

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

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

Name of Management Organisation : Gunung Makmur Palm Oil Mill – PT Karya Makmur Bahagia subsidiary of Bumitama Agri Limited  
 Plantation Name : PT .Karya Makmur Bahagia; Gunung Makmur Estate, Bukit Kecubung Estate, Bukit Makmur Estate, Bukit Daman Estate, Sungai Mentaya Estate  
 Location : Rantau Tampang Village, Telaga Antang Sub District, Kotawaringin Timur District, Kalimantan Tengah Province, Indonesia  
 Certificate Code : **MUTU-RSPO/045**  
 Date of Certificate Issue : 21 July 2014                      Date of License Issue : 21 July 2018  
 Date of Certificate Expiry : 20 July 2019                      Date of License Expiry : 20 July 2019

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
ASA-4	23 to 27 April 2018	Sandra Purba (Lead Auditor), Arif Faisal Simatupang, Asystasya Aishah Silalahi, Haikal Ramadhan Kharismansyah, Briyogi Shadiwa	Octo HPN Nainggolan	Ardiansyah

Assessment	Approved by MUTUAGUNG LESTARI on:
ASA-4	16 July 2018

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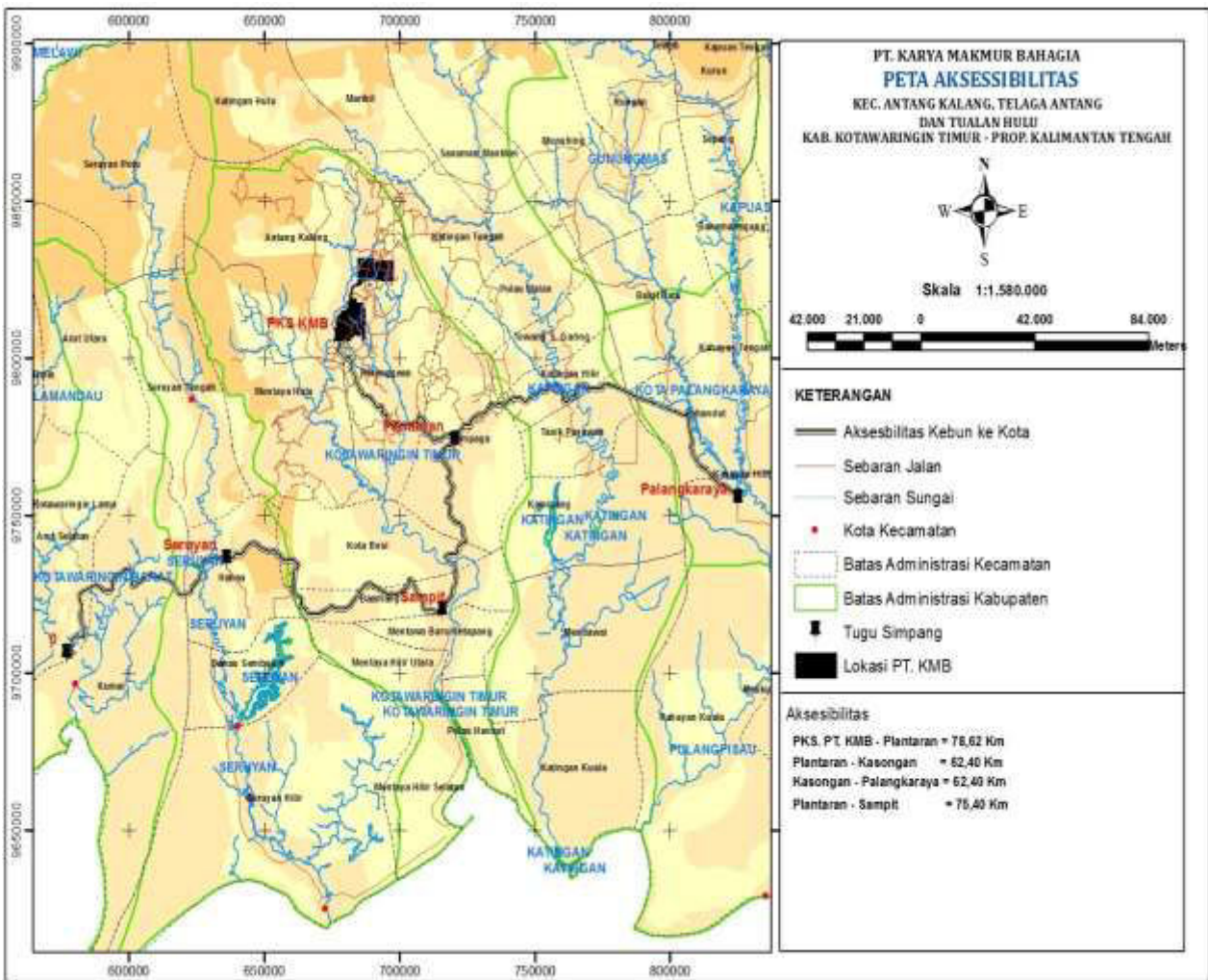
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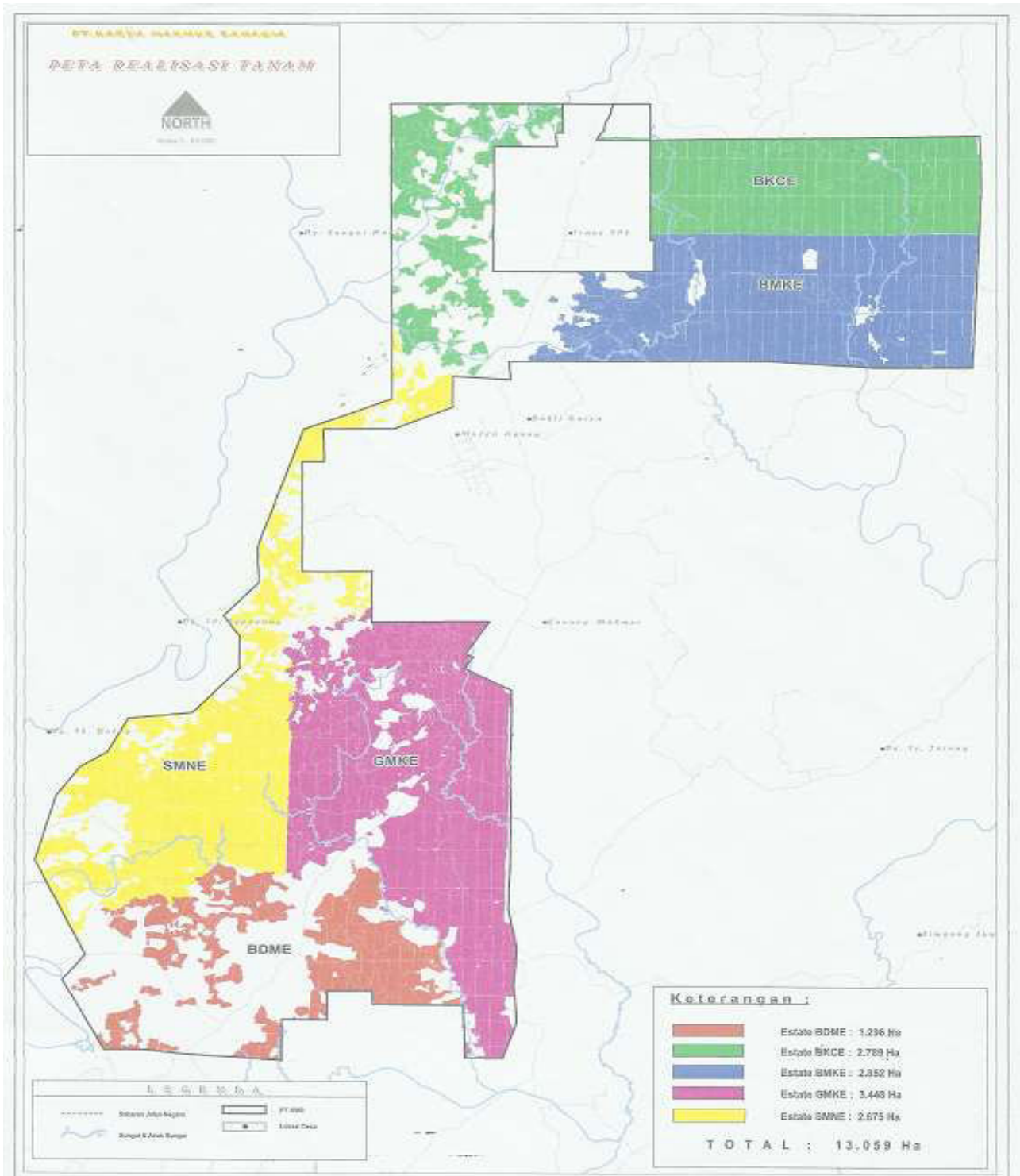
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**Figure 1. Location Map of PT Karya Makmur Bahagia**



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



Abbreviations Used	
AMDAL	: Analisis Mengenai Dampak Lingkungan
ANDAL	: Analisis Dampak Lingkungan
BAGE	: Beringin Agung Estate
BDME	: Bukit Daman Estate
BGA	: Bumitama Gunajaya Agro
BHJE	: Batang Hijau Estate
BKCE	: Bukit Kecubung Estate
BLH	: Badan lingkungan hidup (environment agency)
BML	: Baku Mutu Lingkungan
BMS	: BGA Manuring System
BOD	: Biological Oxygen Demand
BPJS	: Badan Penyelenggara Jaminan Sosial (Social Security Agency)
BPN	: Badan Pertanahan Nasional
CD	: Community Development
CMNT	: Central Mentaya Traxion
CPO	: Crude Palm Oil
CSR	: Cooperate Social Responsibility
EFB	: Empty Fruit Bunch
EIA	: Environmental Impact Assessment
FFB	: Fresh Fruit Bunch
GHG	: Green House Gas
GMKE	: Gunung Makmur Estate
GMKM	: Gunung Makmur Mill
GRTT	: Ganti Rugi Tanam Tumbuh
HCV	: High Conservation Value
HGB	: Hak Guna Bangunan
HGU	: Hak Guna Usaha (Land Use Title)
HIRAC	: Hazard Identification Risk Assessment and Control
HPT	: Hama Pengganggu Tanaman
IPM	: Integreted Pest Management
JHT	: Jaminan Hari Tua
JKK	: Jaminan Kecelakaan Kerja
JKM	: Jaminan Kematian
JP	: Jaminan Pensiun
KER	: Kernel Extraction Rendement
KMB	: Karya Makmur Bahagia
LB3	: Limbah berbahaya dan beracun (hazardous waste)
LCC	: Legume cover crop
LSU	: Leaf Sampling Unit
LTA	: Lost Time Accident
LUC	: Land Use Change
LUCA	: Land Use Change Analysis
MAGE	: Mulya Agung Estate
MSDS	: Material Safety Data Sheet
MUSREMBANG	: 'Musyawarah Rencana Pengambangan' – Meeting of Development Plan
NGO	: Non Government Organization
NPP	: New Planting Procedure
OER	: Oil Extraction Rendement
OHS	: Occupational Health and Safety
P2K3	: Panitia Pembina Keselamatan dan Kesehatan Kerja (OHS Committee)



PAD	:	Public Affair Departement
PIC	:	Person In Charge
PK	:	Palm Kernel
POM	:	Palm Oil Mill
POME	:	Palm Oil Mill Effluent
PP	:	<i>Peraturan Pemerintah</i> (Government Rules)
PPE	:	Personal Protective Equipment
TTL	:	Tanah Tani Lestari
R & D	:	Research and Development
RKL/RPL	:	<i>Rencana Pengelolaan Lingkungan/ Rencana Pemantauan Lingkungan</i>
RSPO	:	Roundtable on Sustainable Palm Oim
SEIA	:	Social and Environment Impact Assessment
SIA	:	Social impact Assessment
SMNE	:	Sungai Mentaya Estate
SMRE	:	Sungai Meraya Estate
SOP	:	Standar Operational Procedure
SPM	:	<i>Serikat Pekerja Mandiri</i>
SPYE	:	Sungai Penyahuan Estate
SSU	:	Soil Sampling Unit
TPS LB3	:	<i>Tempat penyimpann semeentara LB3</i> (Hazardous Waste Storage)
UKL/UPL	:	<i>Usaha Pengelolaan Lingkungan/ Usaha Pemantauan Lingkungan</i>
VOPS	:	Volunteer Oil Palm Seedlings
WHO	:	World Health Organization
WTP	:	Water Treatment Plant
WWTP	:	Waste Water Treatment Pond

<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>• Indonesian National Interpretation of RSPO Principles and Criteria 2013 by INA-NITF, July 2016 (Endorsed by the RSPO Board of Governors meeting on 30<sup>th</sup> September 2016)</li> <li>• RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014, Revised on 14 June 2017</li> </ul>	
<b>1.2</b>	<b>Organisation Information</b>		
1.2.1	Organisation name listed in the certificate	<b>PT KARYA MAKMUR BAHAGIA subsidiary of BUMITAMA AGRI LIMITED</b>	
1.2.2	Contact person	Lim Sian Choo	
1.2.3	Organisation address and site address	<ul style="list-style-type: none"> <li>• RSPO registered company: Jl. Melawai Raya No. 10 Kebayoran Baru Jakarta Selatan 12160 Indonesia .</li> <li>• Liaison Office: Jl. Melawai Raya No. 10 Kebayoran Baru Jakarta Selatan 12160 Indonesia.</li> </ul>	
1.2.4	Telephone	(62-21) 727 98418	
1.2.5	Fax	(62-21) 727 98665	
1.2.6	E-mail	<a href="mailto:lim.sian.choo@bumitama.com">lim.sian.choo@bumitama.com</a>	
1.2.7	Web page address	<a href="http://www.bumitama-agri.com">www.bumitama-agri.com</a>	
1.2.8	Management Representative who completed the application for certification	Lim Sian Choo (Head of CSR and 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	<b>Palm Oil Mill and Supply Base:</b> Gunung Makmur Mill, Gunung Makmur Estate, Bukit Kecubung Estate, Bukit Makmur Estate, Bukit Daman Estate, Sungai Mentaya Estate.	
1.3.2	Type of certificate	Single	
<b>1.4</b>	<b>Locations of Mill and Plantation</b>		
1.4.1	Location of Mill		
	<b>Name of Mill</b>	<b>Location</b>	<b>Coordinate</b>
			<b>Latitude</b> <b>Longitude</b>
	Gunung Makmur	Rantau Tampang Village, Telaga Antang Sub District, Kotawaringin Timur District, Kalimantan Timur Province, Indonesia	S 1° 40' 56"      E 112° 37' 16"
1.4.2	Location of Certification Scope of Supply Base		
	<b>Name of Supply Base</b>	<b>Location</b>	<b>Coordinate</b>
			<b>Latitude</b> <b>Longitude</b>

Gunung Makmur Estate (GMKE)	Gunung Makmur Village, Antang Kalang Sub District, Kotawaringin Timur District, Kalimantan Tengah Province, Indonesia	S 1°43' 37"	E 112°39' 45"
Bukit Kecubung Estate (BKCE)	Waringing Agung Village, Antang Kalang Sub District, Kotawaringin Timur District, Kalimantan Tengah Province, Indonesia	S 1°33' 22"	E 112°43' 00"
Bukit Makmur Estate (BMKE)	Sungai Hanya Village, Antang Kalang Sub District, Kotawaringin Timur District, Kalimantan Tengah Province, Indonesia	S 1°34' 23"	E 112°45' 15"
Sungai Mentaya Estate (SMNE)	Gunung Makmur Village, Antang Kalang Sub District, Kotawaringin Timur District, Kalimantan Tengah Province, Indonesia	S 1°40' 56"	E 112° 37' 16"
Bukit Daman Estate (BDME)	Gunung Makmur Village, Antang Kalang Sub District, Kotawaringin Timur District, Kalimantan Tengah Province, Indonesia	S 1°43' 39"	E 112° 39' 41"

**1.5 Description of Area Statement**

1.5.1	Tenure		
	• State	15,100.24	Ha
	• Community		Ha

**1.5.2 Area Statement**

• Total area	15,100.24	Ha
• Mature area	12,950	Ha
• Mill	43.93	Ha
• Road, Infrastructure	964	Ha
• HCV/Conservation/Riparian River/Reservoir	514.52	Ha
• Occupation	627.79	Ha

**1.6 Planting Year and Cycles**

**1.6.1 Age profile of planting year**

Planting Year	Hectarage (Ha)					
	GMKE (Ha)	BKCE (Ha)	BMKE (Ha)	SMNE (Ha)	BDME (Ha)	Total
1998	254	0	0	0	0	254
1999	1440	0	0	496	0	1,936
2000	672	0	75	78	32	857
2001	5	0	2	7	0	14
2002	106	0	109	321	365	901
2003	401	0	0	197	287	885
2004	0	0	0	26	44	70
2005	24	11	1	0	150	186
2006	35	116	180	0	26	357
2007	125	1,040	1,603	81	168	3,017
2008	9	557	514	15	0	1,095



	<b>2009</b>	20	80	140	223	65	528
	<b>2010</b>	17	133	18	235	30	433
	<b>2011</b>	120	437	120	289	71	1,037
	<b>2012</b>	114	212	79	510	0	915
	<b>2013</b>	99	83	13	185	57	437
	<b>2015</b>	0	0	0	25	3	28
	<b>TOTAL</b>	<b>3,441</b>	<b>2,669</b>	<b>2,854</b>	<b>2,688</b>	<b>1,298</b>	<b>12,950</b>
1.6.2	New Planting area after January 2010			2,417 Ha			
1.6.3	Planting Cycle			1 <sup>st</sup> Cycle			
<b>1.7</b>	<b>Description of Mill and Supply Base</b>						
1.7.1	Description of Mill						
	<b>Name of Mill</b>	<b>Capacity (tonnes/ hour)</b>	<b>FFB Processed (tonnes/year)</b>	<b>CPO</b>		<b>Palm Kernel</b>	
				<b>Out put (tonnes)</b>	<b>Extraction (%)</b>	<b>Out put (tonnes)</b>	<b>Extraction (%)</b>
	Gunung Makmur Mill	75	263,408.17	57,291.06	21.75	12,881	4.89
	<i>*Production data source from April 2017 to March 2018</i>						
1.7.2	Description of Certification Scope of Supply Base						
	<b>Name of Estate</b>	<b>Total Area (Ha)</b>	<b>Planted Area (Ha)</b>	<b>FFB (tonnes/year)</b>	<b>Yield (tonnes/ ha/year)</b>	<b>Supplied to Mill</b>	
						<b>FFB (tonnes/year)</b>	<b>%</b>
	Gunung Makmur Estate	3,875.86	3,441	57,626	17	47,031	81.6
	Bukit Kecubung Estate	3,394.02	2,669	36,705	13	-	-
	Bukit Makmur Estate	3,173.04	2,854	48,881	16.74	-	-
	Sungai Mentaya Estate	2,959.60	2,688	22,493	8.37	22,493	100
	Bukit Daman Estate	1,697.72	1,298	17,959	13.83	17,959	100
	<b>TOTAL</b>	<b>15,100.24</b>	<b>12,950</b>	<b>183,664</b>	<b>13.7</b>	<b>87,483</b>	<b>89.20</b>
	<i>*Production data source from April 2017 to March 2018</i>						
	<i>Note: in the latest one year (April 2017 to March 2018), the FFB of BKME and BKCE are delivered and processed in Bukit Makmur Mill, its due to the company's program to include the mill in the scope as SCCS-multisite.</i>						
1.7.3	FFB description from other source						
	<b>Name of sources/Organisation (RSPO certified / non-certified)</b>	<b>Type of Organisation</b>		<b>number of smallholders</b>	<b>Production Area (Ha)</b>	<b>Supplied to Mill FFB (tonnes/year)</b>	
	BAGE (Mekar Jaya cooperative) divison 3 & 4	PT KMB (RSPO Noncertified)		567 farmers	1,049.78	37,910.94	
	BHJE (Lestari cooperative) divison 2 & 3			500 farmers	1,003.24	34,392.05	
	MAGE Divison 2,3,4,5,6			-	2,476.38	88.48	
	SPYE Divison 2,3,4,5			-	2,298.19	886.18	
	SMRE PT TTL	PT TTL (RSPO Noncertified)		-	1,731.01	26,003.37	
	SMNE PT TTL			-	469.53	1,669.47	
	BDME PT TTL			-	958.35	11,233.61	

	GMKE PT TTL		-	229.13	1,124.32			
	BMKE PT TTL		-	-	18.59			
	BKCE PT TTL		-	415.23	5.40			
	Independent outgrower	Independent outgrower (RSPO Noncertified)	45 farmers	-	62,592.76			
	<b>TOTAL</b>				<b>175,925.17</b>			
<i>*Source Production Data April 2017 to March 2018</i>								
1.7.4	Product categories			FFB, CPO, PK				
<b>1.8</b>	<b>Tonnage of Product</b>							
1.8.1	Past Annual Claim Certified Product		Previous Certificate Claim July 21, 2017 to July 20, 2018 (tonnes/year)		Actual certified product July 21, 2017 to 21 April 2018 (tonnes/year)			
	• FFB Production		200,196		142,465.11			
	• CPO Production		48,047		14,703.27			
	• Palm Kernel (PK) Production		10,010		3,383.62			
	<i>Note: Bukit Kecubung Estate and Bukit Makmur Estate did not supply the FFB to the Gunung Makmur Mill until March 2018 and began supplying in April 2018 (SCCS E 4.1). The volume of certified products only 30% from volume previous certificate claim because there is a diversion to other mill. Diversion also occurs because Gunung Makmur mill receives FFB from independent outgrowers.</i>							
1.8.2	Product selling							
	Tonnage of selling product		Period of actual selling product July 21, 2017 up to 21 April 2018					
	• CSPO sold as RSPO certified product		2,000 MT					
	• CSPK sold as RSPO certified product		500 MT					
	• CSPO sold under other scheme		-					
	• CSPK sold under other scheme		-					
	• CSPO sold as conventional		8,275 MT					
	• CSPK sold as conventional		808 MT <i>(amount of 1,437 MT was taken to replace the over sales in the previous licence, so the 1,437 MT of CSPK categorize become non-certified)</i>					
1.8.3	Estimate of Certified FFB Claim							
	<b>Name of Estate(s)</b>	<b>Total Area (Ha)</b>	<b>Planted Area (Ha)</b>	<b>FFB (tonnes/year)</b>	<b>Yield (tonnes/ha/year)</b>			
	Gunung Makmur Estate	3,875.86	3,441	60,507	18.67			
	Bukit Kecubung Estate	3,394.02	2,669	38,637	14.49			
	Bukit Makmur Estate	3,173.04	2,854	51,454	18.03			
	Sungai Mentaya Estate	2,959.60	2,688	23,618	9.04			
	Bukit Daman Estate	1,697.72	1,298	18,857	14.55			
	<b>TOTAL</b>	<b>15,100.24</b>	<b>12,950</b>	<b>193,073</b>	<b>14.90</b>			
	<i>*Projected FFB production from 21 July 2018 to 20 July 2019</i>							
1.8.4	Estimate of Certified Palm Product Claim							
	<b>Name of Mill</b>	<b>Capacity (tonnes/hour)</b>	<b>FFB Processed (tonnes/year)</b>	<b>CPO</b>		<b>Palm Kernel</b>		<b>Supply Chain Module</b>
				<b>Out put (tonnes)</b>	<b>Extraction (%)</b>	<b>Out put (tonnes)</b>	<b>Extraction (%)</b>	
	Gunung Makmur Mill	75	193,073	40,545	21	9,654	5.0	MB

