for Boiler and Generator and in good condition.</li> <li>- Government Regulation in 2014 up to 2015 has been approved by the Labor and Transmigration Agency of East Kotawaringin District.</li> <li>- The company has had the Bipartite Cooperation Institution.</li> <li>- Until now, there are no issues and reports related to the use of minors as well as discrimination in the company.</li> </ul> <p><b>Suggestion:</b></p> <ul style="list-style-type: none"> <li>- The company needs to consider for sharing the information related to the recruitment of workers.</li> <li>- Contractor is obliged to follow the terms of the Occupational Health and Safety.</li> </ul>	<ul style="list-style-type: none"> <li>- The company shall coordinating with the Manpower Agency in term of the permit of training center (PNLC).</li> <li>- The company shall coordinating with the Manpower Agency in term of the employee recruitment.</li> </ul> <ul style="list-style-type: none"> <li>- The company has socialized the OHS policy to the contractors. According to the cooperative agreement letter, the contractors must provide the PPE by themselves.</li> </ul>	
<p><b>National Land Agency, East Kotawaringin District</b> (Head of National Land Agency)</p> <ul style="list-style-type: none"> <li>- The Company has owned the land rights (Land Use Title and Building Use Title)</li> <li>- Related to the planting areas outside WNL Land Use Title located in PT Fajar Gemilang Nabati and Gemilang Subur Maju, then there must be an agreement / MoU between WNL with Fajar Bumi Nabati and PT Gemilang Subur Maju related to the management and utilization of the areas.</li> <li>- Until now there is no incoming reports from the public related to the land claims</li> <li>- PT WNL management area is outside from the protected forest area and mining area.</li> </ul>	<p>The positive issue shall be maintained and improved and the good relation with the agencies shall be improved.</p>	<p>The auditor team has observed the requirement met with criteria 1.1; 2.1 and 2.2</p>

Implementation: Wednesday, June 23, 2014		
Public Issues (Institution/ NGO/Community)	Management Responses	Auditor Responses
<b>Suggestion:</b> The company must resolve land claims well and create a map of compensation inventory		
<b>Forestry and Plantation Agency of East Kotawaringin District</b> (Plantation Business Development) <ul style="list-style-type: none"> <li>- The Company has estate class III</li> <li>- The Company has reported the Plantation Business Progress Report but not yet contain information in accordance with the request in the report format, for example, information about the processing mill (Katari Agro Mill).</li> <li>- PT WNL and Smallholdings have been involved as a representative in the pricing of FFB</li> </ul>	The positive issue shall be maintained and improved and the good relation with the locals shall be improved.	The auditor team has observed the requirement met with criteria 2.1; 2.2; 2.3 and 6.10
<b>Katari Hutment: (Mr. Alan –Katari Hutment Head &amp; Mr. Ono. S – Katari Hutment Resident).</b>  Environment Management: <ul style="list-style-type: none"> <li>• <i>Katari hutment is located in the upstream from the estate. During this time there is no direct environmental pollution. In plain view, there is no pollution to cempaga hulu river and kruing river. But when the rainy season, there is the possibility of effluent runoff from LA to the villagers' fields. For example, in Division 1, there has ever been a complaint to the hutment head related to the effluent runoff into community rubber plantation. Submission is only limited to the level of the estate manager and there is no follow-up.</i></li> </ul> Katari POM Development: <ul style="list-style-type: none"> <li>• <i>Was not done socialization on the initial plan of Katari Agro Mill</i></li> </ul>	The positive issue shall be maintained and improved and the good relation with the locals shall be improved.	The auditor team has observed the requirement met with criteria 6.1 and 6.11

Implementation: Wednesday, June 23, 2014		
Public Issues (Institution/ NGO/Community)	Management Responses	Auditor Responses
<p><i>construction and its environmental impact management plan to Katari Hutment residents, so that the citizens feel do not know if Katari POM already has the environmental impact document and its management plan.</i></p> <p>CSR / community empowerment:</p> <ul style="list-style-type: none"> <li>• CSR or community empowerment from the company last received in 2014 for small mosque development assistance and fish seed assistance. For the fish business has not succeeded for the sale and purchase stage. Well procurement program has been no follow-up up to 2015.</li> <li>• CSR perceived is still in the form of assistance and pick up the ball, the lack of involvement of the hutments in the preparation of the proposed program to be conducted. Communication between the company with the hutment residents related to the CSR programs considered very less.</li> </ul> <p>Job opportunities for residents:</p> <ul style="list-style-type: none"> <li>• Information about job opportunities and recruitment from Katari hutment felt very less in Katari POM. There is only one waker from Katari hutment. Katari hutment residents more employed in the estate. There was never a delivery of information about the job vacancy to the hutment from Katari POM. The hope is to get more residents from Katari hutment who were employed in the POM in accordance with his/her ability.</li> </ul> <p>Local contractor empowerment:</p> <ul style="list-style-type: none"> <li>• Lastly there is a local contractor from Katari hutment in 2012. From 2012 until now there are no local contractors, for example, for the transport of FFB. Requirements which is</li> </ul>		