*Projected CSPO and CSPK production from 21 July 2018 to 20 July 2019									
<b>1.9</b>	<b>Other Certifications</b>								
	ISCC				-				
	Others				MUTU-ISPO/023 (Validity periode 9 September 2014 – 8 September 2019)				
<b>1.1</b>	<b>Time Bound Plan</b>								
<b>1.10.1</b>	<b>Time Bound Plan for Other Management Units</b>								
	<b>Management Unit</b>		<b>Estate (Supply Base)</b>	<b>Time Bound Plan</b>	<b>Location</b>	<b>Status</b>			
	<b>MILL</b>	<b>Time Bound Plan</b>							
	PunduNabatindo (PT Windu Nabatindo Lestari)	2014	PunduNabatindo	2014	Kotawaringin Timur District, Kalimantan Tengah	Certified			
			Koperasi Harapan Abadi	2017		-			
	Katari Agro (PT Windu Nabatindo Lestari)	2016	Pelantaran Agro Estate	2016	Kotawaringin Timur District, Kalimantan Tengah	Certified			
			Katari Agro Estate						
			Pantai Mas Estate						
	GunungMakmur (PT Karya Makmur Bahagia)	2014	GunungMakmur	2014	Kotawaringin Timur District, Kalimantan Tengah	Certified			
			Sungai Mentaya						
			Bukit Kecubung						
			Bukit Makmur						
			Bukit Daman	2017		-			
			KUD Mekar Jaya	2017		-			
			KUD Sekar Tani	2017		-			
	Bukit Makmur (PT Karya Makmur Bahagia)	2018	Sungai Puring (PT Langgeng Makmur Sejahtera)	2018	Kotawaringin Timur District, Kalimantan Tengah	ST-1			
			Kotawaringin (PT Bumitama Gunajaya Abadi)	2019			Sepantaian	2019	Kotawaringin Barat District, Kalimantan Tengah
							Danau Merah		
							Kotawaringin		
	Lamandau Mill (PT Bumitama Gunajaya Abadi)	2020	(PT Bumitama Gunajaya Abadi)	2020	Lamandau District, Kalimantan Tengah	-			
			Kumai Hilir Estate (PT Andalan Sukses Makmur)	2020		Lamandau District, Kalimantan Tengah	-		
			PT Investa Karya Bhakti	2020		Lamandau District, Kalimantan Tengah	-		
	Kendawangan Mill (PT. Gunajaya Karya Gemilang)	2016	Mekar Utama	2016	Ketapang District, Kalimantan Barat	Certified 2015			
			Kendawangan						
			Banjar Sari						

			Seriam Jaya Membuluh Jaya Koperasi Serba Usaha Bersama Koperasi Binasari Koperasi Serba Usaha Karya Bersama Koperasi Binasari Koperasi Perkebunan Fajar Mandiri Koperasi Rimba Sari	2018	Ketapang District, Kalimantan Barat	-
	Suka Damai (PT Rohul Sawit Industri)	2018	PT Masuba Citra Mandiri	2018	Rokan Hulu District, Riau	-
	Pembangunan Raya Mill (PT Agro Sejahtera Mandiri)	2016	Pembangunan Raya	2016	Ketapang District, Kalimantan Barat	ST-2
Bengkuang Raya						
Belaban Raya			2020	Ketapang District, Kalimantan Barat	-	
Teluk Rengit (PT Gunajay Harapan Lestari)						
	Sungai Rasau Mill (PT Karya Bakti Agro Sejahtera)	2017	Marau Raya	2017	Ketapang District, Kalimantan Barat	ST-1
	Selucing Mill (PT. Windu Nabatindo Abadi)	2019	Serwak Damai (PT Windu Nabatindo Sejahtera)	2019	Central Kalimantan	-
	Sungai Cempaga Mill (PT. Windu Nabatindo Abadi)	2018	PT. Windu Nabatindo Abadi	2018	Central Kalimantan	-
			PT Nabatindo Karya Utama	2018	Central Kalimantan	-
	Bukit Tunggul Jaya Mill (PT Ladang Sawit Mas)	2020	PT Ladang Sawit Mas	2018	Ketapang District, West Kalimantan	NPP
			PT Lestari Gemilang Intisawit	2020		NPP
			PT Ago Manunggal Sawitindo	2020		NPP
			PT Karya Makmur Langgeng	2020		NPP
			PT Gemilang Makmur Subur	2020		-
1.10.2	<b>Progress of Associated Smallholders and Outgrowers for Certifiable Standard</b>					
	There was 8 smallholder scheme under PT KMB, two of its has been audited and the remaining has been planned to be audited in June 2018, however since it has been ASA-4, a non conformance has been raised against RSPO Certification system requirement clause 4.2.3. <b>See NCR no 2018.09.</b>					

<b>2.0</b>	<b>ASSESSMENT PROCESS</b>
<b>2.1</b>	<b>Assessment Team</b>
<b>ASA-4</b>	<ol style="list-style-type: none"> <li><b>Sandra Purba (Lead Auditor).</b> Graduated from Forestry Faculty Bachelor Degree, majored in Forest Product Technology. Have experience working in industrial forest company, mining and oil palm plantations company for 6 (six) years as EHS and Sustainability Assistant. Has been certified as General OHS Expert, attend and passed the several trainings of management system (OHS, environment and quality management), has been attend the training of waste management, GHG verifier and validator training, and conflict resolution and mapping training. Have been successfully passed the Indonesian Sustainable Palm Oil (ISPO) Lead Auditor training course, RSPO lead auditor training course and auditor of RSPO Next. Involve in many audit activities of similar scheme (ISPO) since April 2013 covering the Legal Aspect, Environmental aspect, Social Aspect, Health and Safety Aspect, conservation and Worker Welfare. During the assessment she assigned to verify SCCS, land dispute, OSH and HCV.</li> <li><b>Arif Faisal Simatupang (Auditor).</b> Bachelor of Agriculture, from Department of Agriculture Agronomy, Faculty of Agriculture, University of Gadjah Mada. He has attended the RSPO Awareness Training, Indonesian Sustainable Palm Oil (ISPO) Auditor Training, Training of Management System Certification ISO 9001-2008, Training of Environmental Management System, Awareness of ISO 17021 and ISO 17065, and training of Management High Conservation Value (HCV) and RSPO lead auditor training course. He has been 4 years of working experience as a Field Assistant on oil palm plantation companies in Indonesia. During the assessment he assigned to verify Social, BMP and Legal.</li> <li><b>Asystasya Aishah Silalahi (Auditor).</b> Indonesia citizen, Bachelor of Economy, Major of Agribusiness, Faculty of Economic and Management. She has one year experience in consultancy. She has followed training such as ISPO Auditor Training, Lead Auditor ISO 9001:2015, OHS General Expert, and several in house training related to environmental, BMP, etc. Has been involved in several audit activities since 2016 related to sustainable palm oil certification covering waste management aspect, Social Aspect, Health and Safety Aspect, and Worker Welfare. During this assessment, she assigned to verify worker welfare and environment aspect, waste management, worker welfare and GHG.</li> </ol>
<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>ASA-4</b>	Number of auditors : 3 auditors Number of days for <b>ASA-4</b> at site : 4 days Number of working days for <b>ASA-4</b> at site : 12 Working days
<b>2.2.2</b>	<b>Assessment Process</b>
<b>ASA-4</b>	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT. Karya Makmur Bahagia to the requirements of of Indonesian National Interpretation of RSPO Principles and Criteria 2013 by INA-NITF, July 2016 (Endorsed by the RSPO Board of Governors meeting on 30th September 2016) and RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on June 2017 (Module D / E for CPO Mill).</p> <p>The assessment was conducted in three methods: (1) document review, aiming to observe the sufficiency of types or substances from required documents; (2) <i>interview</i>, aiming to obtain more detailed information and cross check the information; and (3) field observation, aiming to observe directly the sufficiency of implementation on site. Some opportunities for improvement of the results <b>ASA-4</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>RC</b>).</p> <p>Improvement of findings from main assesment findings were observed by auditors at this <b>ASA-4</b> assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of <b>ASA-4</b></p> <p>The assessment program please find Appendix 2</p>

2.2.3	<b>Locations of Assessment</b>
ASA-4	<p><b><u>Bukit Kecubung Estate</u></b></p> <ul style="list-style-type: none"> <li>• <b>Harvesting Activity Block S30.</b> observation and interview related to work technic (based on company Prosedure), PPE, and employment.</li> <li>• <b>Circle Spraying Workers Block S34.</b> observation and interview related to work technic (based on company Prosedure), PPE, and employment.</li> <li>• <b>Manuring Workers Block S25.</b> observation and interview related to work technic (based on company Prosedure), PPE, and employment.</li> <li>• <b>BSS House (PPE storage).</b> Observation related to washing of working tools, PPE spray teams and used pesticide containers handling.</li> <li>• <b>HGU Pegs No. 59 and No. 60.</b></li> <li>• <b>HCV Area – Penyakuwan River Riparian, Blok R21 dan T21</b></li> </ul> <p><b><u>Bukit Makmur Estate</u></b></p> <ul style="list-style-type: none"> <li>• <b>Block of C20A BMKE</b> Observation of HGU peg number PT100 and border with MAGE (smallholder area)</li> <li>• <b>Block of O25, Div 2, BMKE.</b> Observation of HGU peg number PT99 and border between certified and uncertified area (PT TTL)</li> <li>• <b>Block of O41, Div 4, BMKE.</b> Observation of HGU peg number BT72</li> <li>• <b>Block of O41, Div 4, BMKE.</b> Observation of enclave area</li> <li>• <b>Emplacement/Creche div 3, 4.</b> Interview and observation regarding to employee facility and employment aspect.</li> <li>• <b>Block of Q23, Div 2, BMKE.</b> Observation to HCV area (spring).</li> <li>• <b>Block Q27. Divisonon III. Manuring.</b> Observation and interview with manuring worker related manuring dosage, application in the field, management on ex fertilizer sack, PPE, medical check-up, chemichal prohibition area, and handling of hazardous material</li> <li>• <b>Block O31. Divisonon III. Harvesting.</b> Observation and interview with harvester and picker related FFB criteria, wages, PPE, and labour union.</li> <li>• <b>Block P36. Divisonon III. Spraying worker.</b> Interview with spraying worker related to handling on pesticide, PPE, chemichal prohibition area, and medical check-up</li> <li>• <b>BSS House.</b> Observations relating to the storage of pest control devices and materials, spray washings, Hazardous waste symbols, rinse rooms, and drainage of exhaust wastewater discharges</li> <li>• <b>BMS House.</b> Observations related to PPE storage, monitoring of manuring, wash sack of used fertilizer, and rinse room</li> </ul> <p><b>GUNUNG MAKMUR POM</b></p> <ul style="list-style-type: none"> <li>• <b>Workshop.</b> Interview with worker about workshop activity, OHS implementation, worker walfare</li> <li>• <b>Agrochemical storage.</b> Observation related to storage condition.</li> <li>• <b>Hazardous waste storage.</b> Observation about OHS implementation, storage condition, waste stock.</li> <li>• <b>WWTP.</b> Observation and interview with IPAL OHS implementation in WWTP, bipartite cooperation and worker union, and worker walfare.</li> <li>• <b>Empty bunch and fiber area.</b> Observation about the condition of empty bunch and fiber area and management of the <i>air lindi</i>.</li> <li>• <b>Sedimentation dumps.</b> Observation about sedimentation dumps and management of its waste.</li> <li>• <b>Security and Weigh-bridge.</b> Observation of SCC implementation</li> <li>• <b>Grading Station.</b> Observation and interview with grading officer about how grading sampling, EFB criteria, EFB handling that do not pass the grading and PPE used</li> </ul>



- **Pressing Station.** Observations and interviews with officer related PP in use and day-to-day duties and understanding of emergency response situations.
- **Boiler Station.** interview with officers about the training that has been followed, routine medical check-up, and PPE that must be used
- **Engine Room.** Observations and interviews with officers regarding health checks, completeness of first aid box contents, and PPE used

**STAKEHOLDER CONTACTED**

- Board of Mekar Jaya Cooperative
- Board of Sekar Tani Cooperative
- Board of Waringin Jaya Cooperative
- Board of Makarti Jaya Cooperative
- Head of Bukit Makmur Village
- Plantation Agency Regency of Kotawaringin Timur (no respon)
- Land Office Regency of Kotawaringin Timur
- Environmental Agency Regency of Kotawaringin Timur
- Manpower Agency Regency of Kotawaringin Timur

<b>2.3</b>	<b>Stakeholder Consultation and Stakeholders Contacted</b>
<b>2.3.1</b>	<b>Summary of stakeholder consultation process.</b>
<b>ASA-4</b>	<p>The public consultation with stakeholders to PT. Karya Makmur Bahagia done through:</p> <ol style="list-style-type: none"> <li>(1) Conducting interviews with stakeholders by phone (Regional Environmental Agency; Regional of Labor Agency; National Land Agency and Regional Plantation Agency, Kotawaringin Timur Regency, Province of Central Kalimantan) on April 24, 2018.</li> <li>(2) Conduct consultations via email questionnaire to NGOs (Walhi, Sawit Watch, World Wildlife Fund, Save Our Borneo and Walhi) on March 29, 2018</li> <li>(3) Conducting visits and direct interviews with stakeholders (Bukit Makmur Village on April 24, 2018)</li> <li>(4) Conducting Interviews with the Makarti Jaya, Sekar Tani, and Mekar Jaya Cooperative on April 24, 2018.</li> <li>(5) Conducting Interviews with the Gender committee and Worker Union PT Karya Makmur Bahagia on April 25, 2018.</li> </ol> <p>Some verbal feedback from stakeholders both positively and negatively received by the audit team to be clarified as a material consideration in the assessment of RC.</p>
<b>2.3.2</b>	<b>Stakeholder contacted</b>
	<i>Please find appendix 1</i>
<b>2.4</b>	<b>Determining Next Assessment</b>
	The next visit RC will be determined one year after this ASA 4 (April -2019).

**3.0. ASSESSMENT FINDINGS**

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

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

During the assessment, there were four (4) Nonconformities were assigned against Major Compliance Indicator(s); four (4) nonconformity(s) were assigned against Minor Compliance Indicators; and one (1) nonconformance(s) against supply chain requirement for CPO mill and five (5) opportunity(s) 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) against Major NCs, had been reviewed and accepted by Auditor(s) in form of documentation evidence(s).

MUTUAGUNG LESTARI found that of Gunung Makmur Palm Oil Mill – PT Karya Makmur Bahagia subsidiary of Bumitama Agri Limited complied with the requirements of RSPO Principles & Criteria and National Interpretation, RSPO Principles and Criteria (P&C) for Sustainable Palm Oil Production, Republic of Indonesia - RSPO INANI, approved 2016 and supply chain standard for CPO Mill June 2017.

Therefore MUTUAGUNG LESTARI Recommends RSPO Certification of compliance is Continued .

Ref Std.	VERIFICATION RESULT of MUTU-Certification
<b>PRINCIPLE #1 COMMITMENT TO TRANSPARENCY</b>	
<b>1.1 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><b>1.1.1</b> The company has list of stakeholders (latest update) which consist of contractor/supplier, government district, security forces and village. PIC which is appointed to respond the stakeholders are head of administration, estate controller, regional head and sustainability officer. There are type of information that can be given to the relevant stakeholders include CPO/FFB Production report, HCV document, HSE document, Organization structural document, assessment results document, suggests and complain document etc. The list are updated periodically every year. Based on interview with village head of Bukit Makmur Village, PT KMB already socialized mechanism to access the information and its type.</p>	
<p><b>1.1.2</b> The Company already had SOP on response to stakeholders in SOP Transparency and Mechanism (BGA-SOP-KMB 16-RO) dated September 17, 2012. The time to respond of information requested is given a maximum 10 days. The company records all request of information in the logbook, document check on logbook found that there is no submission of information request to the company during period 2017-2018, it similar to result of interview with relevant agenices (Labor and Transmigration Agency, Environmental Agency, Forestry and Plantation Agencies).</p>	
<b>Status: Comply</b>	
<b>1.2 Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.</b>	
<p><b>1.2.1</b> As mentioned in the Criteria 1.1, the company has established the SOP Transparency and Mechanism (BGA-SOP-KMB 16-RO dated September 17, 2012) as well as the type information that is accessible/publicly. Type of document which is available</p>	

to the public such as : Seed Certificate Document, water level monitoring report, Organization Structure, CPO/FFB production Report, HSE Program, etc. And, type of documents that can be accessed with the approval from higher authorities such as : Loss and Profit Document, Land Use Title, Staff Salary Report, Community Development Document, etc.  
Based on interview with relevant agencies (Labor and Transmigration Agency, Environmental Agency, Forestry and Plantation Agencies) and head of village of Bukit Makmur Village mentioned that they has been understand regarding this procedure and mechanism.

**Status: Comply**

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

**1.3.1**  
Same as previous assessment, company already had policy related to code of ethics, stated in *Code of Conduct* (BGA-COC-HC-333.1-R0) dated 28 October 2014 approved by Board of Director. The policy informs: code of conduct principles, conflict of interest, bribery and Illegal or unethical practices, entertainment and gifts, misuse of position, insider trading, confidentiality, restriction on solicitation, media relations, trade union, political and social activities, anti money laundering, trade compliance & export controls and sanctions, and commitment to human rights. The document written in Bahasa, therefore all workers known about code of ethic.

Based on Interview with 10 employee in Gunung Makmur Mill of PT KMB, they known about company code of ethics. And based on interview with local contractor named UD Mandoyo, they confirmed that contractor must obey company code of ethic.

**Status: Comply**

**PRINCIPLE #2 COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS**

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

**2.1.1**  
The company has showed compliance with regulations, including:

1. OHS:
  - ✓ Regulation of the Minister of Labor and Transmigration No. 8 Year 2010 (Free charge PPE for Workers)
  - ✓ Regulation of the Minister of Labor and Transmigration No. 9 Year 2010 (License of Lift Equipment Operators )
  - ✓ Regulation of the Minister of Labor and Transmigration No. 2 Year 1982 (Welder Licenses)
  - ✓ Regulation of the Minister of Labor No. 15 Year 2008 ( First Aid Kit Officers and First Aid Kit Facilities)
  - ✓ Regulation of the Minister of Labor No. 2 Year 1980 (periodically medical check up for workers)
  - ✓ Regulation of the Minister of Labor No. 1 Year 1976 (Hiperkes Training for Companies Paramedic)
  
2. Land legality:
 

Certificate Holder has had land use permit as follows:

  - ✓ Land Use Title/HGU No. 19 dated on October 22<sup>nd</sup> 2001 for area 15,056.31 Ha valid until October 22<sup>nd</sup> 2036.
  - ✓ Building use title/HGB No. 1 dated on January 18<sup>th</sup> 2005 for area 439.329 M<sup>2</sup> valid until January 18<sup>th</sup> 2033.
  - ✓ Plantation Business Permit/IUP from Regency Head of Kotawaringin Timur as follows:
  - ✓ Plantation Business Permit/IUP No. 525.26/603/VIII/EKBANG//2006 dated on August 4<sup>th</sup> 2006 that covered area ± 15,056.31 Ha and 90 ton FFB/hour of mill capacity.
  - ✓ Plantation Business Permit for Processing/IUP-P No. 508/004/IUP-P/EK.SDA//2014 that give permit for mill with 45 – 90 ton FFB/hour.
  
3. Best Management Practices
  - ✓ Minimize the use of pesticides class 1a and 1b who
  - ✓ Using pesticides that are officially registered and permitted in accordance with the regulations

However, the certificate holder has not been able to demonstrate the compliance against the following regulations:

1. Submission of reports on the implementation of hazardous waste management for the fourth quarter of 2017 in accordance with the permits.

2. Submission of compulsory labor report in accordance with Law No. 7 of 1981 Article 7 concerning compulsory reporting of employment.
3. Submission of Plantation Progress Report (LPUP) every 6 months to Plantation Agency, pursuant to the provisions in regulation of agricultural ministry No. 98 of 2013 on plantation business licensing guidelines.
4. Submission of Land Use Report every year to Land Agency, in accordance with the provisions in the regulation of Agrarian Ministry No. 7 of 2017 concerning the regulation and procedure for the stipulation of entitlement rights.

It has been raised as **Non Conformance 2018.01 with Major category:**

**2.1.2**

Certificate holder has the PIC who responsible for document management is department related to their field, for example identification and evaluation related to OHS is conducted by CCS Department and for estate and legal is conducted by PAD. It is regulated in SOP Identification and Regulatory Compliance Audit and Legal Requirements (BGA-SOP-CCS-1102.1-R0) dated 9<sup>th</sup> May 2012. Certificate holder has documented the national regulation in List of Laws and Regulations for OHS, Worker Welfare, Plantation, and Environmental aspects.

**2.1.3 & 2.1.4**

Mechanisms to ensure legal compliance is regulated in procedure of Identification and Regulatory Compliance Audit and Legal Requirements (BGA-SOP-CCS-1102.1-R0) dated 9<sup>th</sup> May 2012. It describe that the regulation compliance audit is conducted every 6 month or when needed. It has to be done by the responsible person for each aspect. Based on document review, the last audit for regulation compliance was conducted on 31<sup>st</sup> March 2018. The responsible person for regulation update is the expert staff or relevant department. The the regulation compliance audit is conducted every 6 month or when needed. The source of information for regulation update is from newspaper, magazine, television, government agency, internet, radio or from the workers.

Major 2.1.1	<b>Status: Non Conformance 2018.01 closed</b>	
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**2.2**

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

**2.2.1**

Certificate holder has shown the legal document for land right. Based on document review, the certificate holder has two document regarding to land right as follows:

1. Land Use Title (HGU) No. 19 dated 22<sup>nd</sup> October 2001 for 15,056.31 Ha that has released by National Land Agency of Kotawaringin Timur Regency. This HGU located in Rantau Tampang Village, Kotawaringin Timur Regency, Kalimantan Tengah Province. This HGU valid until 22<sup>nd</sup> October 2036. Based on HGU maps, all over area demarcated by 104 boundary poles.
2. Building Use Title (HGB) No. 1 dated 18<sup>th</sup> January 2005 for 43.9329 Ha that has released by National Land Agency of Kotawaringin Timur Regency. It is located Rantau Tampang Village, Kotawaringin Timur Regency, Kalimantan Tengah Province. This HGB valid until 18<sup>th</sup> January 2033. According to the observation and interview with legal staff, this HGB is using for Mill (GMKM), office, storage, workshop and housing. Based on the document review and interview with legal staff that known the HGB (Building use title) which is using for GMKM are outside the HGU (land use title) area, however the certification scope were included mill and estate which is HGU and HGB area. Therefore the total scope of certification are 15,100.24 ha.

The company has showed all historical document regarding to land acquisition such as location permit, land compensation document, Plantation Business Permit ,and HGU/HGB certificate. Whole document are publicly available who managed by Document and License Department.

**2.2.2**

Data from the inventory of boundary pole, indicates that the total number of boundary poles are 104, installed 82 poles, not installed 15 poles. Based on observation of boundary pole in Bukit Makmur Estate (No. PT100, PT99, BT72) and Bukit Kecubung Estate (No. 59 and 60), it was clearly the sighted poles are in well maintained and appropriate with coordinate points. Based on the map review, management interviews and field observations, the un-installed boundary poles are in area that can not be compensated by certificate holder, so that the land is still controlled by the community.

**2.2.3, 2.2.4, 2.2.5**

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

There has been documentation on land disputes such as:

1. Land occupation map of PT. Karya Makmur Bahagia compiled by the Department of GIS Region I with scale 1: 50.000. Based on the map, it was recorded that the occupational area covered of 626 Ha.
2. A reference from the PAD Regional Staff 1 on 29 May 2017 stating that there are 98 occupants in the HGU area of PT. KMB with overlapping ownership status.
3. Management plan for settlement of overlapping land ownership area signed by Region Head Region I and Document & License Department. The program is the identification of overlapping areas of ownership, meeting with the owner of the area, checking the common area, making participatory maps, making agreement documents, signing documents, maps, and maintaining agreement. The program is planned gradually from 2017 to 2021.

**2.2.6**

According to the procedure of land dispute handling (SOP No. BGA-SOP-KMB 25-RO) that has approved by top management, conflict resolution must has to do with soft approach such as discussion and negotiation. Based on negotiation document that shown, all land dispute case always involve the local government. Through the public consultation with related agencies in Kotawaringin Timur and representatives villagers, there was no coercion approach by the company to handling land dispute cases so far. All compensation implemented by mutual agreement.

**Status: Comply**

**2.3**

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

**2.3.1 & 2.3.2**

Documentation of land compensation indicates that the land compensation process has been conducted in a participatory manner with affected parties, including land boundaries witnesses and authorized officials. The certificate holder has had land acquisition procedure (No: SOP-PAD-001) that described the land acquisition step as follows:

- Inventory, survey and measured the land.
- Conducting socialization to all smallholder based on inventory result.
- Negotiation with land owner regarding to land compensation price.
- Land compensation preparation (document finalized, dated of finalized, photos etc).
- Land compensation payment and collecting the handover document.
- Make the minutes of payment document that signed by both parties and witnessed party such as village representative, customary leader, village head and related agencies.

**2.3.3 & 2.3.4**

Based on interview with Village Head of Bukit Makmur known that the land compensation process has been conducted in a participatory manner to the parties without coercion. The land compensation agreement is made in the Indonesian language, understood by the parties, and known by the village government.

**Status: Comply**

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

**3.1**

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

**3.1.1**

The company has been shows Business Plan PT. Karya Makmur Bahagia document which is contain long range program for year 2017 – 2021. Through this document, the company has set projection until 2020 for production, extraction (OER and



KER), price, cost, revenue, profitability, etc. The Revenue and Cost Ratio is greater than one. The company also has been audited by independent accountant (Purwantoro, Sungkoro & Surja) the financial position as of December 31, 2016, and the consolidated statements of profit or loss and other comprehensive income, change in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

3.1.2

Will not do replanting yet in the near future. Based on a long-term plan, replanting will be implemented in 2021. The actual condition of the oldest planting year at ASA-4 was 20 years. While in the replanting procedure is stated planting cycle is 25 years.

**Status: Comply**

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

**4.1**

**Operating procedures are appropriately documented and consistently implemented and monitored.**

4.1.1

PT KMB is a subsidiary of the BGA group so the procedure used refers to the BGA procedure. SOP for estate have been documented in SOP Volume 1 (BGA-AGRKS-SOP-01), SOP volume 2 (BGA-AGRKS-SOP-02), and SOP volume 3 (BGA-AGRKS-SOP-03). Whereas, for the mill is documented in BGA-SOP-KMB 22-R0. The company also has SOP Identification & Product Search Capabilities authorized by GM Plantation 1 dated April 17, 2012.

Based on field observation to block C09 division 2 workers has understood how safe works for both themselves and the environment. Workers can explain the handling of pesticides well as well as the block spraying system procedure. result of interview with officer grading at Gunung Makmur POM workers have understood the grading criteria according to the established SOP.

4.1.2 & 4.1.3

Internal monitoring on the implementation of SOP implemented starting from daily, monthly, to yearly. In addition, there is an internal audit for RSPO implementation conducted by the sustainability team. Based on Audit Conclusion Data Sheet No.002 / IAD-Wil.1-comm / ACS / III / 2017 it is known that corrective actions for each non-conformity are maximized within 1 month. In this form of corrective action comes with root causes, correction, and preventive measure.

Internal monitoring results include performance assessment of BHS (Block Harvesting System) and BSS (Block Spraying System) by QC team. Records of corrective actions shown for example:

- BKCE block S25. A check on February 20, 2018 found inadequate harvesting access conditions. The corrective action taken is to make improvements to harvest access on February 24, 2018 such as pull the wooden weed, pruning, and clean the circle.
- BMKE block Q27. dated February 14, 2018 found circle conditions have begun to shrub and overgrown with woody growth in areas near the water flow. Pull the woody growth and clean up the circle is done in March 1, 2018.

4.1.4

The company has a BGA-SOP-SM-803.1-R0 Third Party Fresh Fruit Bunchs document dated June 1, 2014. Based on basic info data obtained information as follows :

- BAGE (Mekar Jaya Cooperative) division 3 & 4 – 567 farmers
- BHJE (Lestari Cooperative) division 2 & 3 – 500 farmers
- MAGE Division 2,3,4,5,6
- SPYE Division 2,3,4,5
- PT TTL (SMRE, SMNE, BDME,GMKE,BMKE,BKCE)
- Independent Outgrower – 45 Farmers

The Company also conducts an External FBB Audit by the IAD (Internal Audit Department) team to ensure SOP implementation in the field.

Diary documented instance for the period of March 2018 is as follows:

- Mr. Agustinus: the period of 16 - 31 March 2018 amounted to 636,700 Kg net
- Mr. Martono: the period of 16 - 31 March 2018 amounted to 343,797 kg net



There is a proof of payment of FFB for both suppliers which are transferred through the bank.

**Status: Comply**

**4.2**

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

4.2.1 & 4.2.2

The Company has SOP for soil fertility management listed in SOP BGAAGRKS-SOP-01 vol. 1 and volume 2 (Soil and Water Conservation, Planting of Legume Cover Crop and Manuring). Implementation and monitoring of SOP implementation is one of them through BMS performance evaluation by the QC team. There is a book of Work Plan and Work Realization of BMS (Block Manuring System) which informs the amount of Labor, Divisionon and block of fertilization implementation, Kind of fertilizer, and number of fertilizer application on the block.

Records of manuring recorded in the foreman's book for example NPK 12 in amount of 14.10 tons on block O25 BMKE date April 2, 2018. the monthly report of Bukit Kecubung Estate's manager in March informed the realization of kieserite fertilization up to March 2018 of 128 tons and NPK 12 of 469 tons. Information on the use of fertilizer per ton of FFB can be seen from the realization of such fertilization. For example kieserite usage is 0.0167 / Ton FFB

4.2.3

Analysis of leaf and soil sampling unit was carried out by Research Department of Bumitama Gunajaya Agro. The 2018 soil analysis for BMKE and BKCE parameters tested included levels of PH, C-Organic, N, P, and cation exchange rates (Ca, Mg, K). As for the analysis of leaf parameters tested is the content of N, P, K, Mg, Ca (%), and B (ppm).

SOP of Manuring mentioned the implementation of LSU is every year while the SSU is implemented every five years. In accordance with IOM dated 29 November 2017 specifically for the year 2018 implementation of LSU and SSU done in one time

4.2.4

The recycling strategy employed by the company is to utilize the Empty Bunch and POME. Field observations to block 031 divisionon III BMKE obtained application result Empty bunch has been done on the block with U-shape system. The dose used is 250kg / palm tree with a single layer of EFB.

Records of utilization of POME for 2018 as stated in the Land Land realization report are as follows:

- January : 39.732 m<sup>3</sup>
- February : 39.250 m<sup>3</sup>
- March : 33.058 m<sup>3</sup>
- April (until the 22nd) : 21.732 m<sup>3</sup>

**Status: Comply**

**4.3**

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

4.3.1

The company has a marginal land distribution map which states marginal areas Slope > 12% 2,089.01 ha; Laterite soil 116.7 ha and kaolin soil 568.88 ha. The company also has a land type map with the following information:

- BMKE : ultisol, kaolin, spodosol, inceptisol, entisol, ultisol laterite
- BKCE : ultisol, kaolin, spodosol, inceptisol.

4.3.2

The Company has a High Erosion Potential Area Management procedure (Document Number : BGA-SOP-CCS-, 2012). The strategy of the company for planting on the slopes is manage by contour terrace, water catchment, biopori, frond stacking, selective spraying on Nephrolephis, and the application of empty bunch

**4.3.3**

The road maintenance program is included in the Annual Working Plan which is then detailed into a monthly work plan. The realization of the plan is contained in the manager's monthly report. Based on field observation to Block S30, S34 and S25 BKCE; block P36 and O31 BMKE the road still in good condition and passable by vehicle. until March 2018 road maintenance is still done manually for example by making water straps and stockpiling with hard materials.

**4.3.4 & 4.3.5**

Based on document of PT KMB ANDAL made in 2002 Chapter IV-3 point 4.1.2 on geology, physiography and territorial shape explained that the soil in PT KMB consists of volcanic grass rock formation volcanoes. In addition, the soil Map of PT KMB made by the GIS and Research team dated 04 April 2017 stated that the type of soil contained in the operational area of PT KMB is Dystrudepts, Haplohumods, Local Alluvium, Paleudhults, Plinthudults, Quartzpsammets, and Udifluvents. Meanwhile the type of soil contained in the BMKE and BKCE areas is ultisol, kaolin, spodosol, inceptisol, entisol, ultisol laterite There is no peat soil in the company's operational area.

**4.3.6**

Based on field observation to Bukit Kecubung Estate block C09 Divisonon II known implementation of soil conservation among them implemented by selective spraying (letting nephrolepis grow), frond stacking in the edge of the terrace and making contour terraces on areas with a certain slope. For sandy soil (kaolin) the strategy is done with the application of Empty Bunch.

**Status: Comply**

**4.4**

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

**4.4.1 & 4.4.2**

Sources of water contained in the plantation area PT KMB is: 1) springs; 2) The water of the river; 3) wells; and 4) artificial reservoirs. All Sources of water will be used for plantations, both for production at the plant, the employees and staff of domestic purposes, or for purposes other support. Protection and preservation of water resources including rivers that have been conducted by PT KMB are:

- Improvement of riparian areas through the planting of trees and the prohibition of the use of chemicals in border river.
- Installation of a notice board on HCV region (border river) and the prohibition of poison in the river.
- Installation of a marker at the location of riparian (buffer zone).
- Monitoring of water quality in the river as Mentaya which is an outlet of the plantation.
- prohibited from chemis material application on riparian or springs that have been identified as areas of HCV
- Dissemination policies prohibit the use of chemicals on the border river.

During the field observation to riparian of Penyakuwan river it is seen that the riparian area is maintained, there is no indication of spraying to the river bank. The company also has installed the the signboard of ban to disrupt the riparian in strategic location, sighted that the company has set the sampling point and there is planting of local plant species.

**4.4.3**

GMKM wastewater is treated in a series of ponds with a total are 12 ponds namely : 3 Cooling Ponds, 2 Anaerobic Ponds, 6 Aerobic Ponds, and 1 Application Pond. Wastewater quality test are done in monthly basis as required by national regulation (KepmenLH No 29 Tahun 2003). Sighted the report of wastewater quality test, for e.g. period of July - December 2017 done by Accredited Laboratories Baristan–Banjarbaru South Kalimantan (LP-543-IDN), the result shows that the entire parameters tested are below of specified threshold (BOD < 5000 and pH 6-9). The company has a permit of utilization of wastewater of oil palm industry on land in oil palm plantation by Decree of Regent of Kotawaringin Timur On May 31, 2017 (No .: 660/437 / DLH-Ek.SDA / VI / 2017) valid 5 year since the permit issued.

**4.4.4**

The Company has conducted water monitoring per ton of FFB until March 2018 with average water use is 0.7 m3 / ton FFB. Based on observation to WTP GMKM, known flowmeter in broken condition. In this regard, the company has not been able to demonstrate that water-use monitoring records have been performed using accurate tools. Based on the explanation, raised nonconformance NC.2018.02 with minor category

Letter from the Regional Secretariat of East Kotawaringin District Government XX/XX/BKSDA/VI2016 June 2016 on Permit

for Surface Water Utilization. Stated that there is no implementation guidance and technical guidance and there is no regulation of Kotawaringin Timur Regency which regulating the permit of Surface Water Utilization

Minor  
4.4.4 **Status : NCR.No.2018.02 with minor category**

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

**4.5.1 & 4.5.2**

IPM plans, one of which is contained in the annual work plan detailed into a monthly work plan. The IPM plan emphasizes the census and monitoring results before making a decision to exercise control. Implementation of pest observation is carried out regularly every month by pest monitoring officers whose results are verified by research staff. In summary of pest observation period February 2018 known information as follows:

- BKCE: Rat (1.25%), Palm Leaf Eating Caterpillar (highest average 2 larvae/ frond), Oryctes (7,62%)
- BMKE : Rat (0.25%), Palm Leaf Eating Caterpillar (highest average of 2 larvae / Frond), oryctes (0.5%).

Based on the results of the census is known pest attack rate is still below the threshold of control except for attacks oryctes in BKCE. Control measures carried out are by application of cypermetrin on block R20A and T26A division III BKCE. For other pests whose attack rate is still below the threshold of control, the action taken is to keep the census regularly on schedule

IPM emphasize on census and monitoring results before making a decision to exercise control. Potential pests identified by the detection and census form are Palm-Leaf Eating Caterpillar, Oryctes, and Rat. Utilization of barn owls as the natural predator of rat and the planting of beneficial plants for controlling Palm-Leaf Eating caterpillars is intended to reduce the use of chemicals.

Use of reduced chemicals among others brodifacum. While chemicals made from paraquat has not been used since 2017. The use of glyphosate has increased due to all weed control using the material (due to non-use of paraquat) The control documentation shown by the research staff for the BKCE for example:

- Block R20A Divisonon III: The palm tree attacked in amount 460; % attack 16.14; material requirement per pam tree 30 gram; material requirement per rotation 13,800 gram.
- Block T26A Divisonon III: The palm tree attacked in amount 300; % attack 7.62; material requirement per palm tree 30 gram; material requirement per rotation 9,000 gram.

Based on interviews with census officers Bukit Makmur Estate and Bukit Kecubung Estate is known IPM officers have been able to explain the implementation of integrated pest management starting from the detection and census activities. If the pest attack rate exceeds the threshold of control then controlled by chemicals. The Company has trained workers engaged in integrated pest control processes for example IPM Training (Integrated Pest Management) Palm Oil To Supervisi on 13 April 2018 which was attended by 17 participants. IPM Training BKCE dated March 16, 2018, followed by 13 employees. The speakers are Agronomist BKCE estate.

**Status: Comply**

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

**4.6.1**

Selective use of the products is listed in the Weed Control SOP (BGAAGRKS-PTKS-PGL) and Pest and Disease Control (BGAAGRKS-PTKS-PHT) which was approved by the director on January 4, 2011. Based on field observation to block C09 Divisonon 2 BKCE known spraying workers have understood selective spraying of weeds. For example the use of glyphosate for soft weeds and broadleaf. Workers also said not using parakuat since 2017.

**4.6.2**

Records of the use of pesticides indicated by the company include:

BKCE

Active Ingredients	Amount of Usage			a.i/ha		
	2015	2016	2017	2015	2016	2017

Methyl Metsulfuron	157.13	114,97	133,34	0,0101	0,008	0,0102
Paraquat diklorida	1.121	255	0	0,173	0,042	0,000
Isopopilamina Glyphosate	1.255,36	2.051,84	2.806,50	1,94	3,45	5,16
Karbufuran	-	166,698	403,52	0,000	0,00176	0,00464
Brodifakum	4.616	0	0	0,00007	0	0

Information on the LD50 is present on each product MSDS

**4.6.3**

Integrated Pest Management plan can be seen from Monthly Work Plan of Estate. Implementations that are routinely implemented are detection and census programs. If the results of the census indicate a number exceeding the control threshold it will be controlled with the application of pesticides. Monitoring the effectiveness of pest control is done by the research department in coordination with the estate staff.

The use of reduced chemicals such as the active ingredient brodifacum. While chemicals made from paraquat has not been used since 2017. There is no prophylactic in the use of pesticides. Pesticide applications are always based on the results of the pest census.

**4.6.4**

The company has a complete list of pesticides belonging to category 1A and IB WHO. There is an Internal Agriculture & Technical Circular No. 016 / IOM / RSC / I / 2015 dated May 9, 2015 on the 2015 Herbicide Recommendation recommending that the herbicides of IA and IB (Paraquat) subsequently ceased to be used in weed control. At the time of ASA-4 implemented the use of pesticides class 1A and 1B has been minimized for example Parakuat last used in 2017 while brodifakum last used in 2016

**4.6.5**

The Company has SOP of Pesticide Handling consisting of Pesticide Management, Pesticide Safety Guidance, and First Aid Work Instruction Against Pesticide Poisoning. Based on interviews with spray team Training for workers handling pesticides has been routinely carried out during the morning briefing. In addition, at least once a month also held training such as in October 2017 and April 2017 which was followed by 17 and 15 participants.

Pesticide applicators are special people who have gained quiet training in safe working practices. Based on interviews with BKCE and BMKE spray officers in block P36 and C09 workers have understood how to handle pesticides ranging from storage, mixing, field applications and PPE that must be used.

Pesticide mixing is done at the BSS house so that the pesticides brought to the field are not in pure and can be applied directly. Pesticide and water mixing is done directly in mixing tanks. At the time of pouring water from the tank into the knapsack given the base of a bucket or plastic so that in case of spills is not directly on the ground. Results of visits to the central warehouse of PT KMB found stock of warehouses in accordance with those recorded on the warehouse card

**4.6.6**

The certificate holder shows the procedure of pesticide storage and handling in BGAAGRKS-SOP-14 and BGAAGRKS-PORS-PPS-01 documents. Based on field observations to BSS storage in Bukit Kecubung Estate and agrochemical storage in Metro Mentaya, it is known that the pesticide is kept separately from other material. Observation to housing complex in BKCE and BMKE, use of ex chemical packaging for other purposes is not found.

**4.6.7**

The Company has work instructions on pesticide applications listed in Weed Control SOP and pest control and SOP of Pesticide Management. Based on observations to the house BSS Bukit Kecubung Estate found that there are active ingredients methyl metsulfuron stored in plastic containers. It is not yet in line with SOP-BGA ARKS-PROS-PPS-01 on pesticide management stating that pesticides should be stored in original containers. Based on the explanation, raised the nonconformance **NC 2018.03 with minor category**.

**4.6.8**

Based on information received from the BSS team, Assistant Divisionon, And Estate Manager is known for never before any application of pesticides by air. In addition, in the annual budget is prepared also there is no information about the existence of equipment and materials for the application of pesticides by air.

**4.6.9**

Small Holders of PT KMB are full-managed by the estate so that training and standards work with those applied to the PT KMB. Training related to pesticide handling as described in indicator 4.6.1

**4.6.10**

There is SOP No KMB-SOP-LK-010-RO concerning the disposal of pesticide waste. Based on interviews with warehouse worker and spraying team are known to the worker that every container of pesticide must be returned to licensed temporary hazardous waste storage.

The Company has a Hazardous Waste balance which informs about waste of pesticide jerry-can. For example as follows :

Period	Jumlah					
	Production of the Month	Last month's Stock	Total	Used This Month	Submitted to a third party	Remaining in warehouse
January	179	449	628	-	374	254
February	154	254	406	-	-	406
March	101	406	507	-	-	507

Results of field visits to housing BMKE and BKCE found no use of containers of pesticide packaging

**4.6.11**

The results of interviews with pesticide operators (BSS) in Block S34 Bukit Kecubung Estate (12 workers, 1 foreman), submitted that all pesticide operators have been checked health periodically six months and workers have known the results of the examination. No worker has an indication of exposure to chemicals such as itching, skin irritation, poisoning or anything else.

Based on document review, company showed result of medical checkup for Bukit Kecubung Estate dan Bukit Makmur Estate, such as : results of the latest periodic checks for Bukit Kecubung Estate employee on 5 March 2018 with details of 23 BSS employees, 21 BMS employees, 2 loading employees, and 1 supervisor. Health checks include physical, blood, urine, and cholinesterase examinations. From the document found a diagnosis that 1 of BSS employee had blood condition below normal (< 4.0 U/L). The company follow-up by mutating the employee into manual workers (not related to chemicals).

**4.6.12**

A policy that states preventing pregnant and breastfeeding women from dealing with pesticides already include on Intern Office Memo (No.:185/KMBL-WIL.I/III/15) "Monitoring Mechanism of Workers Spraying (Chemistry) is not in the condition of Pregnant / Breastfeeding Baby while Application of Chemical substances" approved on March 16, 2015. The memo said that Pregnant woman and breastfeeding mother are prohibited from working in spraying or chemical contacts. No pregnant workers found during field observations in Bukit Kecubung Estate and Bukit Makmur Estate. Pregnant worker identification is conducted every month through clinic/midwife or through family planning data of workers.

**Minor 4.6.7 Status: Nonconformance.2018. 03 with minor category**

**4.7**

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

**4.7.1**

Policy related to OHS still the same as previous assessment, namely Occupational Health and Safety signed by BGA Director on June 2013 and written in Indonesian Language. The policy explains that all worker have to obey, maintain, and implement the OHS in workplace. OHS committee is formed for monitoring the OHS implementation in workplace. Based on interview with workers known that they have been known about the OHS policy, for example workers are required use PPE while working and safe working practices. The plan related OHS has been prepared in the Occupational Safety and Health & Environment



Work Program of 2018 and the company has realized activities in accordance with the program created such as HSE and MSDS Socialization for Chemist Team in Bukit Kecubung Estate on March 20, 2018 which was attended by 27 Employees and First Aid Kit Training in Gunung Makmur Mill on February 10, 2018 which was attended by 27 employees. The company evaluates monthly if there is a plan program that has not been achieved (not yet realized).

#### **4.7.2**

Company has made the risk identification for each unit, BKCE, GMKE, and GMKM in the document named HIRAC (Hazard Identification Risk Assessment and Control). The document identifies hazards, risk analysis and risk control in every upkeep activity (Pesticide spraying, fertilizer application, empty bunch application, pruning midrib, etc.), harvesting activities, FFB transportation, all FFB processing activities (Weigh Bridge, Press Station, Sampling, Boiler Station, etc.) and General Activities (warehouses, workshops, employee housing, garbage disposal, genset & water pump machines, and security officers).

#### **4.7.3**

The Company has established the OHS training program for the period of 2017. The training which has been conducted for example training and certification of Boiler operators in the name of Pari on 16 June 2017. Company also had list of operators who already had a permit for each station.

Based on field visit in Estate and Mill, all workers have been using PPE according to risk analysis made and PPE is in good condition and in accordance with its function. Boiler operators at mill using PPE kinds of helmets, ear muff, gloves, mask, and safety shoes. Workers also can explain how to work safely for example in the boiler station, workers can explain the PPE to be used, how to monitor the boiler in order to operate safely, has been given training related firefighters. Boiler operator have attended training and certification OHS, as evidenced by the availability OHS Licensed REG. 15.7953.OPK3-PUBT-B.1/II/2015 valid until 16 February 2020. Based on interviews with 12 BSS workers, 5 harvesters, 12 BMS workers on PT KMB stated that they get PPE free of charge from the company. The Company also shows the documents related to the provision of PPE in the document of PPE Monitoring Record. The document contains monitoring of grant and returns if any PPE are damaged.

#### **4.7.4**

The company has identified those responsible for implementation of OHS program formed in P2K3 (guiding committee of occupational safety & health) structure Estate and Mill (PT Karya Makmur Bahagia). P2K3 that owned has been approved by Labour Agency and Transmigration of Central Borneo Province (No. KEP20/Disnakertrans/I/2018) About Ratification of Provincial Safety and Health Provider (P2K3) Committee at PT. Karya Makmur Bahagia as of January 15, 2018. Secretary of P2K3 who is an OHS Expert in accordance with the applicable regulation has certificate of OHS Expert, in the name of Chandra Bayu (No. Reg. 2702/PK3/AJ/31/2012/PO).

Besides that, meeting related OHS has been done monthly by P2K3, for example meeting on March 2018 with the agenda of discussion is about HIRAC Evaluation, Safety Briefing routine, and evaluation of accident report.

#### **4.7.5**

Company has made efforts to prevent emergencies and accidents. Company has procedures related to the handling of emergencies and accident investigation in SOP Emergency Response (KMB-SUST-SOP-23) dated 25 September 2015. Company has emergency facilities and infrastructure such as fire extinguisher, first aid kit, hydrant, water tank, and other supporting equipment. Based on field observation in mill for e.g. at boiler station known that hydrant are functioned properly and the fire extinguishers there check and monitored every month (checklist of inspection provided in each fire extinguisher). Based on field observation at Bukit Kecubung Estate, Bukit Makmur Estate and Gunung Makmur Mill, it is known that the contents of first aid box are available as determined by the company. As well as interviews with foreman in Block S30, S34 and S25 Bukit Kecubung Estate that foreman are also able to explain the function of each tool in the first-aid box. Monitoring first aid kit has been conducted regularly every month, if there is use of it must be noted on the form provided, and first aid kit that is used it must be replenished and reported Sustainability staff.

#### **4.7.6**

Company already conducted medical check up for workers, such as medical checks for Bukit Kecubung Estate: results of the latest periodic checks for Bukit Kecubung Estate employee on 5 March 2018 with details of 23 BSS employees, 21 BMS employees, 2 loading employees, and 1 supervisor. Health checks include physical, blood, urine, and cholinesterase examinations. From the document found a diagnosis that 1 of BSS employee had blood condition below normal (< 4.0 U/L). The company follow-up by mutating the employee into manual workers (not related to chemicals). Company has provided the employees with insurance to cover occupational accident in accordance with the provision set by the government (BPJS).



Such insurance is named BPJS Ketenagakerjaan, which is routinely paid every month. Based on interview with worker in estate and mill, explained that all employees have been registered in accident insurance.