Implementation: Wednesday, June 23, 2014		
Public Issues (Institution/ NGO/Community)	Management Responses	Auditor Responses
<p>delivered orally stated that must have at least 5 vehicles / trucks. The villagers feel hard to fulfill it. Currently, there are no local contractors from the Katari Hutment.</p> <p>The settlement of land claims:</p> <ul style="list-style-type: none"> <li>According to the village head, in the process of land compensation in 2003 to 2004 has been done, but there may be unfinished or double claims. This is because the process of land acquisition at the beginning of the estate construction (past) did not involve the Neighborhood Association, Citizens Association and Hutment. Allowing the occurrence of double claims of old land acquisition seems to have completed about 80%. Especially for residents of Katari Hutment, no land claims so far.</li> <li>Katari hutment head had heard about land claim by the group of Tunas Katari in Kage Estate in Division 2, on May 2014. However, further developments are not followed. Last time was followed up to the Sub district level, and followed up to the police.</li> </ul> <p>Smallholdings development:</p> <ul style="list-style-type: none"> <li>To the realization of smallholdings development for Katari Hutment residents, the Hutment head had difficulty explaining to the villagers about the certainty of smallholdings development for Katari Hutment. <i>While based on the meeting between the residents of Katari Hutment last in 2015, that the residents allow time for 4 months from May 2015 to the hutment head to ensure about the certainty over the smallholdings development to get to the stage of MOU. If there is no clarity of information, then the residents may be down to the company's</i></li> </ul>		

Implementation: Wednesday, June 23, 2014		
Public Issues (Institution/ NGO/Community)	Management Responses	Auditor Responses
<p><i>land.</i></p> <ul style="list-style-type: none"> <li>Expectation in general: That the citizens and companies could honor and respect each other, no impression of play favor.</li> </ul>		
<p><b>Pelantaran Village (Mr. Bob Kifly – Village Consultative Body of Pelantaran Village and Mr. Helis Naedi – Smallholder Group Secretary of Sawit Sukses Makmur).</b></p> <p>Environmental management: So far there are no complaints from the villagers about the environmental pollution due to the company's operations.</p> <p>CSR / community empowerment:</p> <ul style="list-style-type: none"> <li><i>CSR is still passive. Not yet actively involve the village or the apparatus of government in the preparation of its work program. Communications of staff felt still lacking.</i></li> <li>Suggestion: Continuous scholarships for students from villagers who excel, assistance for fencing the places of worship, the procurement of chairs and tables in Cempaga Junior High School 3 and hoarding tread in front of Lubung Bayur Elementary School, Pelantaran village, watering the FFB haul roads passing through villages, etc..</li> <li>The Company does not consistently attend the Development Planning Consultation invitation from the village.</li> <li>Based on the information that in 2015, PT WNL cooperated with Agriculture vocational school in Cempaga Hulu.</li> <li>In the future, the company is expected to have a continuous development program in the field of education, for example, achievement scholarship program.</li> </ul>	<p>The positive issue shall be maintained and improved and the good relation with the locals shall be improved.</p>	<p>The auditor team has observed the requirement met with criteria 6.1 and 6.11</p>