Based on document review and interview with company staff and related agencies, there's only minor accident (no major accident) in latest report. So, the company don't have to claim the insurance.

**4.7.7**

Company already had recorded of work accidents in "Employment injury analysis report and HSE Performance Rating during the first quarter of 2018". In that document they recorded the LTA in one year period for every unit management (e.g GMKM, SMNE, GMKE). This document informs the time period, the number of working days, the number of non effective working days, overtime, hours of work in total, the number of accidents, the number of working days lost, total employee, frequency rate, lost time incident rate, and severity rate.

**Status: Comply**

**4.8**

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

**4.8.1 & 4.8.2**

Company has established a training program that is based on the identification of the training needs of workers to improve competence. The training program period in 2018 consist of technical training, training concerning OHS and environmental health, simulation and socialization associated with sustainability, for example:

- MSDS Training
- Welder Training
- PPE usage and First Aid Kit Training
- Water management training
- Laboratory training
- Socialization of SOP related to loading ramp, Belt press
- Manuring Training
- Workshop Training
- Etc.

Training records for each worker are kept and recorded in the attendance list during the training. Examples of training program realizations:

- HIRAC, Evacuation Procedure socialization on May 2017 which was attended by 70 participants.
- Hazardous Waste Management on June, 2017 was attended by 5 participants.
- Fire Extinguisher Procedure on July 2017 attended by 5 participants.
- First Aid Kit Training on February 2018 was attended by 27 participants.
- Boiler Procedure Socialization on April, 2017 attended by 70 participants.

Based on interview with workers such as harvester, Manuring workers and spraying workers known that workers has been given training by company related their jobdescription.

**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.**

**5.1.1**

Certificate holder have the environmental documents, such as:

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

Kotawaringin Timur District.

**5.1.2**

The implementation of environmental monitoring and management effort is documented on periodical reporting of environmental monitoring and management effort (UKL-UPL) for PT Karya Makmur Bahagia. The responsible person for implemented the UKL UPL and environment document is sustainable department. It is reported every 6 months to related agency. UKL UPL for 2<sup>nd</sup> Semester of 2017 is reported on 23<sup>rd</sup> March 2018 to agencies, such as:

- Environmental Agency of Kotawaringin Timur Regency
- Environmental Agency of Kalimantan Tengah Province by JNE Sampit
- Deputy of Environmental Pollution Control of the Ministry of Environment – Jakarta by JNE Sampit

**5.1.3**

Evaluation of monitoring and management effort are done per semester and reported to the related agency periodically. The latest report of UKL UPL implementation is on 23<sup>rd</sup> March 2018 to:

- Environmental Agency of Kotawaringin Timur Regency
- Environmental Agency of Kalimantan Tengah Province by JNE Sampit
- Deputy of Environmental Pollution Control of the Ministry of Environment – Jakarta by JNE Sampit

There is no operational changes in PT KMB and the implementation of UKL UPL is in accordance with environmental document.

**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**

**5.2.1, 5.2.2**

HCV identification was performed in 2012 for scope of 17,500 Ha (in accordance with the company's location permit) by the RSPO approved assessors, assessment are done using the HCV toolkit 2008. Based on the review of HCV report for PT KMB not found any of HCV which rare and threatened ecosystem, which can be significantly affected by estate and mill operational activities, there are species of flora and fauna which protected under PP No. 7 of 1999, CITES and IUCN. The Company has fixed the HCV area to be managed as much as 514.52 Ha. Species RTE found for example: Owa (*Hylobates agilis*), Kelempiau (*hylobates muelleri*), Pangolin (*Manis javanica*) and Bird pergam (*Ducula pickeringii*).

The CH has set the HCV management plan for the period of 2018, including explaining the management actions and the period of implementation, for example: During field observation to spring water (HCV 4.2) in BMKE and riparian of Penyakuan river in BKCE seen that HCV signboard is installed and there is no indication of disturbance to HCV area. As well the enrichment activities are sighted in riparian of Hanya river and Meraya river in BKME with total planted amount of 957 Raintree (*Albizia saman*). the CH also has appointed a trained HCV personnel in each estate. Flora and fauna inventory are done routinely every month, for example period Jan - Mar 2018 in BKCE and BMKE found species of fauna: *Amaurornis phoenichurus*, *Elanus caeruleus* and *Streptopelia chinensis*, and flora: *Exodophorus aridus*, *Cyperus rotundus*, *Mimosapudica*, *Moses textiles*. The CH need to make clear the buffer zone boundaries in field. **#OFI**

**5.2.3**

The company has issued an internal office memo on February 2014 related to the protection policy of HCV area in each estate include the sanction for workers who is hunt, capture, injuries, kill, sell the RTE species. The CH has been carry out the management and monitoring activities based on predetermined standards and technical guidelines. The saction and policy has been socialized through the poster, which based on Law No. 5 of 1990 article 21 on whoever captures, injures, kills, keeps, owns and sells RTE, are threatened 5 years imprisonment and a fine of one hundred million rupiah. Based on interviews with employees and the communities during public consultation is known that they are aware of the policy. No employees were found who kept animals during observation to workers line-site.

**5.2.4, 5.2.5**

Inventory of flora and fauna was done routinely every month, for example period Jan - Mar 2018 in BKCE and BMKE found 3 species of fauna (*Amaurornis phoenichurus*, *Elanus caeruleus*, *Streptopelia chinensis*) and flora (*Exodophorus aridus*, *Cyperus rotundus*, *Mimosapudica*, *Moses textiles*). In accordance with the provisions of Government Regulation no 7/1999,

the existence of flora and fauna has been reported to BKSDA (Nature Resource Conservation Board) on April 9, 2018. There is no HCV set aside area.

**Status: Comply**

**5.3**

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

**5.3.1**

Certificate holder has identified the source of waste and pollution for mill and estate for each operational activity, for example:

- Waste from agrochemical storage is used rags, used agrochemical packaging, etc
- Waste from spraying activities is used agrochemical packaging, mask, contaminated gloves, spraying equipment
- Waste from mill operational activities is shell, liquid waste, boiler ash

Based on observation in housing in BKCE and BMKE, known that there are trash bags/cans in each housing complex. The waste is separated between organic and anorganic. And also, based on interview with worker in housing complex, there is a schedule for manage domestic waste, at least once – twice a week and took to the land fill area. There is no burning waste in housing complex

**5.3.2 & 5.3.3**

Certificate holder has hazardous waste storage in Central Mentaya Traksi and Mill. The permit of Hazardous Waste storage is in accordance with Decree of Environmental Agency No 660/493/DLH-Ek.SDA/VII/2017 issued on 25<sup>th</sup> July 2017 and valid for 5 years. Based on field observation in hazardous waste storage in mill and estate, the waste is placed accordance with its license.

The waste is collected by the transporter of hazardous waste (PT Sinar Bintang Albar) with agreement letter No 139-SPK/KMB-SBA/PLB3/Mar-18 on 24<sup>th</sup> March 2018 vallid until 23<sup>rd</sup> March 2019. CH also shows hazardous waste document such as hazardous waste balance sheet, handover and hazardous waste manifest, among others:

- Manifest No AGU 0006369 on 19<sup>th</sup> April 2018 for used filter, rags, and plastics
- Manifest No AGU 0006367 on 19<sup>th</sup> April 2018 for used oil
- Manifest No AGU 0006370 on 19<sup>th</sup> April 2018 for used accu
- Manifest No AGU 0006368 on 19<sup>th</sup> April 2018 for infectious waste

As for infectious waste, PT SBA has collected permit fo infectious waste from Environmental Agency of Kalimantan Selatan Province with agreement letter No 080 tahun 2013 on 21<sup>st</sup> October 2013 vallid 5 years.

Based on field observation in housing complex in BKCE and BMKE, there is no hazardous waste that is reused. The in and out wastes is recorded in hazardous waste balance sheet that updated every month. Based on interview with worker in chemical storage in divisonon BKCE and BMKE, used agrochemical packaging is re-used for pesticide mixing.

**Status: Comply**

**5.4**

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

Company has consistenly implemented efficiency of fossil fuel efforts through renewable energy usage by using shell and fiber. It efforts has documented and monitored well. For example, in monitored renewable energy usage and efficiency analysis document recorded as follows:

- Use of renewable energy period January – April 2018 = 0.145 (Fiber/ ton FFB)
- Use of fossil fuels directly period January – April 2018 = 0.190 ( litre /ton FFB)

The amount use of fossil fuels is decrease than last year (period January – March 2017 the average was 0.7376 Litre/ton FFB)

Based on verification document, company only use diesel fuel (*for fossil fuels*).

**Status: Comply**

**5.5**

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

Still the same as previous assessment, company does not use burn method either in land clearing or pest control activities. The certification unit has a non-burn land clearance policy contained in the Agronomic Standard Operational Procedure document, BGAAGRKS-PTKS-PLH document number authorized by the Director dated May 27, 2011. Based on the results of the land clearing document review, the company indicates the work agreement document of land clearing activities, for example Disbursement, making of planting path, making of main road and collection road and so on. Based on field observations in BKCE and BMKE, there was no evidence of burning in land clearing activities.

**Status: Comply**

**5.6**

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

**5.6.1**

Certification unit has identified source of emissions and pollution such as in estate emissions sources from fertilizer usage, pesticide usage and electricity usage. Identified the sources of emission and pollution from mill such as fossil fuel usage, and WWTP.

There is monitoring of noise levels in boiler, kernel, sterilizer, and engine room. The noise level in boiler station is 91.7 dB and sterilizer station is 89.9 dB. The evaluation of the noise level is to monitor the worker for using PPE in high noise level area.

**5.6.2**

The CH has mitigation plan of GHG for estate and mill and the implementation record, such as:

<b>Emission sources</b>	<b>Management plan</b>	<b>Time line</b>
Land use change	Socialization of BGA sustainability policy to the community Socialization of land clearing procedure to the community Development of fire mitigation and completion of firefighting equipment	January – December 2017
Carbon sequestration from palm crops	Use of seeds with high production potential Use of land cover crops	January – December 2017 by QC Dept
Fertilizer manufacture and transportation	Fertilizer sourcing policy considering the types of fertilizers, distance and modes of transport from its sources Leaf and soil analysis to obtain the data of optimal amounts of fertilisers applied	Once every 1 year, on april – May by research Dept Once every 1 year by purchasing dept.
Fertilizer usage	Empty bunch used for mulching  Fertilizers application technique based on topography	After mill, operational by QC Dept Every fertilizer application by QC Dept
Diesel fuel consumption (field and mill)	Good maintenance of vehicles and other equipment, periodically Safety of driving related training Optimize processing hours for fuel efficiency  Road maintenance schedule	Every month by traction Dept and based on maintenance schedl Once every 6 months by training center As scheduled
POME	Conduct regular monitoring and measurement Monitoring and reporting for continuous improvement	Every month by mill

Implementation for the mitigation is among others:

- Monitoring of liquid waste every month
- Testing of liquid waste every month and reported the result to related agencies through UKL UPL report
- EFB used for mulching. EFB for mulching is implemented in BDME, SMNE, GMKE, and SMRE
- Road maintenance

- Etc

**5.6.3**

The CH already monitored and reported the significant emissions and pollutions annually using RSPO palmGHG calculator, for period of 1 Jan – 31 Dec 2017 describes as follow (calculator ver 3.1). The result of GHG calculation is reported to RSPO on 8<sup>th</sup> April 2018.

Summary of Net GHG Emissions

Description	tCO <sub>2</sub> e/tProduct
CPO	1.47
PK	1.47
PKO	0
PKE	0

Extraction	tCO <sub>2</sub> e/tProduct
OER	22.03
KER	4.74

Land Use	Ha
OP Planted Area	19,401
OP Planted on peat	0
Conservation (forested)	493
Conservation (non-forested)	426
Total	919

Production	t/yr
FFB Processed	262,203
CPO Produced	57,771

Summary of plantation/field emissions and sink

Description	Own			Group			3 <sup>rd</sup> Party		
	tCO <sub>2</sub> e	tCO <sub>2</sub> e/ha	tCO <sub>2</sub> e/tFFB	tCO <sub>2</sub> e	tCO <sub>2</sub> e/ha	tCO <sub>2</sub> e/tFFB	tCO <sub>2</sub> e	tCO <sub>2</sub> e/ha	tCO <sub>2</sub> e/tFFB
Land conversion	116,605.52	8.93	1.84	48,237.87	7.6	2.13	0	0	0
CO <sub>2</sub> emission from fertiliser	11,173.35	0.86	0.18	6,731.58	1.06	0.3	0	0	0
N <sub>2</sub> O emission	9,480.73	0.73	0.15	4,686.68	0.74	0.21	0	0	0
Fuel consumption	2,429.71	0.19	0.04	1,978.25	0.31	0.09	0	0	0
Peat Oxidation	0	0	0	0	0	0	0	0	0
Crop sequestration	-122226.79	-9.36	-1.93	-59,400.2	-9.36	-2.62	0	0	0

Sequestration in conservation area	-4520.81	-0.35	-0.07	0	0	0	0	0	0
Total	12,941.71	0.99	0.2	2,234	0.35	0.1	26,435.7	0	0

\*1 of 1 3<sup>rd</sup> party without dataset

**Summary of mill emission and credits**

Description	tCO2	tCO2e/tFFB
POME	60,791.32	0.23
Fuel Consumption	607.61	0
Grid Electricity Utilisation	0	0
Exports of Excess Electricity to Housing & Grid	-5.55	0
Sale of PKS	0	0
Sale of EFB	0	0
<b>Total</b>	<b>61,393.38</b>	<b>0.23</b>

**Palm oil mill effluent (POME) treatment**

Diverted to compost	0 %
Diverted to anaerobic digestion	100 %

**POME diverted to anaerobic digestion**

Diverted to anaerobic pond	100 %
Diverted to methane capture (flaring)	0 %
Diverted to methane capture (electricity generation)	0 %

**Status:**

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

**6.1**

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

**6.1.1**

The certificate holder has document of Social Impact Assessment was described social impact of plantation and mill operation. The SIA was done on 2012 collaboration with Faculty of Forestry, Bogor Institute Plantation. The scope of SIA are Social condition (income, education and health aspects, etc), conflict related of land tenure, labor relation, etc, community perception, expectation and aspiration to the company, identification of social issue and problem solve, identification of stakeholder, and social planning and implementation. Based on interview with Village Head of Bukit Makmur known that the SIA conducted with participation manner. Whole life aspects has been acomodated, shown on CSR program conducted by certificated holder.

**6.1.2**

The SIA was done by community participation in focus group discussion. The community concerned in data gathering was



from several village surround. Those community are: Agung Mulya, Gunung Makmur, Tanjung Jurung, Waringin Agung, Bhakti Karya, Rantau Tampang and Tumbang Mangkup. In addition to, the data gathering by questionnaire from several village. The documents record was observed are sample of questionnaire, respondent list (46 participant), and summary of social impact assessment.

**6.1.3**

The plan to mitigate or reduce of negative impact and increase of positive impact was described in Social Management Plan 2017 – 2019 that has been developed in partisipatory manner. The plan is then realized within CSR program. Has been determined CSR officer in estate unit and Head Office for responsible in implementation, monitoring and evaluation of program has been done and/or still planning.

**6.1.4**

The Certificate Holder has not been able to show evidence that the social impacts management and monitoring plan has been reviewed in a participatory manner every two years, where the latest review was conducted in 2015. **This is become Non Conformance 2018.04 with Minor category.**

**6.1.5**

The social management plan has been accommodating impact of smallholder program through cooperation partnership with surrounding village. The identified impacts of smallholder program among other the representation of company in the development of smallholder, with the general perception that farmers expect the quality of care and yields of the plantation to be the same as the quality of plantation owned by the company.

<b>Minor</b>	<b>Status:</b>	
<b>6.1.4</b>	<b>Non Conformance 2018.04 with Minor category.</b>	

**6.2**  
**There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.**

**6.2.1 & 6.2.2**  
 A list of stakeholders which informs stakeholders name, job title/department, contact number, and mailing address provided as has been described in C1.1 and procedure related to communication/consultation on procedure of communication (SOP-KMB-KOM-01). It was legalized by the Area Controller on August 29th 2013. The external communication in form of the official letters should be send to the company. The complaint and information request shall be response within 15 days. Same as previous assessment , the company has been pointed personnel in charge related to consultation process based on the decree No. no: 009/SK/ KMB /BGA- Wil I/VI/2016 The PIC is CSR Staff and the personnel in charge have been well recognized by the locals. Based on interviews with head of village of Bukit Makmur Village, explained that they already know about the mechanism.

**6.2.3**  
 Company showed the list of stakeholders updated in 2018 consist of government agencies, internal stakeholders, contractor, worker’s organization, NGO, and etc. Based on the interviews with the company, the stakeholders list was updated every year. In addition, company also record all the a meeting between the company and the surrounding community, such as:

- Sacrificial Cutting Ceremony for BMKM Sacred Cemetery on January 29, 2018 by T. Boloi Village
- Sowing Rice Ceremony on 29 January 2018 by T. Boloi Village

	<b>Status: Comply</b>	
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**6.3**  
**There is a mutually agreed and documented system for dealing with complaints and grievances, which is Implemented and accepted by all affected parties.**

**6.3.1**  
 Same as the previous assessment, the company has procedure of Complaint and Grievance (KMB-SUST-SOP-45, Revised on August 5, 2015). These document as guidance in related of complaint and grievance receive from external and internal (employee). The personnel in charge for received and documented of complaint and grievance from related parties are Corporate Affair, Estate Controller and Mill Controller. The complaints will review and consulting with related party for overcome. Related to protection for whist blower, the company has have mechanism and was installed the notification

announcement in estate, mill and several place surround of plantation area. The main point of these notification announcement was related to telephone number and email for addressed the information and the information from whist blower will keep. Based on interviews with 12 BSS workers, 5 harvesters, 12 BMS workers on PT KMB stated that they know and understand the grievance mechanisms.

**6.3.2**

All of complaints recording in the logbook of complaint, the logbook has been inform responses and action plans/implementation of the corrective action. Based on document verification, there's no complaint from workers.

**Status: Comply**

**6.4**

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

**6.4.1, 6.4.2, 6.4.3**

The certificate holder has document of land acquisition procedure (SOP-PAD-001) in term of the procedure of land and crops compensation. Based on stakeholder consultation with village head of Bukit Makmur known that the procedure was understand by the related party and has been socialized.

The documentation of evidence of compensation to land owner in each estates and the participation of village representatives, customary leader, village-head and sub-district head as witnessed was documented in each estate. Overall of compensation document was keep as historical of land acquisition by company. All of document was signed by company representation, early land owner and included of government in village and sub district level.

**Status: Comply**

**6.5**

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

**6.5.1**

Certificate holder showed appointment letter of permanent daily worker, such as letter No 043/SK/PT.KMB-BKCE/XII/2017 on 15<sup>th</sup> March 2017. The letter explain that wages payment is in accordance with available regulation. Wage documentation is in form of wages payment such as wage documentation of BKCE worker with NIK 11001033 and paid accordance with available regulation. CH also shows foreman daily report of BMKE which shows overtime payment for daycare worker is paid in accordance with the regulation. The overtime payment for mill worker is also in accordance with applicable regulation.

Based on interview with worker in BKCE and BMKE, CH has paid their workers in accordance with applicable regulation.

**6.5.2**

Company has company regulation period of 2016 – 2018. This regulation has conformed to the applicable manpower regulation in Indonesia and has been written in Indonesian Language. It explains about company and workers duty and rights, including the Retirement Age. It explained that the workers who will be retired, will receive their rights in accordance with the provisions of applicable law.

**6.5.3 & 6.5.4**

Based on field observation in BMKE and BKCE, it is known that the company has been providing housing facilities, lighting, water, daycare, cooperatives, places of worship, school buses, clinics and educational facilities. Company also facilitates all workers to access adequate food supply by establishing worker cooperative. Moreover, there are some kiosk in housing complex. Personnel can get the staple food with reasonable price. The Company also provides rice support to all permanent worker.

**Status: Comply**

**6.6**

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

**6.6.1 & 6.6.2.**

There are Policy signed by Regional Head 1 on 6<sup>th</sup> November 2015 “Respect on the right of every worker to form or become a union member in accordance with Act No. 21 of 2000.” Certificate holder has registered the union worker to Manpower Agency of Kotawaringin Timur Regency on 8<sup>th</sup> June 2018 with registration number 560.567/92/Hi-Kesja/VI/2017. In addition, there are a Bipartite forum as media to consulting complaint and grievance from workers. During the audit, observed that the union is not active due to its has just formed and need to communicate/socialized to the workers.

The worker is aware about the freedom of association. Company has socialized the policy about freedom of association to worker on 26<sup>th</sup> April 2018 in BMKE and BKCE.

Monthly meeting of Bipartit forum is documented in form of minutes of meeting and photo activities. For example: minute of meeting Bipartite Forum on 10<sup>th</sup> April 2018 attended by 12 participants representatives of PT KMB. The documentation is available if needed.

**Status: Comply**

**6.7**

**Children are not employed or exploited.**

**6.7.1**

Company has policy about the minimum age for worker written on The Responsibility with Worker Policy approved on February 2015 by Regional Head I stated that the minimum age is 18 years for new workers. Based on field observation in estate and mill there is no workers under 18 years old. Based on public consultation with Manpower agency in Kotawaringin Timur Regency by phone, there is no issue regarding child labour.

Based on field observation and interview with workers, it is known that the workers have known about the minimum age is 18 years for new workers. Auditors also did not sighted any harvester accompanied by their wife or children.

**Status: Comply**

**6.8**

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

**6.8.1; 6.8.2; 6.8.3**

Policy related to against discrimination is stated in The Responsibility with Worker Policy approved on February 2015 by Regional Head I. It explains that the company give the same work opportunity and ensure there is no discrimination in race, skin color, sex, religion, political beliefs, national and social origin. This policy can be accessed publicly. Based on interview with worker in estate and Bipartite member, there is no issue or complain related to worker discrimination.

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

Company kept the workers's personal file in each unit estate and mill. The recruitment process is conducted by competency, skil, and medical examination of the worker. There is also employee performance assessment as the promotion requirement. However, the company must ensure that the recruitment process is in accordance with the applicable procedure.

**Status: Comply**

**6.9**

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

**6.9.1; 6.9.2; 6.9.3**

The CH commitment to prohibit the discrimination is stated in the policy of The Responsibility to Workers, which approved on February 2015 by Regional Head I. It explains that The company will protect female workers from sexual harassment, violence, and rights related to the female reproductive. The policy has been socialized to the worker in each unit through Gender Committee. Gender committee function is to handle the protection of female workers rights. Based on interview with gender committee of areal I, company provided daycare for all workers' children and also give maternity and menstrual leave for female workers.

Certificate holder also has procedure for handling the complaint No. KMB-SUST-SOP-45, on 5<sup>th</sup> August 2015. It explain about the mechanism of handling the complaint from external and internal party. Company also has a mechanism to protect the

identity of complainant (whistleblower). The worker can make complaint through complaint channel by phone, SMS or email. The mechanism has socialized to the worker through signboards all over the unit. Based on interview with worker in estate and mill, they all know the mechanism to make a complaint.

**Status: Comply**

**6.10**

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

**6.10.1**

FFB pricing from smallholders was following Government Prices that set by Kalimantan Tengah Governor. While FFB pricing from independent FFB suppliers was refers to government be considerate OER and KER quality from GMKM. The information regarding to FFB prices can access real time from the government website, circular memorandum, short message service from Commercial Department staf etc. According to interview with village unit cooperation boards, they always invited by the company to following FFB pricing meeting with other company and government every month.

**6.10.2**

Based on interviews with the Mekar Jaya Cooperative Board, Sekar Tani Cooperative, Waringin Jaya Cooperative and Makarti Jaya Cooperative, there is a complaint that in the FFB sales report which submitted to the cooperative every two months, not yet transparently describe the tonnage of FFB production per year in each month, FFB purchase price (from Plantation Agency) per year planted in every month (Note: FFB price determination from Plantation Agency valid for 1 month), and total of FFB purchase price per year planting per month.

The Company has shown the details of the payment (annual tonnage of planting per month, the price of FFB (from Plantation Agency) per year planting per month, the total purchase price of FFB per year planted per month), and based on the verification result has been in accordance with the financial statements submitted to each cooperative, and has been in compliance with the pricing decree from Plantation Agency.

However, in the FFB purchased report submitted to the Cooperative is only a global purchase, and there is no evidence that the details of the payments (annual tonnage of planting per month, the price of FFB (from Plantation Agency) per year planted per month, the total purchase price of FFB per year per plant month) has been explained and submitted to each cooperative management. **Nonconformity No.2018.05 with Major Category.**

**6.10.3**

Based on interviews with the Management of Waringin Jaya Cooperative and Makarti Jaya Cooperative Board, there is a complaint about the basic agreement of the debt of the company's bailout fund with certain nominal (bail of investment stage and production stage) to be paid by the cooperative after the bank credit settled, as well as complaints about the details of goals of the bailout funds. The debt of the bailout was submitted to the Cooperative Management Board based on the Minutes of Socialization of Cooperative Management Accountability Report dated 17 and 18 January 2018.

According to the management of the cooperative and the result of auditor verification, the bailout clause is not in the agreement letter partnership with Waringin Jaya Cooperative (No. 02 / KUD-WJ / III / 2008) and agreement letter partnership with Makarti Jaya Cooperative (03 / KUD-MJA / III / 2008). But the company can show the Addendum Agreement letter for Makarti Jaya Cooperative, which includes investment of stage bailout clause and production stage.

Based on that descriptions, the Company has not been able to demonstrate transparent partnership cooperation practices related to:

1. Not yet be shown the basis of agreement for the implementation of bailout fund of Waringin Jaya Cooperative.
2. Not yet be shown the details of time and goals of the use of bailout funds that have been submitted to the Cooperative Waringin Jaya and Cooperative Makarti Jaya. **Nonconformity No.2018.06 with Minor Category.**

**6.10.4**

Based on public consultation with contractor named UD Mandoyo, explained that contractor had copy of work agreement, never had issues about late payment. The payment process via Bank transfer.

Major

**Status:**

6.10.2

**Non-Conformity No.2018.05 closed**

Minor

**Non-Conformity No.2018.05 with Minor Category**

6.10.3	
<b>6.11 Growers and millers contribute to local sustainable development wherever appropriate.</b>	
<b>6.11.1.</b> The certificate holder has CSR program in accordance to deliberations development plan of Village and Sub District in year of 2017. Based on interview with Village Head of Bukit Makmur known that the CSR program has been prepared in participation maner, through the participation of Certificate Holder in Village or Sub-District Development Meeting (Called MUSREMBANG). The Certificate Holder shown the evidence of attendance list of participation on MUSREMBANG of 2017. The CSR program year 2018 are local business development program, synergic community relation program, education program, health program, social-culture program, religion program, and environment program. In addition the certificate holder have several agreement with local contractor for FFB transport on estate unit, operational maintenance in mill and agreement with independent smallholders.	
<b>6.11.2.</b> The certificate holder has been implemented of smallholder program with full manage system (5 cooperative) and independent smallholders (71 members). Overall of plantation manage was handle by the company and the cooperation unit as representation of the community was monitored all operational activities and earn the report from the company. The certificate holder was providing palm seed for independent smallholders and giving consultation about best management practices, as weel as give training for smallholder member. It has been verified based on consultation with the board of Mekarjaya Cooperative, Sekartani Cooperative, Waringin Jaya Cooperative, and Makarti Jaya Cooperative.	
	<b>Status: Comply</b>
<b>6.12 No forms of forced or trafficked labour are used.</b>	
<b>6.12.1; 6.12.2; 6.12.3</b> Based on document review, field observation, and interview with workers and stakeholders revealed that there is no migrant worker, forced labor, and illegal worker. Also, there is no contract substitution in the company. Each worker have appointment decree letter as daily or monthly permanent worker. Identity document of each worker is kept in unit office and if they want to access their document, they have to communicate it with their supervisor. Based on document review, field observation, and interview with workers and stakeholders, auditors did not see any harvester accompanied by their wife or children and any indication of force labour. There is no threat agains family members. And there is no inter area workers.	
	<b>Status: Comply</b>
<b>6.13 Growers and millers respect human rights</b>	
<b>6.13.1.</b> The certificate holder has policy Company Responsibility to Employee, these document was contained of Human Right Protection. These document was signed by Regional Head I dated on 6 November 2015. This policy has been socialized to employees on each estate unit and mill. The personnel in charge for giving information related to Human Right information to operational level was depend on each aspect. For example, in operational office level was pointed staff of Public Relation for inform those policy and related to field operational.  Based on interview with local contractor, it is known that local contractor has understand about the policy CH has delivered the policy to them. Interview with worker in estate and mill informed that there is no complaint related to violation of human rights.	
	<b>Status: Comply</b>
<b>PRINCIPLE #7 Responsible development of new plantings</b>	
<b>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.</b>	
<b>7.1.1, 7.1.2, 7.1.3</b> The certificate holder did not expand the area from Stage-2 assessment (January 2014) until ASA-4 assessment (April 2018).	



The managed area has had Land Use Title (HGU) for 15,056.31 Ha since 2001. According to the result of document review and field visit, the youngest year of planting was on 2013. The SEIA has been conducted in entire area as described on the criteria 5.1 and 6.1. Certificate holder has conducted RSPO New Planting Procedure (NPP) assessment on 10th December 2013 for the land clearing post 1<sup>st</sup> January 2010.

**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.**

**7.2.1, 7.2.2**

Available examples of soil survey reports BMKE and BKCE dated 11-16 february 2010 from BKCE survey team with the results:

- Inceptisol area of 1228.5 Ha with limiting factor: 16-25% slope, heavy clay texture and drainage somewhat obstructed. Soil class S3.
- Inceptisol area of 75.43 Ha with limiting factor: 25-45% slope and heavy clay texture. Soil class N1.
- Inceptisol area of 4.53 Ha with limiting factor: slope > 45-65% and heavy clay texture. Soil class N2
- Ultisol area of 589.05 Ha in the form of limiting factors in the form of: slope 8-15%. Soil class S2.
- Ultisol area of 250.22 Ha of secondary forest of 15-25%. Soil class S3.
- Ultisol area of 250.22 Ha of secondary forest of 15-25%. Soil class S3.

There is a map soil class and soil type of land survey area of BKCE and BMKE with scale 1: 35.000 and BKCE and BKME plant realization scale 1: 42.000 for planting year 2005 s / d 2012. No areas require drainage or irrigation. Topographic information on land with a certain slope is used to determine the area for which the contour terrace should be constructed.

**Status: Comply**

**7.3**

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

**7.3.1, 7.3.2, 7.3.3, 7.3.4, 7.3.6**

The Company has carry out the HCV assessments in 2012 by the RSPO approved assessors using the HCV toolkit 2008. Against areas planted since November 2005 without prior HCV assessment, the company has submitted disclosure and LUCA to the RSPO, has been response by RSPO Compensation Excecutive RSPO (Dillon Sarim) by e-mail to Head Sustainability of BGA on April 25, 2016. It is explained that the LUCA report has been received and declared **Pass**.

**Status: Comply**

**7.4**

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

**7.4.1, 7.4.2**

The Company has a map of the distribution of marginal land area 1 KMB with a scale of 1: 225.000 date 1 January 2011, where there are marginal areas as follows:

- Slope > 12%
- Laterite : 116.7 ha
- Kaolin : 568.88 ha

Planting on slopes that pass certain boundaries is done by giving special treatment as contour terrace and LCC planting as seen during field visits on BKCE. Based on land distribution spread map there is no peat soil. For other types of marginal soils such as sandy soils are treated by applying an empty strip to meet the nutrients and not spraying the Nephrolepis biserata.

**Status: Comply**

**7.5**

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

**express their views through their own representative institutions.**

**7.5.1**

The certificate holder did not expand the area from Stage-2 assessment (January 2014) until ASA-4 assessment (April 2018). The managed area has had Land Use Title (HGU) for 15,056.31 Ha since 2001. According to the result of document review and field visit, the youngest year of planting was on 2013. Certificate holder has conducted RSPO New Planting Procedure (NPP) assessment on 10th December 2013 for the land clearing post January 1st 2010.

The management unit was sighted the documentation of land compensation to land owner. These documents was filed in main office and was verified by auditor team on NPP verification in 2013. FPIC process have been showed by evidences of land compensation process, for examples; letter of land delivery (included attachment of land position & boundaries), citizenship card of land owner and payment receive by company to land owner.

**Status: Comply**

**7.6**

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

**7.6.1, 7.6.2, 7.6.3, 7.6.4, 7.6.5, 7.6.6**

The certificate holder did not expand the area from Stage-2 assessment (January 2014) until ASA-4 assessment (April 2018). The managed area has had Land Use Title (HGU) for 15,056.31 Ha since 2001. According to the result of document review and field visit, the youngest year of planting was on 2013. Certificate holder has conducted RSPO New Planting Procedure (NPP) assessment on 10th December 2013 for the land clearing post 1<sup>st</sup> January 2010.

The management unit was sighted the documentation of land compensation to land owner. These documents was filed in main office and was verified by auditor team on NPP verification in 2013. The process of land right release and land indemnity has been done by the company transparently and there is no pressure by another parties. Before land compensation execute, socialization process was carry out by company to land owner. Identification process and land measuring was engaged by another land owner surround and the process was witnessed by head of Sub District and Head of Village.

**Status: Comply**

**7.7**

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

**7.7.1, 7.7.2**

Based on the results of document review and field observation in BKCE and BKME, there is no evidence that the company did the method of burning at the time of land clearing. Nor was there any new estate development or area expansion.

**Status: Comply**

**7.8**

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

**7.8.1, 7.8.2**

According to the document review of area statement and based on the field visit to BMKE and BKCE, the company does not expand for new estate nor operational area post January 1st 2015. However, according to the review of GHG emission document on 2017, the company has calculated the GHG emission on 2017 by using PalmGHG Calculator version 3.

**Status:**

**PRINCIPLE #8 Commitment to continuous improvement in key areas of activity**

**8.1**

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

**8.1.1.**

The company has continuous improvement in social aspect, wich continuously manage the parternship with community as per agreements with 71 independent smallholders. Based on interview with Village Head of Bukit Makmur known that the CSR program has been prepared in participation maner, through the participation of Certificate Holder in Village or Sub-District Development Meeting (Called MUSREMBANG). The company shown the evidence of attendance list of participation on MUSREMBANG of 2017.

The company also has been conduct internal audit of RSPO regularly in yearly basis, the latest are done prior to RSPO external audit (ASA-4), all corrective action against the nonconformity identified has been set.

Continuous improvement for environmental aspect is monitoring regularly the implementation of environmental document and green house gasses calculation meanwhile in BMP aspects The use of reduced pesticides include the active ingredient brodifakum. While the chemicals made from paraquat has not been used since 2017. The use of glyphosate has increased due to all weed control using the material (due to no longer use paraquat)

During the assessment (ASA-3) there was an non-conformity on indicators SCCS E 3.1 and on RSPO System Certification 4.2.3, however it has been stated close by the auditor due to the correction evidence submitted by the organization. On the ASA-4, the auditor found the recurrence of the non-conformities. According the situation, company not yet demonstared contionous improvement on RSPO application. **See NCR No 2018.07**

Major 8.1.1	<b>Status: NCR No 2018.07 closed</b>	
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**3.2. Summary of Assessment Report of Supply Chain Requirement**

**3.2.1 General chain of custody requirements for the supply chain**

Clause	Requirement						
<b>5.1</b>	<b>Applicability of the general chain of custody requirements for the supply chain</b>						
5.1.1	<p>The General Chain of Custody requirements of the RSPO Supply Chain Standard shall apply to any organization throughout the supply chain that takes legal ownership and physically handles RSPO Certified Sustainable oil palm products at a location under the control of the organization including outsourced contractors. After the end product manufacturer, there is no further requirement for certification.</p> <p>Question: Does the organization take legal ownership and physically handles RSPO Certified Sustainable oil palm products at their premises or through the outsourcers?</p> <p>The whole process of physical handling of certified products from FFB to CPO / PK is done solely by GMKM, however there was certified product transportation from mill to the buyer which involving third parties who have been contracted by GMKM, can be shown the contracts:</p> <ul style="list-style-type: none"> <li>• CPO delivery ocument number 201 / LO / CD-HO / IV / 18 by CV Surya Mentaya from GMKM to Kebuau Bulking in Sampit (PT Wilmar Nabatindo).</li> <li>• PK delivery document number 116 / LO / CD-HO / III / 2018 by CV Dhivelado Tunggal Jaya from GMKM to Silo Bagendang Sampit (PT Wilmar Nabatindo).</li> </ul> <p>In the additional sections it is explained that the contractors is willing to be verified by CB during supply chain audit.</p>						
	<b>Status: Comply</b>						
5.1.2	<p>Traders and distributors require a license obtained from RSPO Secretariat to sell RSPO certified product but do not themselves require certification. When selling RSPO certified products, a licensed trader and/or distributor shall pass on the certification number of the product manufacturer and the applicable supply chain model.</p> <p>Question: Is the organization buying from RSPO licensed traders who pass the certification number of the product manufacturer and the applicable supply chain model?</p> <p>The mill does not buying certified product from RSPO licensed traders, entire product sold to buyer are from its own unit.</p>						
	<b>Status: Comply</b>						
5.1.3	<p>Either the operator at site level or its parent company seeking certification shall be a member of the RSPO and shall register on the RSPO IT platform.</p> <p>Question: Is the site level or its parent company a member of RSPO and registered on RSPO IT platform?</p> <p>GMKM has registered on the RSPO IT Platform with details as follows:</p> <table border="0" style="width: 100%;"> <tr> <td style="width: 30%;">Sub License ID</td> <td>CB54657</td> </tr> <tr> <td>Member Name</td> <td>PT Karya Makmur Bahagia - Bumitama</td> </tr> <tr> <td>Member ID</td> <td>RSPO_PO1000001684</td> </tr> </table>	Sub License ID	CB54657	Member Name	PT Karya Makmur Bahagia - Bumitama	Member ID	RSPO_PO1000001684
Sub License ID	CB54657						
Member Name	PT Karya Makmur Bahagia - Bumitama						
Member ID	RSPO_PO1000001684						
	<b>Status: Comply</b>						
5.1.4	<p>Processing aids do not need to be included within an organization's scope of certification.</p> <p>Question: Is the site level or its parent had a processing aids?</p> <p>The mill does not have any processing aid neither material nor equipment.</p>						
	<b>Status: Comply</b>						

<b>5.2</b>	<b>Supply chain model</b>
<b>5.2.1</b>	
The site can only use the same supply chain model as its supplier or go to a less strict system. Declassification/downgrading can only be done in the following order: Identity Preserved -> Segregated -> Mass Balance.	
Question: Has the organization applied the Supply Chain Model correctly?	
Yes, the mill apply MB and sale product as MB	
	<b>Status: Comply</b>
<b>5.2.2</b>	
The site can use one (1) or a combination of supply chain models as audited and certified by the CB.	
Question: Has the organization applied a combination of Supply Chain Model correctly?	
No, the mill only applied one modul namely MB (modul E)	
	<b>Status: Comply</b>
<b>5.3</b>	<b>Documented procedures</b>
<b>5.3.1</b>	
The site shall have written procedures and/or work instructions or equivalent to ensure the implementation of all elements of the applicable supply chain model specified.	
Questions : Documented procedures established and covering all provisions following:	
<ul style="list-style-type: none"> <li>• Complete and up to date procedures covering the implementation of all the elements of the supply chain model requirements.</li> <li>• Complete and up to date records and reports that demonstrate compliance with the supply chain model requirements (including training records).</li> <li>• Identification of the role 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 organization's procedures for the implementation of this standard.</li> </ul>	
<p>GMKM has a procedure for implementing the SCC requirements in the document of product identification and traceability, documet no. KMB-SUST-SOP-43 revision 01 dated 24 Nov 2017.</p> <p>In procedures describing rules related to SCC implementation, the personnel involve and responsibilities such as commercial departments, sustainability regions, mill managers and OQC Dept.</p> <p>In addition, has been described in the procedure related to the identification of the raw material (clause 7.1.1), since from field and recorded in delivery consignee (vehicle number, driver, estate, divisonon, departure time, destination, block, planted year, loose fruit wheigt, number of bunches, field number) and FFB identification at reception at POM (security post and weigh bridge). Also explained that the identification of raw materials derived from certified areas and non certified areas is by marked with CSPO logo on consignee note.</p> <p>In clause 7.3 it is explained that the sustainability region is responsible for informing the production of excessive certified products to CB and clause 7.6 mentions that management review is conducted once a year.</p> <p>In the SOP annex there are RSPO team structure of PT KMB and details of duties and responsibilities respectively.</p>	
	<b>Status: Comply</b>
<b>5.3.2</b>	
The site shall have a written procedure to conduct annual internal audit	
Question :	
Documented annual internal audit procedures established and covering all provisions :	
<ul style="list-style-type: none"> <li>i) Conforms to the requirements in the RSPO Supply Chain Certification Standard and the RSPO Market Communications and Claims Documents.</li> <li>ii) Effectively implements and maintains the standard requirements within its organization.</li> </ul>	
The procedure number KMB-SUST-SOP-39 (internal audit), revised on 28 Oct 2017, the SOP are covering RSPO-SCCS, RSPO P&C, ISPO, ISCC, ISO and OHSAS. In the section of procedure (section 6) mentioned that internal audit are conducted once a year.	
	<b>Status: Comply</b>

<b>5.4</b>	<b>Purchasing and goods in</b>
<p><b>5.4.1</b> The receiving site shall ensure that purchases of RSPO certified oil palm products are in compliance and the following minimum information for RSPO certified products is made available by the supplier</p>	
<p>Question :</p> <p>All RSPO product information is provided by suppliers in accordance with :</p> <ul style="list-style-type: none"> <li>• The name and address of the buyer;</li> <li>• The name and address of the seller;</li> <li>• The loading or shipment / delivery date;</li> <li>• The date on which the documents were issued;</li> <li>• A description of the product, including the applicable supply chain model (Identity Preserved, Segregated or Mass Balance or the approved abbreviations);</li> <li>• The quantity of the products delivered;</li> <li>• Any related transport documentation;</li> <li>• Supply Chain certificate number of the seller;</li> <li>• A unique identification number</li> <li>• Information shall be complete and can be presented either on a single document or across a range of documents issued for RSPO certified oil palm products (for example, delivery notes, shipping documents and specification documentation).</li> <li>• The site receiving RSPO certified oil palm products shall ensure that the products are verified as being RSPO certified. For sites that are required to announce and confirm trades in the RSPO IT platform, this shall include making Shipping Announcements/Announcements and Confirmations on the RSPO IT platform per shipment or group of shipments. Refer to section 5.7.1 of this document for further guidance.</li> <li>• A check of the validity of the Supply Chain Certification of suppliers is required for all sites that are SC certified. This shall be checked via the list of RSPO Supply Chain Certified sites on the RSPO website (<a href="http://www.rspo.org">www.rspo.org</a>) at least annually or through the RSPO IT Platform by confirmation of (shipping) announcements.</li> <li>• The validity of license for traders and distributors shall also be checked via the RSPO website at least annually or through the RSPO IT platform by confirmation of shipping announcements/announcements.</li> </ul>	
<p>All the FFB received and process information are recorded in the transport receipt and weigh-bridge ticket, such as : estate origin, division, departure time, vehicle number, driver name, block, number of bunches, number of loose fruit, stamp of certified / non certified and sign of field assistant. FFB certified received and processed in GMKM is only from its own estate, the mill not purchased certified product from outsourcess.</p>	
<p><b>Status: Comply</b></p>	
<p><b>5.4.2</b> The site shall have a mechanism in place for handling non-conforming oil palm products and/or documents</p>	
<p>Question :</p> <p>Has the organization established mechanism in place for handling non-conforming oil palm products and/or documents?</p>	
<p>Mechanism to handling and control nonconformance product are described in SOP no.: KMB-SUST-SOP-51, regulating among others controlling / handling of raw materials received (FFB), product identification in process, control of final product to be shipped to buyer and controlling/handling the improper document.</p>	
<p><b>Status: Comply</b></p>	
<b>5.5</b>	<b>Outsourcing activities</b>
<p><b>5.5.1</b> In cases where an operation seeking or holding certification outsources activities to independent third parties (e.g. subcontractors for storage, transport or other outsourced activities), the operation seeking or holding certification shall ensure that the independent third party complies with the requirements of the RSPO Supply Chain Certification Standard. A CPO mill and independent mill cannot outsource processing activities like refining or crushing.</p>	
<p>Question : Are the outsourcers RSPO certified?</p>	
<p>There was certified product transportation from mill to the buyer which involving third parties who have been contracted by</p>	



GMKM, can be shown the contracts:

- CPO delivery document number 201 / LO / CD-HO / IV / 18 by CV Surya Mentaya from GMKM to Kebuau Bulking in Sampit (PT Wilmar Nabatindo).
- PK delivery document number 116 / LO / CD-HO / III / 2018 by CV Dhivelado Tunggal Jaya from GMKM to Silo Bagendang Sampit (PT Wilmar Nabatindo).

In the additional sections it is explained that the contractors is willing to be verified by CB during supply chain audit

**Status:**

**5.5.2**

Sites which include outsourcing within the scope of their RSPO Supply Chain certificate shall ensure the following:

- a. The site has legal ownership of all input material to be included in outsourced processes;
- b. The site has an agreement or contract covering the outsourced process with each contractor through a signed and enforceable agreement with the contractor. The onus is on the site to ensure that certification bodies (CBs) have access to the outsourcing contractor or operation if an audit is deemed necessary.
- c. The site has a documented control system with explicit procedures for the outsourced process which is communicated to the relevant contractor.
- d. The site seeking or holding certification shall furthermore ensure (e.g. through contractual arrangements) that independent third parties engaged provide relevant access for duly accredited CBs to their respective operations, systems, and any and all information, when this is announced in advance

**Question :** Has the site established outsourcing procedures, agreement and keeps legal ownership of the products during the outsourcing

Yes, in the contract document stated that all product is legally owned by PT KMB, the transporter only responsible for transporting to the destination in stated in delivery document.

**Status: Comply**

**5.5.3**

The site shall record the names and contact details of all contractors used for the processing or physical handling of RSPO certified oil palm products.

**Question :** Has the site maintained names and contact details of all outsourcers?

Yes, in the SPKP document already describes the information of the contractor including address:

- CV Surya Mentaya, located in Karang Tunggal Village, Parenggean, Kotim, Kalteng
- CV Dhivelado Tunggal Jaya, address : Jalan Nanas II, No.: 99, sampit, Kotim, Kalteng

**Status: Comply**

**5.5.4**

The site shall at its next audit inform its CB of the names and contact details of any new contractor used for the processing or physical handling of RSPO certified oil palm products

**Question :** Has MUTU informed about any new outsourcers?

Yes, it will be observed in the next ASA (recert).

**Status: OFI**

**5.6**

**Sales and goods out**

**5.6.1**

The supplying site shall ensure that the following minimum information for RSPO certified products is made available in document form: The name and address of the buyer

**Question :**

All RSPO product information is provided by the organisation in accordance with :

- The name and address of the seller;
- The loading or shipment / delivery date;
- The date on which the documents were issued;
- A description of the product, including the applicable supply chain model (Identity Preserved, Segregated or Mass Balance or the approved abbreviations);

- The quantity of the products delivered;
- Any related transport documentation;
- Supply chain certificate number of the seller;
- A unique identification number.
- Information shall be complete and can be presented either on a single document or across a range of documents issued for RSPO certified oil palm products
- For sites that are required to announce and confirm trades in the RSPO IT platform, this shall include making Shipping Announcements / Announcements and Confirmations on the RSPO IT platform per shipment or group of shipments. Refer to section 5.7.1 of this document for further guidance.
- 

Can be shown certified product sales contract, such as contract no.: 8104105678 for CSPK amount of 500MT to PT Wilmar Nabatindo.

The information shown is:

- Seller: PT KMB, address in Kotim, Central Kalimantan
- Type of goods: Palm Kernel RSPO (MB)
- Date shipping (April 6, 2018)
- Transporter
- Product quality (dirt, FFA and moisture).

Until 21 April 2018, has been shipped as much as 350 MT of CSPK (from 500 MT contract) to PT WINA, the announcement has not been made to the RSPO IT Platform because the contract has not been completed yet. In accordance with the company's procedure, the confirmation will be done if it has completed shipping per contract.