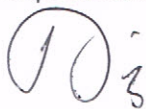
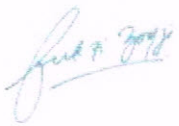
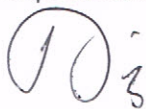
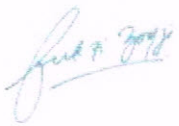
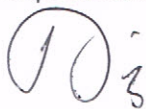
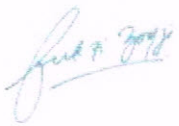
Implementation: Wednesday, June 23, 2014		
Public Issues (Institution/ NGO/Community)	Management Responses	Auditor Responses
<p>Job opportunities for villagers: Opened job opportunities for citizens who wish to work in PT WNL according to the opportunities and competencies of citizens.</p> <p>Local contractors empowerment: <i>Empowerment of local contractors felt still less given the opportunities for local residents. Currently there are no local contractors in PT WNL from Pelantaran Villagers.</i></p> <p>The settlement of land claims and clarity of smallholdings location of Sawit Sukses Makmur smallholder groups, Pelantaran Village:</p> <ul style="list-style-type: none"> <li>• <i>It seems like there are areas in spots belonging to Pelantaran villagers of former rubber plantation program from the government, outside the Land Use Title which is now planted oil palm by the company and unresolved its compensation.</i></li> <li>• <i>There is no clarity regarding to the delivery of location or map of smallholdings belonging to the smallholder group of Sawit Sukses Makmur, while the credit period of the smallholdings will be completed in 2018. The smallholder group wants the clarity of the smallholdings location up to the plots location per person. This is to clarify if then there is a land claim on land owned by the smallholder group who previously has had the clarity of handing over land letter for smallholdings development with the system of 50:50 for smallholdings and nucleus estate based on the land area submitted per member of smallholder group.</i></li> <li>• <i>Related to the explanations of land claim on behalf of Karnadi by the company staff that is based on the measurements made by the company that portion of the claims include in the nucleus estate and partially into smallholdings of Sawit Sukses Makmur Smallholder Group, supposedly it can be showed the explanation to the smallholder groups. It should not happen, due</i></li> </ul>		

Implementation: Wednesday, June 23, 2014		
Public Issues (Institution/ NGO/Community)	Management Responses	Auditor Responses
<p>to the smallholdings development system through an agreement of handing over land (SPL) from the member of smallholder group with the system of 50:50.</p> <ul style="list-style-type: none"> <li>The number of members of Sawit Sukses Makmur famer group originally was 73 people. However, there was an additional to 108 people based on the request from the company. The smallholder group requested about the clarity about the additional on the area for an additional 35 members or its additional surplus. Nowadays, the surplus for 35 additional members arranged from the land submitted by 73 initial members.</li> </ul> <p>Management of smallholdings partnership:</p> <ul style="list-style-type: none"> <li><i>The management of smallholdings felt not quite transparent in terms of: The delivery of the monthly operating costs and gross profit. During this run in the form of sharing results from smallholdings every two months.</i></li> <li>The delivery on smallholdings FFB pricing from the company has been transparently.</li> <li>The desire that in Pelantaran village can be built the smallholdings cooperative itself, without having to follow the main cooperative in Pantai Harapan Village.</li> <li><i>The debriefing training for smallholders felt still very lacking.</i></li> </ul>		
<p><b>Pantai Harapan Village (Mr. Abdur Rasyid – Village Head)</b></p> <p>Environmental management: So far there are no complaints from the villagers about the environmental pollution due to the company's operations.</p> <p>CSR / community empowerment:</p>	<p>The positive issue shall be maintained and improved and the good relation with the locals shall be improved.</p>	<p>The auditor team has observed the requirement met with criteria 6.1 and 6.11</p>

Implementation: Wednesday, June 23, 2014		
Public Issues (Institution/ NGO/Community)	Management Responses	Auditor Responses
<ul style="list-style-type: none"> <li>This year started a plan of community empowerment through discussions with citizens / village officials, including a fish pond program. Agricultural and plan for the submission of smallholdings development outside the existing smallholdings for approximately 500 households. Against the smallholdings development plan, is still waiting the checking the area status.</li> <li>CSR is expected to be continuous in the future, for example, achievement scholarships to higher education.</li> </ul> <p>Job opportunities for villagers: Opened job opportunities for citizens in accordance with the competence and the opportunities that exist.</p> <p>Local contractor empowerment: Empowerment of local contractors felt still lacking.</p> <p>The settlement of land claims: During 2015, there were no complaints of land claims settlement from Pantai Harapan villagers through village officials. As related to Hamdi, so far the land dispute resolution has been made by the second parties (plaintiff / Hamdi with PT WNL).</p> <p>Management of smallholdings:</p> <ul style="list-style-type: none"> <li>Pantai Harapan Village as the location of smallholdings main cooperative. However, the management of smallholdings is separated with the management of the village. Expected to be more transparent in communication between the cooperative and village officials.</li> <li>The debriefing training for smallholders felt still very lacking.</li> <li>Explanation regarding to the smallholdings location of Pantai Harapan citizens still globally, while the smallholdings credit is</li> </ul>		