There is no CSPO physical sales during license period July 21, 2017 to 21 April 2018, GMKM only did CSPO selling through credits (B&C) of 11000 tons (removed from stock).

**Status: Comply**

**5.7 Registration of transactions**

**5.7.1**

Supply chain actors who:

- are mills, traders, crushers and refineries; and
- take legal ownership and/or physically handle RSPO Certified Sustainable oil palm products that are available in the yield scheme of the RSPO IT Platform (Figure 2 and 3, refer Annex 1) shall register their transaction in the RSPO IT platform and confirm upon receipt where applicable

Question :

Has the organization registered their transactions in the RSPO IT platform? (mills, traders, crushers and refineries only)

GMKM has registered on the RSPO IT Platform with details as follows:

Sub License ID	CB54657
Member Name	PT Karya Makmur Bahagia - Bumitama
Member ID	RSPO_PO1000001684

**Status: Comply**

**5.7.2**

The involved supply chain actors mentioned in 5.7.1 shall do the following actions in the RSPO IT Platform:

- Shipping Announcement / Announcement: When RSPO certified volume is sold as certified, the volumes of products that are in the yield scheme (Figure 2 and 3, refer Annex 1) shall be registered as a Shipping Announcement / Announcement in the RSPO IT Platform. The declaration time to do Shipping announcement / Announcement is based on members' own standard operating procedures.
- Trace: When RSPO certified volumes are sold as RSPO certified to actors in the supply chain beyond the refinery, the volume shall be traced at least annually. Tracing triggers the generation of a trace document with a unique traceability number. Tracing can be done in a consolidated way at least annually.
- Remove: RSPO certified volumes sold under other scheme or as conventional, or in case of underproduction, loss or damage shall be removed.

- Confirm: Acknowledge the purchase of RSPO certified volume by confirming Shipping Announcements / Announcements.

Question :

Did the organization correctly perform the applicable actions on RSPO IT Platform?

The mill are perform the correct action through RSPO IT Platform, All CSPO and CSPK sold are announced to RSPO palm-trace. CSPO which sold by B&C has diremoved from stock quota.

Until 21 April 2018, GMKM has been shipped 350 tons of CSPK (from 500 tons contract) to PT WINA, the announcement has not been made to the RSPO IT Platform because the contract has not been completed yet. In accordance with the company procedure described that the announcement will be made when it has completed shipping per contract.

**Status: Comply**

**5.8**

**Training**

5.8.1

The organization shall have a training plan on RSPO Supply Chain Standards requirements, which is subject to on-going review and is supported by records of the training provided to staff

Question :

Has the organization established RSPO training plan?

In the SOP of product identification and traceability explained that SCCS related training is provided to all staff and employees involved. The training program is planned once a year.

**Status: Comply**

5.8.2

Appropriate training shall be provided by the organization for personnel carrying out the tasks critical to the effective implementation of the supply chain certification standard requirements. Training shall be specific and relevant to the task(s) performed

Question :

Has the organization Delivered Effective RSPO training?

Yes, training of SCCS has been conducted regularly, for example in 2018:

- Training of staff and employees on 6 April 2018.
- Training to personnel of estates who involved in the SCCS implementation was conducted on 21 March 2018 related to the use of CSPO logo in FFB delivery document and related to re-affirmation of certified and noncertified area.
- Supply chain training to contractors involved in the transport of certified products conducted on April 10, 2018, the number of participants as many as 3 people.

**Status: Comply**

**5.9**

**Record keeping**

5.9.1

The organization shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of these RSPO Supply Chain Certification Standard requirements

Question :

All records are accurate, complete, up-to-date and accessible?

All records of SCCS implementation can be provided to the auditor, it needs to be improved in the accuracy and the up-to-date of the recordingst. **#OFI**

**Status: Comply**

5.9.2

Retention times for all records and reports shall be a minimum of two (2) years and shall comply with legal and regulatory requirements and be able to confirm the certified status of raw materials or products held in stock

Question :

All records are kept for minimum two years and comply with legal and regulatory requirements?

In SOP (caluse 6.1) it is explained that all SCCS records are stored within 5 years.	
	<b>Status: Comply</b>
<b>5.9.3</b>	
The organization shall be able to provide the estimate volume of palm oil / palm kernel oil content (separate categories) in the RSPO certified oil palm product and keep an up to date record of the volume purchased (input) and claimed (output) over a period of twelve (12) months.	
Question :	
For all palm oil / palm kernel oil volumes purchased (input) and claimed (output) records kept over a period of twelve (12) months.?	
GMKM has kept all the SCCS implementation records for more than 12 months. The document storage period described in the SOP is for 5 years.	
	<b>Status: Comply</b>
<b>5.10</b>	<b>Conversion factors</b>
<b>5.10.1</b>	
Where applicable a conversion rate shall be applied to provide a reliable estimate for the amount of certified output available from the associated inputs. Organizations may determine and set their own conversion rates which shall be based upon past experience, documented and applied consistently. Guidance on conversion rates is published on the RSPO website (www.rspo.org); RSPO Rules for Physical Transition of Oleochemicals and its Derivatives. This is relevant for derivatives of Palm Oil and Palm Kernel Oil, as used in the oleochemical and personal care industries	
Question :	
Conversion rates applied accurately?	
The mill only processed FFB into CPO/PK. There is no conversion of products to oleochemicals and its derivatives.	
	<b>Status: Comply</b>
<b>5.10.2</b>	
Conversion rates shall be periodically updated to ensure accuracy against actual performance or industry average if appropriate.	
Question :	
Conversion rates periodically updated?	
The mill only processed FFB into CPO/PK. There is no conversion of products to oleochemicals and its derivatives.	
	<b>Status: Comply</b>
<b>5.11</b>	<b>Claims</b>
<b>5.11.1</b>	
The site shall only make claims regarding the use of or support of RSPO certified oil palm products that are in compliance with the RSPO Rules on Market Communications and Claims.	
Question :	
Any communication to any stakeholder group / customers issued in accordance with RSPO Rules on Market Communications and Claims?	
Yes, all communication to stakeholders are done in accordance with RSPO Rules on Market Communication and Claims. The factory already has SOPs related to communications with stakeholders and the use of the CSPO logo.	
	<b>Status: Comply</b>
<b>5.12</b>	<b>Complaints</b>
<b>5.12.1</b>	
The organization shall have in place and maintain documented procedures for collecting and resolving stakeholder complaints.	
Question :	
Documented procedures for stakeholders complaints established?	
The complaint handling from the stakeholders (buyers / suppliers) are described in SOP no. : BGA-SOP-SM-805.1-R0 (customer claim), in clauses 6.4, 6.5, 6.6, 6.7 it is mentioned that any complaints with sales and purchases are accepted by commercial head dept, customer claim is forwarded to CL Group Head for appropriate action taking and to related departments.	

	<b>Status: Comply</b>
<b>5.13</b>	<b>Management review</b>
<b>5.13.1</b>	The organization is required to hold management reviews annually at planned intervals, appropriate to the scale and nature of the activities undertaken
	Question : Management reviews performed annually at planned intervals?
	Yes, the latest annual review held on 6 April 2018, discuss on : the new requirement and document of SCCS, external and internal audit nonconformance, plan and program to fullfil the entire NCs. Attached the list of attendance as much as 23 participant including all managers, commercial, sustainability officer, RSPO assisstant, CSR, transport dept and GIS.
	<b>Status: Comply</b>
<b>5.13.2</b>	The input to management review shall include information on: <ul style="list-style-type: none"> <li>• Results of internal audits covering RSPO Supply Chain Certification Standard.</li> <li>• Customer feedback.</li> <li>• Status of preventive and corrective actions.</li> <li>• Follow-up actions from management reviews.</li> <li>• Changes that could affect the management system.</li> <li>• Recommendations for improvement.</li> </ul>
	Question : Has all input required above has been included in the management review?
	Yes, all the input required has been duscussed in the management review.
	<b>Status: Comply</b>
<b>5.13.3</b>	The output from the management review shall include any decisions and actions related to: <ul style="list-style-type: none"> <li>• Improvement of the effectiveness of the management system and its processes.</li> <li>• Resource needs.</li> </ul>
	Question : Has all output required above has been included in the management review?
	Yes, all the output required has been duscussed in the management review.
	<b>Status: Comply</b>

**3.2.3 (Module E) CPO Mills - Mass Balance Requirements**

Clause	Requirement																																			
E.1	Definition																																			
<b>E.1.1</b>	<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>																																			
	GMKM implement SCCS module E. It is verified that up to ASA-4 mill receives and processes FFB from certified and uncertified sources. Below are list of FFB sources:																																			
	<table border="1"> <thead> <tr> <th rowspan="2">Certified sources</th> <th colspan="2">Un-certified sources</th> </tr> <tr> <th>Its own non-certified area (PT TTL) and directly managed smallholders</th> <th>Outsider</th> </tr> </thead> <tbody> <tr> <td>SMNE</td> <td>SMRE PT TTL</td> <td>KOPERASI USAHA BERSAMA</td> </tr> <tr> <td>BDME</td> <td>BAGE (Kop. Mekar Jaya) divison 3 &amp; 4</td> <td>KEL TANI TJ.HARAPAN</td> </tr> <tr> <td>GMKE</td> <td>BHJE (Kop.Lestari) divison 2 &amp; 3</td> <td>KUD WARINGIN JAYA</td> </tr> <tr> <td>BMKE</td> <td>SMNE PT TTL</td> <td>KUD MJ ( SOMAN )</td> </tr> <tr> <td>BKCE</td> <td>BDME PT TTL</td> <td>KUD TRI DAYA</td> </tr> <tr> <td></td> <td>GMKE PT TTL</td> <td>PT. SINAR CITRA CEMERLANG</td> </tr> <tr> <td></td> <td>BMKE</td> <td>Independent farmers</td> </tr> <tr> <td></td> <td>BKCE PT TTL</td> <td></td> </tr> <tr> <td></td> <td>MAGE Divison 2,3,4,5,6</td> <td></td> </tr> <tr> <td></td> <td>SPYE Divison 2,3,4,5</td> <td></td> </tr> </tbody> </table>	Certified sources	Un-certified sources		Its own non-certified area (PT TTL) and directly managed smallholders	Outsider	SMNE	SMRE PT TTL	KOPERASI USAHA BERSAMA	BDME	BAGE (Kop. Mekar Jaya) divison 3 & 4	KEL TANI TJ.HARAPAN	GMKE	BHJE (Kop.Lestari) divison 2 & 3	KUD WARINGIN JAYA	BMKE	SMNE PT TTL	KUD MJ ( SOMAN )	BKCE	BDME PT TTL	KUD TRI DAYA		GMKE PT TTL	PT. SINAR CITRA CEMERLANG		BMKE	Independent farmers		BKCE PT TTL			MAGE Divison 2,3,4,5,6			SPYE Divison 2,3,4,5	
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	<b>Status: Comply</b>																																			
E.2	Explanation																																			
<b>E.2.1</b>	<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>																																			
	Information related to projected certified products that may be produced by GMKM are listed in the ASA-3 certificate, actual production has been verified during the ASA-4 audit including product projection for the next 12 years (next licensing period), in the following table:																																			
	<table border="1"> <thead> <tr> <th></th> <th>Previous projection (July 21, 2017 to July 20, 2018)</th> <th>Actual certified volume (July 21, 2017 to 21 April 2018)</th> <th>Next license projection (21 July 2018 to 20 July 2019)</th> </tr> </thead> <tbody> <tr> <td>FFB (tonnes)</td> <td>200,196</td> <td>68,161.03</td> <td>102,981.84</td> </tr> <tr> <td>CSPO (tonnes)</td> <td>48,047</td> <td>14,703.27</td> <td>23,686</td> </tr> <tr> <td>CSPK (tonnes)</td> <td>10,010</td> <td>3,383.62</td> <td>5,664.00</td> </tr> </tbody> </table>		Previous projection (July 21, 2017 to July 20, 2018)	Actual certified volume (July 21, 2017 to 21 April 2018)	Next license projection (21 July 2018 to 20 July 2019)	FFB (tonnes)	200,196	68,161.03	102,981.84	CSPO (tonnes)	48,047	14,703.27	23,686	CSPK (tonnes)	10,010	3,383.62	5,664.00																			
	Previous projection (July 21, 2017 to July 20, 2018)	Actual certified volume (July 21, 2017 to 21 April 2018)	Next license projection (21 July 2018 to 20 July 2019)																																	
FFB (tonnes)	200,196	68,161.03	102,981.84																																	
CSPO (tonnes)	48,047	14,703.27	23,686																																	
CSPK (tonnes)	10,010	3,383.62	5,664.00																																	
	<b>Status: Comply</b>																																			



**E.2.2**

**The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).**

GMKM has registered on the RSPO IT Platform with details as follows:

Sub License ID	CB54657
Member Name	PT Karya Makmur Bahagia - Bumitama
Member ID	RSPO_PO1000001684

Based on the review of mass balance data and verification trough palm-trace known that during the period of July 21, 2017 to 21 April 2018, there was no sales of CSPO physically, GMKM only did CSPO selling through credit (B&C) amount of 11000 ton

**Status: Comply**

**E.3**

**Documented procedures**

**E.3.1**

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

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

GMKM has a procedure for implementing the SCC requirements in the document of product identification and treceability, documet no. KMB-SUST-SOP-43 revision 01 dated 24 Nov 2017.

In procedures describing rules related to SCC implementation, the personnel involve and responsibilities such as commercial departments, sustainability regions, mill managers and OQC Dept.

In addition, has been described in the procedure related to the identification of the raw material (clause 7.1.1), since from field and recorded in delivery consignee (vehicle number, driver, estate, divisonon, departure time, destination, block, planted year, loose fruit wheigt, number of bunches, field number) and FFB identification at reception at POM (security post and weigh bridge). Also explained that the identification of raw materials derived from certified areas and non certified areas is by marked with CSPO logo on consignee note.

In clause 7.3 it is explained that the sustainability region is responsible for informing the production of excessive certified products to CB and clause 7.6 mentions that management review is conducted once a year.

During observations to weigh-bridge and interviews with operators are known that the personnel in charge have been aware of uncertified FFB sources such as FFB from smallholders and communities as well from the uncertified estate (PT TTL), sighted that the list of uncertified divisonon and blocks is available. Personnel explained that delivery note has been distinguished by the mark (CSPO logo), namely certified FFB with CSPO-RSPO logo while for non certified area the logo is not visible (closed / crossed). In the SAP scales it appears that marking on certified and non certified sources has been done, if it is from a certified area it will be thick in the RSPO column.

Sighted the SOP GIS-SOP-02 describes on the installation pegs and separation markers between non certified and certified areas are carried out with marks with paint in palm oil stem : white color for smallholders (non-certified), blue color for own estates (certified) and yellow color for own estates non-certified. However, based on field observation to block C20A BMKE (border with smallholders area) and block O25 Div 2 BMKE (bordering uncertified area PT TTL) seen that company have not do separation between certified and non-certified area. **See NCR No.: 2018.08**

**Major  
E.3.1**

**Status: NCR No.: 2018.08 closed**

**E.3.2**

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

The procedure for implementing the SCC requirements and certified product processing describes in the document no. KMB-SUST-SOP-43 revision 01 dated 24 Nov 2017.

In procedures describing rules related to SCC implementation, the personnel involve and responsibilities such as commercial departments, sustainability regions, mill managers and OQC Dept.

In addition, has been described in the procedure related to the identification of the raw material (clause 7.1.1), since from field and recorded in delivery consignee (vehicle number, driver, estate, division, departure time, destination, block, planted year, loose fruit weight, number of bunches, field number) and FFB identification at reception at POM (security post and weigh bridge). Also explained that the identification of raw materials derived from certified areas and non certified areas is by marked with CSPO logo on consignee note.

In clause 7.3 it is explained that the sustainability region is responsible for informing the production of excessive certified products to CB and clause 7.6 mentions that management review is conducted once a year.

**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.**

Verification on certified FFB and non certified FFB received at GMKM is done based on delivery document, besides verification is also done based on certified and non-certified area block list that has been available in the weigh-bridge (the copy of list has been verified and provided to the auditor including the data of FFB per block deliver to mill). FFB acceptance records in mill for the period of 21 Jul 2017 - 21 April 2018 are detailed as follows:

Certified sources:

No.	Sources	21-Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	21-Apr-18	TOTAL
		(ton)	(ton)	(ton)	(ton)	(ton)	(ton)	(ton)	(ton)	(ton)	(ton)	
1	SMNE	695.65	1,988.21	1,734.80	1,891.33	2,026.61	2,382.03	1,104.79	1,688.72	2,111.99	1,351.22	16,975.35
2	BDME	497.07	1,559.49	1,630.84	1,660.45	1,553.89	1,761.50	1,196.22	1,433.76	1,532.75	1,081.01	13,906.98
3	GMKE	1,596.58	4,274.04	4,055.95	4,435.39	4,157.55	4,383.89	3,160.98	3,788.84	4,409.74	3,004.43	37,267.39
4	BMKE										5.15	5.15
5	BKCE										6.16	6.16
TOTAL ESTATE		2,789.30	7,821.74	7,421.59	7,987.17	7,738.05	8,527.42	5,461.99	6,911.32	8,054.48	5,447.96	68,161.03

FFB non certified sources (smallholders and estate under holding):

Non certified FFB entered to GMKM		21-Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	21-Apr-18	TOTAL
		(ton)	(ton)	(ton)	(ton)	(ton)	(ton)	(ton)	(ton)	(ton)	(ton)	
1	SMRE PT TTL	597	1,932	1,887	1,790	2,180	2476	1,829	2,695	3,259	2,467	21,112
2	BAGE (Kop. Mekar Jaya) divison 3 & 4	1,083	3,520	3,188	3,741	3,571	3,580	2,393	2,694	3,474	2,795	30,041
3	BHJE (Kop.Lestari) divison 2 & 3	859	3,506	3,703	3,893	3,294	3,100	2,123	2,596	3,239	2,865	29,176
4	SMNE PT TTL	54	126.14	92.86	89.74	134.84	185.96	113.53	188.12			1,396
5	BDME PT TTL	336	979	947	1,018	1,135	1,038	619	867	1,118	700	8,757
6	GMKE PT TTL	29	99	64	150	119	199	59	93	101	114	1,027
10	SPYE Divison 2,3,4,5	65				7	8		7			87

Total	3,023	10,162	9,881	10,683	10,440	10,587	7,137	9,140	11,439	9,103	91,595
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In addition, there was FFB non certified from outsider (independent/outgrowers) as much as **48,582 MT**

**Status: Comply**

**E.4.2**

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

There is no production of certified products which exceeds the projected for the period of 21 July 2017 to 21 April 2018, the actual and projected details in the following table:

	Previous projection of certified products (July 21, 2017 to July 20, 2018)	Actual certified volume produced (July 21, 2017 to 21 April 2018)
FFB (tonnes)	200,196	68,161.03
CPO (tonnes)	48,047	14,703.27
CSPK (tonnes)	10,010	3,383.62

**Status: Comply**

**E.5**

**Record keeping**

**E.5.1**

- The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a three-monthly basis.
- All volumes of palm oil and palm kernel oil that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO.
- The site can only deliver Mass Balance sales from a positive stock. Positive stock can include product ordered for delivery within three months. However, a site is allowed to sell short.(ie product can be sold before it is in stock.)

The mill has records and balanced the received certified and noncertified material, as well the certified and noncertified product generated and delivered using the proper ratio in realtime and three monthly basis, as describes in RSPO mass balance report below:

**CSPO:**

Month	FFB Received/processed (Tonnes)			CPO Produced (Tonnes)			CPO Despatch (Tonnes)		STOCK CPO (Tonnes)
	CERT	UNCERT	Total	Cert	Uncert	Total	CERT	Uncert	CERT
Opening stock									30,056.69
Friday, July 21, 2017	2,789.30	4,221.84	7,011.14	591.99	2,588.52	3,180.50	0.00	1,419.23	30,648.68
Aug-17	7,821.74	12,058.64	19,880.38	1,677.49	2,586.16	4,263.65	0.00	0.00	32,326.17
Sep-17	7,421.59	11,894.99	19,316.58	1,645.94	2,638.04	4,283.98	0.00	0.00	33,972.11
Oct-17	7,987.17	17,911.25	25,898.42	1,736.41	3,893.90	5,630.31	0.00	4,500.00	35,708.52
Nov-17	7,738.05	15,426.39	23,164.44	1,734.65	3,458.16	5,192.81	0.00	0.00	37,443.17
Dec-17	8,527.42	16,865.84	25,393.26	1,791.16	3,542.62	5,333.78	0.00	6,350.00	39,234.32
Jan-18	5,461.99	13,264.28	18,726.27	1,175.13	2,853.77	4,028.90	0.00	4,500.00	40,409.46
Feb-18	6,911.32	14,678.45	21,589.77	1,566.02	3,338.82	4,904.84	0.00	4,207.00	41,975.48
Mar-18	8,054.48	18,887.36	26,941.84	1,723.88	4,042.42	5,766.30	2,000	3,907.00	41,699.3

									6
Saturday, April 21, 2018	5,447.96	14,910.98	20,358.94	1,060.60	2,902.42	3,963.02	145	2,870.21	42,614.96
<b>Total</b>	<b>68,161.03</b>	<b>140,120.01</b>	<b>208,281.04</b>	<b>14,703.27</b>	<b>31,844.82</b>	<b>46,548.09</b>			

Note: Shipping of CSPO for March 2018 and April 2018 amount of 2145 MT is sales through B&C (total removed from stock in palm-trace is 11000 MT).

**CSPK:**

Month	FFB Received/processed (Tonnes)			PK Produced (Tonnes)			PK Despatch (Tonnes)		STOCK PK (Tonnes)
	CERT	UNCERT	Total	Cert	Uncert	Total	CERT	Uncert	CERT
Opening stock									(140)
Friday, July 21, 2017	2,789.30	4,221.84	7,011.14	128.00	194.00	322.00	0.00	108.00	-12.02
Aug-17	7,821.74	12,058.64	19,880.38	359.19	553.76	912.95	0.00	0.00	347.17
Sep-17	7,421.59	11,894.99	19,316.58	345.25	553.35	898.60	0.00	0.00	692.42
Oct-17	7,987.17	17,911.25	25,898.42	391.35	877.60	1,268.95	0.00	0.00	1,083.77
Nov-17	7,738.05	15,426.39	23,164.44	416.81	830.93	1,247.74	0.00	0.00	1,500.58
Dec-17	8,527.42	16,865.84	25,393.26	453.85	897.65	1,351.51	0.00	0.00	1,954.43
Jan-18	5,461.99	13,264.28	18,726.27	265.71	645.27	910.99	0.00	1,055.00	2,220.14
Feb-18	6,911.32	14,678.45	21,589.77	357.46	760.00	1,117.46	0.00	1,084.00	2,577.60
Mar-18	8,054.48	18,887.36	26,941.84	394.00	923.00	1,317.00	0.00	997.00	2,971.60
Saturday, April 21, 2018	5,447.96	14,910.98	20,358.94	272.00	744.00	1,016.00	500.00	594.00	2,743.60
<b>Total</b>	<b>68,161.03</b>	<b>140,120.01</b>	<b>208,281.04</b>	<b>3,383.62</b>	<b>6,979.57</b>	<b>10,363.20</b>			

Note: CSPO sales as much as 500 MT (has shipped 350 MT) to PT WINA

**Status: Comply**

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

<b>1.</b>	<b>Evidence of permission or approval certificate and logo from Certification Body which submitted by Client</b>	<b>X or√</b>
ASA-4	PT KMB not use logo	√
	<b>Status: Comply</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>
ASA-4	PT KMB not use logo	√
	<b>Status: Comply</b>	
<b>3.</b>	<b>Implementation of Certificate and Logo is not used on product</b>	<b>X or√</b>
ASA-4	PT KMB not use logo	√
	<b>Status: Comply</b>	
<b>4.</b>	<b>Controlling of Certificate and Logo, including withdrawing inappropriate logo.</b>	<b>X or√</b>
ASA-4	PT KMB not use logo	√
	<b>Status: Comply</b>	

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

Compliance of the uncertified management units of Bumitama Agri, Ltd against the rules for partial certification was determined through Self Assessment in accordance with RSPO Certification System clause 4.2.4. A summary of findings is as stated below.