Implementation: Wednesday, June 23, 2014		
Public Issues (Institution/ NGO/Community)	Management Responses	Auditor Responses
estimated to be completed in 2018.		
<p><b>Dayak Customary Council of Cempaga Hulu (Mr. Sabirin Lui - Chairman of Dayak Customary Council of Cempaga Hulu District):</b></p> <p>Environmental management: So far there are no complaints from the villagers about the environmental pollution caused by the company's operations. River pollution occurred because of illegal gold mining activities in the river upstream.</p> <p>CSR / Community empowerment:</p> <ul style="list-style-type: none"> <li>Assistance to the traditional council in the Sub district felt adequate, assistance in the form of electricity operational, work tools, etc..</li> </ul> <p>Job opportunities for citizens:</p> <ul style="list-style-type: none"> <li>Dayak Customary Council sees the opening of job opportunities for citizens in accordance with the competence and opportunities that exist.</li> </ul> <p>The settlement of land claims:</p> <ul style="list-style-type: none"> <li>The process of land claims settlement in PT WNL done through three ways, namely: consultations between plaintiff and the defendant (both sides), consultations by involving Dayak Customary Council, and settlement through positive law.</li> <li>Settlement through Dayak Customary Council, if the company proved has not done land acquisition, required to indemnify. Meanwhile, if the plaintiff lose, then the Dayak Customary</li> </ul>	<p>The positive issue shall be maintained and improved and the good relation with the locals shall be improved.</p>	<p>The auditor team has observed the requirement met with criteria 6.1 and 6.11</p>

Implementation: Wednesday, June 23, 2014		
Public Issues (Institution/ NGO/Community)	Management Responses	Auditor Responses
<p>Council trying to make PT WNL provide land compensation, to prevent the development of more social problems.</p> <ul style="list-style-type: none"> <li>During 2015, there were 9 cases handled through Dayak Customary Council of Cempaga Hulu, 5 cases have been completed and four cases have not been completed. The board of Dayak Customary Council of Cempaga Hulu did not bring notes on the names of nine plaintiffs of the land claims case.</li> </ul>		
<p><b>Gender committee and employee representative</b></p> <ul style="list-style-type: none"> <li>The company supports the activities of worker unions</li> <li>There are no problems related to labor issues (already formed bipartite institutions)</li> <li>The company was good enough to serve the community and employees</li> <li>The Company does not limit the movement / Activities of Worker Unions</li> <li>The company play an active role to socialize the Gender Committee to the employees.</li> <li>Until the implementation of audit activities, never found negative issues regarding gender committee</li> <li>The company has socialized policies related to the prohibition of pregnant or breastfeeding workers work with chemicals.</li> <li>There is no potential or discrimination between the man and woman to get employment opportunities.</li> <li>For students activities already provided to shuttle the students</li> <li>The Company does not limit the movement / Activities of Gender Committee</li> <li>There is no indication or discrimination based on Ethnicity, religion, race, and inter-group relations</li> <li>Health Service Facilities felth considered sufficient</li> </ul>	<p>The positive issue shall be maintained and improved.</p>	<p>The auditor team has observed the requirement met with criteria 6.3; 6.8 and 6.9</p>

4.0	CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY						
4.1	<p><b>Formal Sign-off of Assessment Findings</b></p> <p>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.</p> <p>Signed on behalf of:</p> <table><tr><td>Company Name Management Representative (Position)</td><td>Mutuagung Lestari Lead Auditor</td></tr><tr><td></td><td></td></tr><tr><td><u>DIAR HASYIMI DAMANIİK</u> Day, date/month/year</td><td><u>Bukti Bagja</u> Thursday 23 June 2016</td></tr></table>	Company Name Management Representative (Position)	Mutuagung Lestari Lead Auditor			<u>DIAR HASYIMI DAMANIİK</u> Day, date/month/year	<u>Bukti Bagja</u> Thursday 23 June 2016
Company Name Management Representative (Position)	Mutuagung Lestari Lead Auditor						
							
<u>DIAR HASYIMI DAMANIİK</u> Day, date/month/year	<u>Bukti Bagja</u> Thursday 23 June 2016						

**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	Environmental Body	District of Kotawaringin Timur	-	Interview	23 June 2015	√	-
2	Social, Labor and Transmigration Agency	District of Kotawaringin Timur	-	Interview	23 June 2015	√	-
3	National Land Agency	District of Kotawaringin Timur	-	Interview	23 June 2015	√	-
4	Forestry and Plantation Agency	District of Kotawaringin Timur	-	Interview	23 June 2015	√	-
5	Katari Village	District of Kotawaringin Timur	-	Interview	23 June 2015	√	-
6	Pelantaran Village	District of Kotawaringin Timur	-	Interview	23 June 2015	√	-
7	Pantai Harapan Village	District of Kotawaringin Timur	-	Interview	23 June 2015	√	-
8	Dayak Customary Council of Cempaga Hulu	District of Kotawaringin Timur	-	Interview	23 June 2015	√	-
9	Gender committee and employee representative	PT Windu Nabatindo Lestari	-	Interview	23 June 2015	√	-

**Appendix 2. Assessment Program**

Tanggal	23 – 27 June 2015				
PROGRAM	PROSES / HAL YANG DIAUDIT	AUDITOR			
		BB	SAY	RR	SH
Tuesday, 23 June 2015					
06.00 - 08.00 08.30 - 12.00	JAKARTA → PALANGKARAYA PALANGKARYA → PT WINDU NABATINDO LESTARI	√	√	√	√
13.00 – 14.00	BREAK	√	√	√	√
14.00 – 17.00  14.00 – 17.00	<b>Opening Meeting</b> (Brief Introduction, Audit scope confirmation, Standards Use, Audit Objectives and Audit Agenda Explanation)  <b>Document Review:</b> <ul style="list-style-type: none"><li>Review of Previous Visit Non-conformance (Stage-1)</li><li>Collect Basic Information (Mill and Estates)</li><li>Clarification of Time Bound Plan</li></ul>	√	√	√	√
Wednesday, 24 June 2015					
08.00 - 12.00  08.00 - 12.00	Field Observation to <b>KATARI AGRO Mill</b> <ul style="list-style-type: none"><li>Supply Chain, Hazardous Waste Management, Waste Water Treatment, FFB Processing, Safety and Health (OHS).</li></ul> <b>Stakeholders Meeting and Consultation:</b> <ul style="list-style-type: none"><li>Nearest village and Community Leader</li><li>Kotim District Government and local NGO</li></ul>	√	√		
12.00 – 14.00	LUNCH BREAK	√	√	√	√
14.00 – 15.00  15.00 – 17.00	<b>Continue Field Observation and outstanding issue</b>  <b>Document review:</b> <ul style="list-style-type: none"><li>Review of Previous Visit Non-conformance (Stage-1)</li><li>Follow-up and Clarification of Stakeholders Consultation</li></ul>	√	√	√	
Thursday, 25 June 2015					
08.00 – 12.00	Field Observation to <b>PANTAI MAS ESTATE</b> <ul style="list-style-type: none"><li>Legal operational boundary and Conservation (HCV) Area</li><li>Worker facilities (housing, health clinic, clean water, etc)</li><li>Land Fire facilities, Chemical Storage, ect..</li><li>Hazardous Waste Material management</li><li>Chemical storage</li><li>Manuring, Spraying, Harvesting, Best Agricultural Practices, Integrated Pest Management.</li><li>Worker Welfare (payments, complaint mechanism)</li></ul>	√	√		√

12.00 – 14.00	<b>BREAK</b>	√	√	√	√
14.00 – 14.30	<b>Continue Field Observation and outstanding issue</b>	√	√		
14.00 – 17.00	<b>Stakeholders Meeting and Consultation:</b> • Contractors, Labor Union, Gender Committee			√	√
<b>Friday, 26 June 2015</b>					
08.00 – 12.00	Field Observation to <b>PELANTARAN ESTATE</b> • Legal operational boundary and Conservation (HCV) Area  • Worker facilities (housing, health clinic, clean water, etc) • Land Fire facilities, Chemical Storage, ect..  • Hazardous Waste Material management • Chemical storage  • Manuring, Spraying, Harvesting, Best Agricultural Practices, Integrated Pest Management. • Worker Welfare (payments, complaint mechanism)	√	√	√	√
12.00 – 14.00	<b>BREAK</b>	√	√	√	√
14.00 – 15.00	• <b>Completion of checklist and clarification/ follow-up on outstanding audit issues</b>	√	√	√	√
15.00 – 16.00	• <b>Audit finding discussion and preparation</b>				
16.00 – 17.00	• <b>CLOSING MEETING</b>				
18.00 – .....	<b>PT WINDU NABATINDO LESTARI → PALANGKARAYA</b>				
<b>Saturday, 27 June 2015</b>					
08.00 -	<b>PALANGKARAYA → JAKARTA</b>	√	√	√	√