Bumitama Agri, Ltd Time Bound Plan is explained in table 1.10. Bumitama Agri, Ltd has informed the Time Bound Plan progress, MUTU has considered that MP Bumitama Agri, Ltd is complied with the RSPO requirement for Time Bound Plan. The Time Bound Plan was revised and declared by Bumitama Agri, Ltd on 4 May 2017.

MUTU has verified partial certification for un-certified unit's subsidiary of Bumitama Agri, Ltd based on their Time Bound Plan. There are nine (9) uncertified mills and thirty two (32) uncertified estates management units of Bumitama Agri, Ltd. MUTU Auditor verified positive assurance against the company internal audit and supporting evidence as well as any information from others sources.

MUTU Auditor has verified company partial certification and concludes that:

- There is no significant land conflicts which have not been declared above
- The company has follow RSPO requirement related to New Planting Procedure and Remediation and Compensation Procedure.
- There is no labour disputes that are not being resolved through an agreed process
- All plantations established since 2005 have been done so in accordance with the applicable laws of the country and that there is no evidence of non-compliance with law in any of the non-certified holdings which has not been declared above

Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
2.1.1	Did the company conduct an internal audit? If so, has a positive assurance statement been produced?	<p>Yes and positive assurance is developed under Bumitama Agri, Ltd</p> <p><b>Auditor verification</b> Based on the document review, there is a company internal audit that was conducted on:</p> <ul style="list-style-type: none"> <li>• 08 – 10 Februari 2017 for PT Rohul Sawit Industri and PT Masuba Citra Mandiri</li> <li>• 09 – 10 Maret 2017 for PT Ladang Sawit Mas</li> <li>• 10 – 11 April 2017 for PT Langgeng Makmur Sejahtera</li> <li>• 12 – 13 April 2017 for PT Gunajaya Harapan Lestari</li> <li>• 17 – 18 April 2017 for PT Andalan Sukses Makmur and PT Investa Karya Bhakti</li> <li>• 20 – 21 April 2017 for PT Windu Nabatindo Sejahtera</li> <li>• 17 – 18 Januari 2017 for PT. Windu Nabatindo Abadi and PT Nabatindo Karya Utama</li> </ul>
2.1.2	<p>No replacement after dates defined in Nis Criterion 7.3 of:</p> <ul style="list-style-type: none"> <li>• Primary forest.</li> <li>• Any area identified as containing High Conservation Values (HCVs).</li> <li>• Any area required to maintain or enhance HCVs in accordance with RSPO criterion 7.3.</li> </ul>	<p><b>PT Langgeng Muara Makmur Sejahtera</b></p> <ul style="list-style-type: none"> <li>- RaCP Plan document are wait for LUCA documents to be submitted and approved by RSPO.</li> <li>- HCV conducted March 2012 by Forestry IPB.</li> </ul> <p><b>PT Andalan Sukses Makmur</b></p> <ul style="list-style-type: none"> <li>- LUCA was sent on January 2015 to RSPO</li> </ul>



		<ul style="list-style-type: none"> <li>- Documents RaCP Plan are wait for LUCA approved by RSPO</li> <li>- HCV was conducted on October 2013 by Sonokeling Akreditasi Nusantara</li> </ul> <p><b>PT Investa Karya Bhakti</b></p> <ul style="list-style-type: none"> <li>- LUCA was sent on 13 June 2016 to RSPO</li> <li>- Documents RaCP Plan are wait for LUCA approved by RSPO</li> </ul> <p><b>PT Gunajaya Harapan Lestari</b></p> <ul style="list-style-type: none"> <li>- LUCA has not been submitted to RSPO</li> <li>- HCV was conducted on October 2012 by Forestry IPB</li> </ul> <p><b>PT Windu Nabatindo Sejahtera</b></p> <ul style="list-style-type: none"> <li>- LUCA was sent on 19 June 2016 to RSPO</li> <li>- Documents RaCP Plan are wait for LUCA approved by RSPO</li> <li>- HCV was conducted on March 2012 by Forestry IPB</li> </ul> <p><b>PT Ladang Sawit Mas</b></p> <ul style="list-style-type: none"> <li>- LUCA was sent on 16 July 2014 to RSPO</li> <li>- Documents RaCP Plan are wait for LUCA approved by RSPO</li> <li>- HCV was conducted on December 2013 by Sonokeling Akreditasi Nusantara</li> </ul> <p><b>PT Lestari Gemilang Intisawit</b></p> <ul style="list-style-type: none"> <li>- LUCA was sent on 7 November 2014 to RSPO</li> <li>- Documents RaCP Plan are wait for LUCA approved by RSPO</li> <li>- HCV was conducted on 2013 by Sonokeling Akreditasi Nusantara</li> </ul> <p><b>PT Agro Manunggal Sawitindo</b></p> <ul style="list-style-type: none"> <li>- LUCA was sent on 7 November 2014 to RSPO</li> <li>- Documents RaCP Plan are wait for LUCA approved by RSPO</li> <li>- HCV was conducted on July 2013 by Sonokeling Akreditasi Nusantara</li> </ul> <p><b>PT Karya Makmur Langgeng</b></p> <ul style="list-style-type: none"> <li>- LUCA was sent on January 2015 to RSPO</li> <li>- Documents RaCP Plan are wait for LUCA approved by RSPO</li> <li>- HCV was conducted on July 2013 by Sonokeling Akreditasi Nusantara</li> </ul> <p><b>PT Gemilang Makmur Subur</b></p> <ul style="list-style-type: none"> <li>- HCV was conducted on November 2016 by PT Gagas Dinamika Aksenta.</li> </ul> <p><b>Auditor verification</b> Based on internal audit results and evidence</p>
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		provided (communication to RSPO on liability disclosure) shows that all subsidiaries of Bumitama has been sent to RSPO and now on progress of LUCA review.
2.1.3	Any new plantings since January 1 <sup>st</sup> 2010 must comply with the RSPO New Plantings Procedure.	<p><b>PT Langgeng Muara Makmur Sejahtera</b>, there is no new planting after January 1<sup>st</sup> 2010.</p> <p><b>PT Andalan Sukses Makmur</b>, NPP was completed for areal 5,630 Ha and publish on March 10th 2016.</p> <p><b>PT Investa Karya Bhakti</b>, NPP was completed for areal 5,700 Ha and publish on October 4th 2016.</p> <p><b>PT Gunajaya Harapan Lestari</b>, there is no new planting after January 1<sup>st</sup> 2010.</p> <p><b>PT Windu Nabatindo Sejahtera</b>, there is no new planting after January 1<sup>st</sup> 2010.</p> <p><b>Auditor verification</b> Based on internal audit, documented time of land clearing and liability disclosure sent to RSPO, there is new planting/land clearing after 1<sup>st</sup> January 2010 for PT Andalan Sukses Makmur and PT Investa Karya Bhakti but NPP has been conducted for these units. Evidence of submission to RSPO is provided and the NPP notification are at RSPO website.</p>
2.1.4	Any Land conflicts are being resolved through a mutually agreed process, e.g. RSPO Grievance procedure or Dispute Settlement Facility, in accordance with RSPO criteria 6.4, 7.5 and 7.6.	<p>There is no land conflicts.</p> <p><b>Auditor verification</b> There is land conflicts and has been resolved with RSPO Grievance procedure or Dispute Settlement Facility.</p>
2.1.5	Any Labour disputes are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.	<p>There is labor disputes. There is no information from public source and RSPO website on any labour conflict for uncertified unit of the group subsidiaries.</p> <p><b>Auditor verification</b> There is labour dispute in uncertified unit i.e PT Bumitama Gunajaya Abadi. The dispute has been resolved as we can seen in RSPO website that the status of dispute in closed for monitoring.</p>
2.1.6	Any Legal non-compliance is being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2.	<p><b>PT Langgeng Muara Makmur Sejahtera</b></p> <ul style="list-style-type: none"> <li>Izin Prinsip Arahkan Lokasi No. 525.21/660/Ek.SDA/IX/2014 dated 12 September 2014 5,325 Ha</li> </ul>

		<ul style="list-style-type: none"> <li>• Location Permit SK District Kotawaringin Timur No. 188.45/330/Huk-BPN/2014, 23 September 2014 5,370 Ha</li> <li>• Environment Permit No. 660/2140/BLH-Ek.SDA/2015, 19 October 2015 for 5,325 Ha</li> <li>• IUP No. 188.45/490/Huk-Ek.SDA/2014, 19 December 2014 4,810.72 Ha</li> <li>• SK HGU No. 5/HGU/KEM-ATR/BPN/2017, January 10th 2017.</li> </ul> <p><b>PT Andalan Sukses Makmur</b></p> <ul style="list-style-type: none"> <li>• Izin Prinsip Arahan Lokasi SK District Kotawaringin Barat No.590/105/Pem-XI/2012, November 21 2012 for areal 9,000 Ha.</li> <li>• Location Permit SK District Kotawaringin Barat No.525/68/XII/2012, December 18th 2012 for 9,275 Ha</li> <li>• IUP No. 525/45/ek, 06 February 2013</li> <li>• HGU on process.</li> </ul> <p><b>PT Investa Karya Bhakti</b></p> <ul style="list-style-type: none"> <li>• Izin Prinsip Arahan Lokasi No. 590/09.Pem-II/2014, 3rd February 2014 for areal 14,500 Ha.</li> <li>• Location Permit SK District Kotawaringin Barat No. 525/62/IX/2014, 1st September 2014, 11,746.74 Ha</li> <li>• IUP No. 525/014/EK, April 21 2015, 5,700 Ha</li> </ul> <p><b>PT RohulSawitIndustri and PT Masuba Citra Mandiri</b></p> <ul style="list-style-type: none"> <li>• HGU on process</li> <li>• Panitia B Inti No. 03/RSL/HGU/2015 seluas 1,893.11 Ha</li> <li>• Panitia B Plasma No. 04/RSL/HGU/2015 seluas 938,16 Ha</li> </ul> <p><b>PT Gunajaya Harapan Lestari</b></p> <ul style="list-style-type: none"> <li>• Izin Prinsip Arahan Lokasi No. 525/426/Bappeda-D year of 2007, 08 May 2007 for areal 3,000 Ha.</li> <li>• Location Permit SK District Kendawangan No. 265 year of 2007, 28 June 2007 for 3,000 Ha</li> <li>• Revision Location Permit No. 370 year of 2008, 07 October 2008 for 3,000 Ha</li> <li>• Extension Location Permit No. 415 year of 2010, 27 July 2010 for 3,000 Ha</li> <li>• IUP No. 365/DISBUN-D/2012, August 23rd 2012 for 1,750 Ha</li> </ul>
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		<ul style="list-style-type: none"> <li>• HGU No. 62/HGU/KEM-ATR/BPN/2016, 1,973.45 Ha</li> </ul> <p><b>PT Windu Nabatindo Sejahtera</b></p> <ul style="list-style-type: none"> <li>• Izin Prinsip Arahkan Lokasi No. 02.04.28/525.26/463/XI/Ekbang/03, 8th November 2003 for areal 7,000 Ha.</li> <li>• Location Permit SK District Kotawaringin Timur No. 165.460.42, 26 February 2004 for 5,370 Ha</li> <li>• IUP No. 525.26/152/V/Ekbang/2004, 17 May 2004 for 5,370 Ha</li> <li>• Permit Location No. 374.460.42, December 13 2006 for 5,000 Ha (Revision)</li> <li>• IUP No. 525.26/386/V/Ekbang/2007, May 30th 2007 for areal 5,000 Ha (Revision)</li> <li>• Kadastral Map No. 355-15.05-2007, July 6th 2007 for areal 4,998.76 Ha</li> <li>• Surat Permohonan HGU 003/WNS-Dir/VII/2007, July 11th 2007 for areal 5,000 Ha.</li> </ul> <p><b>PT Windu Nabatindo Abadi</b></p> <ul style="list-style-type: none"> <li>• Sertifikat HGU No. 37/HGU/BPN RI/2014 seluas 1,987.8 Ha</li> <li>• Sertifikat HGU No. 48/HGU/KEM-ATR/BPN/2015 tanggal 20 Mei 2015 seluas 5.773 Ha</li> </ul> <p><b>PT Nabatindo Karya Utama</b></p> <ul style="list-style-type: none"> <li>• Sertifikat HGU No. 17/HGU/KEM-ATR/BPN/2016 tanggal 07 April 2016 seluas 3,298.63 Ha</li> </ul> <p>HGU on process for Ladang Sawit Mas, PT Lestari Gemilang Intisawit, PT Agro Manunggal Sawitindo, PT Karya Makmur Langgeng, and PT Gemilang Makmur Subur</p> <p><b>Auditor verification</b> Land legal process is still going on and there is a detail update progress documented by the company for each year.</p>
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**3.5 Identification of Findings, Corrective Action, Observations, Opportunity for Improvement and Noteworthy Positive Components.**

**3.5.1 Identification of Findings, Corrective Actions and Observations at ASA-3**

<b>NCR No.</b>	: 2017.1	<b>Issued by</b>	: Andi Pratama Pasaribu
<b>Date Issued</b>	: 7 April 2017	<b>Time Limit</b>	:
<b>NC Grade</b>	: Minor	<b>Date of Closing</b>	:
<b>Standard Ref. &amp; Requirement</b>	: <b>2.2.5 For any land-related conflicts or disputes, evidence should be available that the disputed land has been mapped to the adjacent community and local government if necessary).</b>		
<p><b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i>            Based on document verification known that PT. KMB has had HGU and HGB certificate that covered whole operational area. Through the latest hectare statement known that 626.76 Ha has occupied by others. Based on operational map, there was some areas that did not acquisition yet. For example, area around the boundary poles No. BPN-KMB-86, BPN-KMB-87 and BPN-KMB-83.</p> <p>Based on data above, there are several document that not showed yet as follows:</p> <ol style="list-style-type: none"> <li>1. Land dispute participatory mapping procedure.</li> <li>2. Land dispute participatory map that set with land claimer.</li> <li>3. The latest document of land outstanding claim monitoring.</li> <li>4. Management plan for occupation area.</li> </ol>			
<p><b>Root Cause Analysis</b> <i>(filled by organization audited):</i>            Occupational data in regional office that has not been synchronized and has not been approved by data from D &amp; L center.</p>			
<p><b>Corrective Action</b> <i>(filled by organization audited):</i></p> <ol style="list-style-type: none"> <li>a. Management Plan for occupation areas in KMB that have been synchronized and approved by D &amp; L Center and GIS Center</li> <li>b. Occupation area map of PT KMB</li> <li>c. Certificate of Land Ownership Register in HGU</li> </ol>			
<p><b>Preventive Action</b> <i>(filled by organization audited):</i>            Evaluation on monthly Management Review meeting to update data by PIC from PAD and GIS regional as well as monthly data synchronization by D &amp; L Center related to management review result.</p>			
<p><b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i>  <b>Evaluation on 4<sup>th</sup> July 2017</b>            Company has showed corrective evidence such as:</p> <ol style="list-style-type: none"> <li>4. Land occupation map of PT. Karya Makmur Bahagia compiled by the Department of GIS Region I with scale 1: 50.000. Based on the map, it was recorded that the occupational area covered by an area of 626 Ha.</li> <li>5. A reference from the PAD Regional Staff 1 on 29 May 2017 stating that there are 98 occupants in the HGU area of PT. KMB with overlapping ownership status.</li> <li>6. Management plan for settlement of overlapping land ownership area signed by Region Head Region I and Document &amp; License Department. The program is the identification of overlapping areas of ownership, meeting with the owner of the area, checking the common area, making participatory maps, making agreement documents, signing documents, maps, and maintaining agreement. The program is planned gradually from 2017 to 2021.</li> </ol> <p><b>Auditor's conclusion:</b>            Based on corrective evidence that have been submitted, the nonconformity of this indicator is closed and will be</p>			

observed for implementation in next audit activities.	
<b>Verified by</b>	: <b>Andi Pratama Pasaribu</b>

<b>NCR No.</b>	: <b>2017.2</b>	<b>Issued by</b>	: <b>Afiffuddin</b>
<b>Date Issued</b>	: <b>7 April 2017</b>	<b>Time Limit</b>	: <b>6 Juni 2017</b>
<b>NC Grade</b>	: <b>MAJOR</b>	<b>Date of Closing</b>	:
<b>Standard Ref. &amp; Requirement</b>	: <b>4.6.6 Storage of pesticides shall be according to recognised best practices. All pesticides containers shall be properly managed according to the existing regulations and or instructions enclosed on the containers.</b>		
<b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i>			
Based on the results of the visit in housing Divisonon 2 SMNE, found the former packaging of pesticides in housing used as a trash. The management unit has not been able to ensure the B3 waste management system (pesticide packaging) in accordance with prevailing procedures and regulations.			
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i>			
The hazardous waste which is used by employees is privately owned (new employees). This is due to the lack of awareness of some employees of hazardous waste management			
<b>Corrective Action</b> <i>(filled by organization audited):</i>			
<ul style="list-style-type: none"> <li>• Identify the hazardous waste within the employee housing</li> <li>• Evacuation of the remaining hazardous waste to CMNT hazardous waste storage and recorded it to its balance</li> </ul>			
<b>Preventive Action</b> <i>(filled by organization audited):</i>			
<ul style="list-style-type: none"> <li>• Monitoring and raiding of hazardous waste monthly by assistant unit and PIC Sustainability / HSE Officer in each housing complex</li> <li>• Socialization to worker by HSE Officer related to SOP of Hazardous Waste Management regularly every two months</li> </ul>			
<b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i>			
<b>Document Verification on June 5, 2017</b>			
The Company showed Hazardous Waste Shipment Report on May 5, 2017. One piece of ex pesticide container has been transported in Divisonon 2 SMNE.			
The Company showed the Occupational and Environment Safety and Health Program of 2017, specially for Environmental Pollution Management explained that hazardous Waste Inspection will be conducted every month by HSE Officer. While Socialization of hazardous Waste Management will be conducted every two months.			
<b>Field Verification on June 6, 2017</b>			
Based on the results of field observation to the housing Divisonon 02 SMNE the existence of packaging of pesticide is not found. In addition, the results of field observations to hazardous waste storage at CMNT known that there is a record entry of the ex pesticide container.			
<b>Verified by</b>	: <b>Trismadi N</b>		

<b>NCR No.</b>	: <b>2017.3</b>	<b>Issued by</b>	: <b>Asystasya Aishah Silalahi</b>
<b>Date Issued</b>	: <b>7 April 2017</b>	<b>Time Limit</b>	: <b>6 Juni 2017</b>
<b>NC Grade</b>	: <b>MAJOR</b>	<b>Date of Closing</b>	:



<b>Standard Ref. &amp; Requirement</b>	<b>: 4.6.11</b> <b>A record of annual health examination results for the operator and evidence of follow-up to the results of the examination should be available.</b>
<b>Non-Conformance Description &amp; Evidence observed (filled by auditor):</b>  Based on document review, founded that: <ul style="list-style-type: none"> <li>- Medical examination has been conducted for spraying worker and manuring worker in SMNE on 21<sup>st</sup> February 2017. In February 2017, the number of spraying worker is 19 people. However, based on the results of medical examination, it is known that only 6 workers spray medically examined.</li> <li>- Medical examination has been conducted for spraying worker and manuring worker in BAGE on 21<sup>st</sup> February 2017. However, based on the results of medical examination, it is known there are 4 workers (2 fertilizer and two workers spray) with results below the threshold. However, the company has not been able to show a followup to workers with examination results below the threshold. And not all pesticide operators medically examined periodically, for example, spraying foreman.</li> </ul> <p>Related to that, company could not show that medical examination has been conducted to all workers related to chemicals.</p>	
<b>Root Cause Analysis (filled by organization audited):</b> The analysis of the new Cholinestrase medical check up received by the unit as of March 31, 2017 and have not done any analysis for remedial action yet. And for the spraying worker who did not participate MCU on February 21, 2017 due to he's not come to work.	
<b>Corrective Action (filled by organization audited):</b> 4 worker were transferred to a type of work that was not a chemical application to reduce exposure of chemicals. Follow up medical check up for worker who have not performed a medical examination is done.	
<b>Preventive Action (filled by organization audited):</b> <ul style="list-style-type: none"> <li>• Performed MCU Cholinestrase on a regular basis, including a spray mandor and 4 abnormal cholinesterase employees to monitor their health progress.</li> <li>• Providing extra fooding (milk) by the company on a ready-to-serve basis and given before leaving for work</li> <li>• Safety briefing about the use of PPE, healthy food, preparation of a healthy mental condition before work</li> </ul>	
<b>Assessor Evaluation and Conclusion (filled by auditor):</b> <b>Observation on May 16, 2017</b> The Company has sent corrective evidence in the form of: <ol style="list-style-type: none"> <li>1. The results of medical examinations of employees BDME spraying has been done by the company doctor on April 25, 2017. According to the document identified two employees spraying with abnormal health examination results.</li> <li>2. Form corrective action and preventive action request dated April 28, 2017 issued by staff sustainability and known by SMNE managers.</li> <li>3. Decree No. 021 / SK / EM-SMNE / IV / 2017 and no. 021 / SK / EM-SMNE / IV / 2017 dated April 28, 2017 regarding worker mutations based on Medical check up analysis.</li> </ol> <b>Field observation on June 6, 2017</b> Based on interviews with spraying teams in block D18 Divisonon I and manuring team in block A43 Divisonon IV is known that special medical check up have been conducted in April 2017. In addition, the worker with result of MCU is in unfit condition have been transferred to non-chemical work.	
<b>Auditor Conclusion:</b> Based on the corrective evidence, field visits and interviews with all parties, this nonconformity is closed.	
<b>Verified by</b>	<b>: Andi P Pasaribu</b>

<b>NCR No.</b> :	<b>2017.4</b>	<b>Issued by</b> :	<b>Asystasya Aishah Silalahi</b>
<b>Date Issued</b> :	<b>7 April 2017</b>	<b>Time Limit</b> :	<b>6 Juni 2017</b>
<b>NC Grade</b> :	<b>MAJOR</b>	<b>Date of Closing</b> :	
<b>Standard Ref. &amp; Requirement</b> :	<b>4.7.3</b> <b>Records of Safety and Health (OHS) program training (see 4.8) and Personal Protective Equipment (PPE) in accordance with hazard identification and risk analysis should be available to all workers.</b>		
<b>Non-Conformance Description &amp; Evidence observed (filled by auditor):</b>  Based on field observation, it is found that: <ul style="list-style-type: none"> <li>• Spraying workers in SMNE were wearing fabric gloves instead of rubber gloves. It is not accordance with SOP No BGA-SOP-CCS-1106.1-R0 about Personal Protective Equipment.</li> <li>• PPE for SMNE harvesters are owned personally</li> <li>• Quality Control Foreman in Grading Station GMKM did not get safety shoes for 2 years.</li> <li>• Spraying workers in BAGE were wearing fabric gloves instead of rubber gloves. It is not accordance with SOP No BGA-SOP-CCS-1106.1-R0 about Personal Protective Equipment.</li> <li>• Loose fruit picker in BAGE did not get PPE such as boot.</li> <li>• Maintenance worker in BAGE did not get PPE such as boot</li> </ul> Related to that, the company has not been able to demonstrate the evaluation and monitoring of the implementation of the identification sources of hazards and controls.			
<b>Root Cause Analysis (filled by organization audited):</b> <ul style="list-style-type: none"> <li>• Company could not provide PPE it is still in the PP process in February 2017</li> <li>• Lack of Awareness of spraying and grading worker on the use of PPE because most employees are new employees</li> </ul>			
<b>Corrective Action (filled by organization audited):</b> <ol style="list-style-type: none"> <li>Conducted cash purchases of PPE directly and distribute to worker whose PPE has been damaged or not get PPE yet</li> <li>Record of PPE Spraying worker transfer.</li> <li>Record of IOM socialization related to Discipline Use of PPE</li> <li>The chemist employee statement letter for not using PPE which has been given</li> <li>IOM about Discipline Use of PPE Chemist from EM SMNE</li> <li>IOM from EC and RH to all EM Related to Use of PPE</li> <li>Statement from grading QC team for not using PPE from PPE Provided</li> <li>Record of PPE socialization to third party &amp; list of attendance</li> <li>Record of joint checking of Use of PPE</li> <li>Letter to third party to Refresh the Terms of Use of PPE in the mill</li> <li>The diesel fuel weighing ticket of PT Marlin Jaya Makmur that shows the monitoring time</li> </ol>			
<b>Preventive Action (filled by organization audited):</b> <ol style="list-style-type: none"> <li>Procurement monitoring and PPE checking monthly by head of section and assistant from each unit</li> <li>Monthly evaluation in RSPO monthly meetings in the regional office.</li> <li>PPE stock will be confirmed and monitored directly by head of section and administration every month to meet the stock quota of 10%</li> <li>IOM about Discipline Use of PPE Chemist from EM SMNE</li> <li>IOM from EC and RH to all EM about the use of PPE which will provide strict sanctions for EM that are not ensure the usage of PPE by the worker properly</li> </ol>			

**Assessor Evaluation and Conclusion** *(filled by auditor):*

**Major Verification June 5, 2017**

The Company has showed the following corrective evidence document:

1. Record of PPE handover of harvesting worker (14 persons) on May 18, 2017.
2. Record of PPE handover of harvesting clerk and FFB loading worker (3 people).
3. Record of PPE handover of spraying worker (21 people) in the form of rubber gloves, masks, glasses and apron.

**Field observation results June 6, 2017**

- Based on the results of the field visit SMNE spraying team, it is found that workers use adequate PPE such as shoes, apron, spraying uniform, masks and faceshield helmet. However, employees still use cloth gloves.
- A document showing the provision of PPE for the harvesting team is provided free of charge to the worker, such as record of safety shoes handover to 9 QC worker on April 20, 2017.
- QC members in charge of loading ramp still use boots, and found the existence of diesel truck kernet that does not use the PPE (safety shoes and helmet) in the loading ramp area.

**Verify June 22, 2017**

The Company shows some of the following corrective evidence:

1. Record of PPE handover to 16 people spraying team SMNE Divisonon 3 dated June 10, 2017 in the form of masks, helmets, and rubber gloves following documentation of PPE.
2. Record and Minutes of meeting of IOM socialization about of the use of PPE on 12 June 2017 to 22 maintenance and harvest workers in Divisonon 2 SMNE.
3. IOM from Estate Controller 1a and 1b approved by Regional Head 1 No. 036 / IOM / Area.1-KMB / VI / 2017 dated June 10, 2017 is addressed to all estate managers, concerning: the obligation to use PPE and the minimum supply of 10% APD stock in each estate. For estate managers who will not carry out will be given sanctions.
4. Intern Office Memo from Manager SMNE No. 004 / IOM / MGR-SMNE / VI / 2017 dated June 3, 2017 to all employees of the harvest. Subject: Discipline use of PPE for spraying team, explained if still found the existence of employees who do not use PPE, hence will be given reprimand letter, warning letter and termination of work.
5. Record on the compliance of PPE usage at GMKM to 3rd party (PT Marlin Jaya Makmur) mentioned that the driver use standard helmet & safety shoes along with documentation and monitoring result of PPE usage for all employees / people working in GMKM area.

**Auditor Conclusion:**

Company has shown the documentation of PPD to SMNE divisonon 3 spraying team and monitoring of PPE usage for all employee / person working in GMKM area. This nonconformity is closed.

**Verified by** : **Andi Pratama Pasaribu**

<b>NCR No.</b>	: <b>2017.5</b>	<b>Issued by</b>	: <b>Asystasya Aishah Silalahi</b>
<b>Date Issued</b>	: <b>7 April 2017</b>	<b>Time Limit</b>	: <b>ASA-4</b>
<b>NC Grade</b>	: <b>Minor</b>	<b>Date of Closing</b>	:
<b>Standard Ref. &amp; Requirement</b>	: <b>4.7.5</b> <b>There should be emergency and occupational injection procedures available in the Indonesian language as well as available workers who have received First Aid Training in Accidents (P3K) in the work area.</b>		

	<p>Special Guidance: Trained P3K personnel should be available, both in the field and other operational sites, and first aid equipment should be available at work. Records of accidents should be kept and reviewed on a regular basis</p>
<p><b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor)::</i></p> <p>Based on field observation in estate and mill, it is found that:</p> <ul style="list-style-type: none"> <li>• The contents of 2 first aid box in Central Mentaya Traction workshop is less than 21 items.</li> <li>• The contents of First aid box in GMKM workshop is only 9 items. Based on Regulation Of Labor Ministry No 15 2018 about First Aid in Workplace explain that the contents of First Aid Box for workplace with 25 worker or less is 21 items.</li> <li>• The contents of first aid bag harvest, spraying, manuring foreman in BDME is not complete.</li> <li>• Manuring foremand in SMNE is not bring the first aid bag.</li> <li>• Hydrant no 2 in GMKM was used for other purpose, that is to fulfill vacuum water in sedimentation pool.</li> <li>• First aid officer/foreman on site (BSS/BMS BAGE) understanding related to first aid treatment on work accident is still lacking.</li> </ul> <p>Based on the Minister of Labor Regulation No. 15 of 2008 on P3K at Work Article 10 states that the contents P3K box must meet the requirements as listed in annex II and there may be no material or equipment other than those required. According to appendix II, the contents of the box are as many as 21 items.</p> <p>Related to this, the company has not been able to show that the implementation of P3K box contents is in accordance with Permenaker No. 15 of 2008.</p>	
<p><b>Root Cause Analysis</b> <i>(filled by organization audited):</i></p> <ol style="list-style-type: none"> <li>1. Submission of refill of First Aid in process</li> <li>2. The usage sheet is not available in the first aid kit.</li> <li>3. Hydrant: the hydrant used at that time is not functioning because it has created a new hydrant line</li> </ol>	
<p><b>Corrective Action</b> <i>(filled by organization audited):</i></p> <ol style="list-style-type: none"> <li>1. Purchase of first aid and completed with validation sheet</li> <li>2. Hydrant: transfer of old hydrant line for other purposes</li> </ol>	
<p><b>Preventive Action</b> <i>(filled by organization audited):</i></p> <p>Monitoring the contents of first aid in the unit once a month and procuring refills of first aid boxes per 1 month or as needed</p>	
<p><b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i></p> <p><b>Major Verification June 5, 2017</b></p> <p>The Company has presented the following corrective evidence document:</p> <ol style="list-style-type: none"> <li>1. Record of replacement and delivery of first aid kit with the contents of 21 items for the first aid kit box in GMKM and its documentation.</li> <li>2. OHS socialization reports and first aid training for the foreman at BDME. This activity was held on May 19, 2017 and was participated by 22 participants consisting of harvesting, plant maintenance, and transportation foreman and clinic officer.</li> <li>3. Record of handover of 7 units of waist bags on May 19, 2017 in the hall of BDME.</li> <li>4. Record of evacuation and socialization of the use of hydrant towards the use of vacuum water in the sedimentation pond by creating a special line. Socialization of the use of hydrant was followed by 9 employees operators tippler, sterilizer and compound.</li> </ol> <p><b>Field observation results June 6, 2017</b></p>	

**SMNE**

Based on field observations of BSS and BMS SMNE teams it is known that the foremen have brought first aid boxes that have been adjusted to the applicable regulations.

**BDME**

Based on field observations of harvest teams, BSS and BMS BDME it is known that the foremen have brought first aid boxes that have been adjusted to the prevailing regulations.

**GMKM**

Based on the result of field observation to hydrant No. 2, it is not used for other functions (filling the vacuum water in the sedimentation pool). In addition, the results of field observations to engine room, hazardous waste storage and Clarification, It is known that all first aid boxes have been completed in accordance with applicable regulations.

**Auditor Conclusion:**

Based on root cause analysis, corrective action, preventive action and field observation, this nonconformity is closed.

**Verified by** : **Andi P Pasaribu**

<b>NCR No.</b>	: 2017.6	<b>Issued by</b>	: Afiffuddin
<b>Date Issued</b>	: 7 April 2017	<b>Time Limit</b>	: 6 Juni 2017
<b>NC Grade</b>	: MAJOR	<b>Date of Closing</b>	:
<b>Standard Ref. &amp; Requirement</b>	: 5.3.2 There shall be evidence that all chemicals and their empty containers are disposed of responsibly.		
<b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i>			
Based on the results of document review and field observation in temporary storage of hazardous and toxic waste materials, it is known that there may be some non-conformities :			
<ol style="list-style-type: none"> <li>1. The certification unit already has a work agreement with the holder of hazardous and toxic waste material (PT Sinar Bintang Albar) which is valid until November 2017, but there has not been any working agreement with a third party to transport medical waste.</li> <li>2. Based on the results of document review and visits to temporary storage of hazardous and toxic waste materials in CMNT Traction, it is known that there has not been any medical waste transport since the expiration of the medical waste management contract with Sari Mulya Hospital on December 31, 2015.</li> <li>3. Based on the results of field visits to the temporary storage area of hazardous and toxic waste materials in CMNT traction there is a logbook of pesticide packaging, but no updated balance sheet for pesticide packaging has been shown.</li> </ol>			
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i>			
The Company is finding a hazardous waste transporter that has a license from the Ministry of the Environment because of the license of old transporter is still from environmental agency of Kalimantan Tengah Province while the management is across the province.			
<b>Corrective Action</b> <i>(filled by organization audited):</i>			
<ul style="list-style-type: none"> <li>• Evidence of Bid Documents from PT BSI</li> <li>• Evidence of document delivery of work agreement to BSI</li> <li>• Make agreements with hazardous waste company that have permits that meet the relevant regulations</li> </ul>			

**Preventive Action** *(filled by organization audited):*

Periodically evaluate once every 6 months on the Agreement and Permits of the peer companies

**Assessor Evaluation and Conclusion** *(filled by auditor):***Document Verification June 6, 2017**

The Company demonstrates a Cooperation Agreement on the Management of Hazardous and Toxic Wastes (B3) with PT Prasadha Pamunah Industrial Waste and PT Bank Sampah Indonesia. 01 / KMB-L / PLB3 / IV / 2017; No. 101 / KMB / PLB3 / IV / 2017; No. 14 / BSI / PLB3 / VIII / 2016 dated June 6, 2017 with validity period of 30 April 2019 (2 years) for transportation, collection and processing / utilization of LB3 implemented under this SPK.

**Field Verification June 6, 2017**

1. Record of Transportation and manifest of hazardous waste of medical from CMNT has not been shown yet.
2. Based on field observation to hazardous waste storage, it is known that the updated balance sheet of each type of hazardous waste as follows:
  - Oil: last entered on May 20, 2017 as much as 6 liters, current stock 359 liters.
  - Oil Filter: last entered on May 24, 2017 as much as 1 Pcs, current stock 19 liters
  - Filter Fuel: last entered on May 24, 2017 as much as 1 Pcs, current stock 19 liters
  - Cap's broken: last entry on April 4, 2017 as many as 15 Pcs, current stock 15 Pcs.
  - Packaging former pesticides: last entry on 29 April 2017 as many as 34 Pcs, current stock 77 Pcs.
  - Medical B3 waste: 62 Kg.

**Document Verification June 19, 2017**

The Company shows evidence of document improvement as follows:

1. Manifest No. ARB 00002640 dated June 10, 2017 for LB3: Used oil with volume: 4400 Kg from CMNT, using truck plate no AD 1834 AV.
2. Manifest No. ARB 00002634 dated June 10, 2017 for LB3: Used oil with volume: 1200 Kg from CMNT, using truck plate no AD 1834 AV.
3. Manifest No. ARB 00002644 dated June 10, 2017 for LB3: Used pesticide packaging with volume: 72 Kg from CMNT, using truck plate no AD 1834 AV.
4. Manifest No. ARB 00002639 dated June 10, 2016m for LB3 rag with volume: 100 Kg from CMNT, using truck no AD 1834 AV.
5. Manifest No. ARB 00002638 dated June 10, 2017 for LB3 Used oil with volume: 200 Kg from CMNT, using truck no AD 1834 AV.
6. Manifest No. ARB 00002636 dated June 10, 2017 for LB3 Used filter with volume 202,5 Kg from CMNT, using truck no AD 1834 AV.
7. Manifest No. ARB 002642 dated June 10, 2017 for LB3 Used filter with volume 405 Kg from CMNT, using truck no AD 1834 AV.
8. Manifest No. ARB 002637 dated June 10, 2017 for LB3 Used pesticide packaging with volume 149,5 Kg from CMNT, using truck no AD 1834 AV.
9. Manifest No. ARB 002641 dated June 10, 2017 for used LB3 Accu with volume 644 Kg from CMNT, using truck no AD 1834 AV.
10. Manifest No. ARB 002643 dated June 10, 2017 for LB3 medical waste (infectious) with volume 62 Kg from CMNT, using truck No. AD 1834 AV.

In addition there is also record of hazardous waste transportation from PT Bank Sampah Indonesia. 117 / VI / BSI / BGA / KMB / 2017 dated June 10, 2017.



<b>Auditor Evaluation:</b>	
Based on the root cause analysis, corrective actions and preventive action, this nonconformity is closed.	
<b>Verified by</b>	: <b>Trismadi N</b>

<b>NCR No.</b>	: <b>2017.7</b>	<b>Issued by</b>	: <b>Afiffuddin</b>
<b>Date Issued</b>	: <b>7 April 2017</b>	<b>Time Limit</b>	: <b>ASA-4</b>
<b>NC Grade</b>	: <b>Minor</b>	<b>Date of Closing</b>	: <b>27 April 2018</b>
<b>Standard Ref. &amp; Requirement</b>	: <b>5.3.3. A documented waste management plan to avoid or reduce pollution and its implementation shall be available.</b>		
<b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i>			
Based on the results of the document review, it is known that the certification unit has a waste management plan, but in its implementation the certification unit has not consistently managed to avoid and reduce pollution, it is supported by the findings of the following nonconformities :			
1. Based on the results of field observation in the palm oil factory is known that there is utilization of hazardous waste materials that are not in accordance with the nature and characteristics of the waste, such as used oil drums used as potted plants.			
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i>			
Lack of understanding and awareness of SOP of hazardous waste management			
<b>Corrective Action</b> <i>(filled by organization audited):</i>			
<ul style="list-style-type: none"> <li>• Dismantling of used drums as potted plants and evacuation to TPS LB3</li> <li>• Update B3 waste balance</li> <li>• Documentation of dismantling and evacuation of used drums used as potted plants</li> </ul>			
<b>Preventive Action</b> <i>(filled by organization audited):</i>			
Socialization of SOP of hazardous waste processing			
<b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i>			
<b>Document Verification June 5, 2017</b>			
1. The company shows the minutes of meeting (dated 10 April 2017) the dismantling of the used drum as plant pot and evacuation to the hazardous waste storage and also documentation of the revocation of the pot and is transported to the licensed hazardous storage at the mill			
2. The Company shows a recording of the socialization of LB3 management in accordance with SOP.			
<b>Field Verification June 6, 2017</b>			
Based on the results of field visit in the mill, there is no more hazardous waste used for other functions.			
<b>Auditor's Conclusion:</b>			
The root cause analysis and preventive action are still inadequate, but there has been no evidence of socialization of hazardous waste management procedure. As well as refreshment programs related to hazardous waste management, to prevent non recurrence of the same NC.			
<b>Verification on ASA-4,</b>			

The company has shown the report of socialization related to hazardous waste management, and during the ASA-4 there is no found any hazardous waste handling in irresponsible way, as well no any of reuse of hazardous ex container. The NCR stated fulfilled.

**Verified by** : **Trismadi N/Asystasya**

<b>NCR No.</b>	: <b>2017.8</b>	<b>Issued by</b>	: <b>Asystasya Aishah Silalahi</b>
<b>Date Issued</b>	: <b>7 April 2017</b>	<b>Time Limit</b>	: <b>6 June 2017</b>
<b>NC Grade</b>	: <b>MAJOR</b>	<b>Date of Closing</b>	: <b>6 July 2017</b>
<b>Standard Ref. &amp; Requirement</b>	: <b>6.5.1 Wage documentation and work conditions should be available in accordance with applicable labor requirements</b>		

**Non-Conformance Description & Evidence observed** *(filled by auditor):*

Company has the 2017 Premium Provision No No Khs-001/HOK-RH/XII/2017 on 30<sup>th</sup> December 2017 about Provision of Overtime System, applicable since 1<sup>st</sup> January 2017. Based on that document it is known that the overtime for Security on Sunday / holiday set: position Danru (commander squad) is Rp 95,000, Wadanru (vice commander of the squad) is Rp 90,000, and squad member is Rp 85,000. Based on the document review "The format of the daily premium monitoring" period 26 February to 25 March 2017 for the position of Security (Danru) in GMKM, premiums obtained on the day of the week amounted to Rp 80,000. Based on that description, company has not implemented the overtime accordance with the applicable regulation.

**Root Cause Analysis** *(filled by organization audited):*

Policy of GMKM unit because when calculated, employee income will be less if applied new system of overtarget premium (2017) in work system at GMKM.

**Corrective Action** *(filled by organization audited):*

- Make an analysis and agreement with employees related to the system of premiums that will apply for the enforcement of premiums in GMKM units.
- Establish IOM Provisions of HCGD and Management in relation to changes in the premium provisions for security estate refer to Decree of the Minister of Manpower 102 of 2004.

**Preventive Action** *(filled by organization audited):*

Conduct analysis and evaluation of the premium / wage system used annually by the Regional HRD and every month through RSPO monthly meeting monitoring

**Assessor Evaluation and Conclusion** *(filled by auditor):*

**Verify June 5, 2017**

The company shows Internal Office Memo No. 104 / IOM / REG.1 / VI / 2016 dated June 8, 2016 signed by Regional Head 1 and Mill Controller 1, regarding: the fixed premium provision of security guard Mill Region 1.

1. The fixed premium applies to the security guard of Mill Region 1.
2. No overtime claims.
3. Details of the fixed premium amount attached, entered into force on 14 June 2016 and will serve as guidance in each of its technical implementers.

**Premium Terms:**

1. Fixed Premium Commander of Team Rp. 625,000, - and holiday premium of Rp. 80,000, -
2. Premium fixed member of security Rp. 500,000, - and holiday premium / Sunday Rp. 70,000, -

While in the 2017 BGA Premium Decree No Khs-001 / HOK-RH / XII / 2017 dated December 30, 2016 on the provisions of the prevailing Premium System from 1 January 2017.

**Premium Terms:**

1. Fixed Premium Commander of Team Rp. 375,000, - and holiday premium of Rp. 95,000, -
2. Fixed premium Deputy Commander of Team Rp. 325,000, - and holiday premium of Rp. 90,000, -
3. Premium fixed member of security Rp. 300,000, - and holiday premium / Sunday Rp. 85,000, -

The Company also shows the Minutes of Joint Agreement between GMKM Manager and Security at GMKM on April 5, 2017. It is explained that the terms of each premium refers to IOM. 104 / IOM / REG.1 / VI / 2016 dated June 8, 2016. Due to the 2017 premium provision is lower than the 2016 premium provisions.

Payroll document verification results, the overtime security recap in May 2017 it is known that the company can demonstrate that the premium above the applicable provisions of the Decree of the Minister of Manpower no. 102 / MEN / VI / 2004.

Nevertheless, the results of interviews with HR GA Region 1, mentioned that for the security of the estate refers to the IOM premium provisions in 2017. If referring to the IOM, the premium provisions are still under the Minister of Manpower Decree no. 102 / MEN / VI / 2014.

**Verification on June 22, 2017**

The company shows IOM Regional Head 1 No. 124 / IOM / HC-POP / VI / 2017 dated June 20, 2017 regarding the difference in the calculation of the security premium. Explained that instructed that the difference of calculation of the premium is immediately paid in accordance with the Decree of Minister of Manpower no. 102 / MEN / VI / 2004.

**Auditor's Conclusion:**

The company has not been able to show evidence that all security in the estate has applied overtime provisions in accordance with applicable regulations.

**Verification on July 6, 2017**

The company has shown proof of payment of overtime for Estate and Factory security for the period of January - June 2017 in the form of security attendance list, photo and overtime payment receipt. For next month's security overtime payments and so on will refer to IOM Regional Head 1 No. 124 / IOM / HC-POP / VI / 2017 dated June 20, 2017 stating that overtime provisions are in accordance with the Decree of Minister of Manpower no. 102 / MEN / VI / 2004.

Based on evidence of improvement shown, the auditor team concludes that the non-conformity in this indicator is stated to be complied.

**Verified by** : **Trismadi Nurbayuto**

<b>NCR No.</b>	: <b>2017.9</b>	<b>Issued by</b>	: <b>Afiffuddin</b>
<b>Date Issued</b>	: <b>7 April 2017</b>	<b>Time Limit</b>	: <b>6 June 2017</b>
<b>NC Grade</b>	: <b>MAJOR</b>	<b>Date of Closing</b>	: <b>6 June 2017</b>
<b>Standard Ref. &amp; Requirement</b>	: <b>8.1.1 A monitoring action plan based on consideration of environmental and social impact assessments, and regular evaluations for plantation activities and oil palm plantations</b>		
<b>Non-Conformance Description &amp; Evidence observed (filled by auditor):</b>			
The certification unit shows RSPO Internal Audit Result Report Document PT. KMB, conducted on 1 - 2 March 2017. However, no management review has yet been conducted with evidence of further improvement.			
<b>Root Cause Analysis (filled by organization audited):</b>			
Management review meetings can not be made because of the tight schedule of operating meetings at 2-3 months			

after the internal audit.
<p><b>Corrective Action</b> <i>(filled by organization audited):</i></p> <ul style="list-style-type: none"> <li>• Document of corrective action of RSPO Internal Audit GMKM</li> <li>• Document of corrective action of RSPO Internal Audit BDME</li> <li>• Document of corrective action of RSPO Internal Audit SMNE</li> </ul>
<p><b>Preventive Action</b> <i>(filled by organization audited):</i></p> <p>Monitoring progress on improving the findings of RSPO ISPO internal audits through periodic review meetings by all management units</p>
<p><b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i></p> <p><b>Document Verification on June 5, 2016</b></p> <p>The company shows the RSPO internal audit corrective action, for example :</p> <ul style="list-style-type: none"> <li>• GMKM : from 8 non-conformities, there is still one non-conformity that is still in progress improvement. Associated with SCCS E.3.1 on certified and non-certified product data.</li> <li>• SMNE : from 9 non-conformities, there are still 4 non-conformities that are still in progress improvement. For example related to the management of pesticide waste.</li> <li>• BDME: 6 non-conformities have been fully complied by the management unit, for example related to the management of pesticide waste.</li> </ul> <p><b>Auditor's Conclusion:</b></p> <p>Based on the root cause analysis, the corrective and preventive actions shown. So this non-conformity has been complied.</p> <p><b>Verified by</b> : <b>Trismadi N</b></p>

<b>NCR No.</b> :	<b>2017.10</b>	<b>Issued by</b> :	<b>Trismadi N</b>
<b>Date Issued</b> :	<b>7 April 2017</b>	<b>Time Limit</b> :	<b>6 June 2017</b>
<b>NC Grade</b> :	<b>Major</b>	<b>Date of Closing</b> :	<b>6 June 2017</b>
<b>Standard Ref. &amp; Requirement</b> :	<p><b>E.3.1</b>  <b>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:</b></p> <ul style="list-style-type: none"> <li><b>a. Complete and up to date procedures covering the implementation of all the elements in these requirements;</b></li> <li><b>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.</b></li> </ul>		
<b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor)::</i>			
<p>The company has SOP-KMB-Sust-SOP43, Revision 3 dated December 14, 2016. The procedure was explaining about FFB consignment from non certified area was no using RSPO logos. However, according to field observation and interview with workers; this procedure are no implemented. Such as:</p> <ol style="list-style-type: none"> <li>1. According to field observation to Block H52, Divisionon3, SMNE; there are no physical separating between certified area with uncertified area (PT TTL). And also, based on interview with harvesters and FFB loaders. They can't explaining differentiation of FFB from HGU area and non HGU area (PT TTL).</li> </ol>			

2. According to field observation to weight bridge station, that known all of FFB Consignment from own estates is still using RSPO logo. There are no physical separation between certified FFB and uncertified FFB.

**Root Cause Analysis** *(filled by organization audited):*

- There is no clear separation marker between PT TTL, plasma and PT KMB
- Lack of coordination with the estate associated with the separation of FFB Consignment Certified RSPO with Non RSPO.

**Corrective Action** *(filled by organization audited):*

- Boundary Procedure
- Make clear signs of physical separation in the field so that it is easy to understand and implemented in the field
- Removal of the RSPO logo to facilitate physical separation between RSPO and non RSPO FFB
- Closes using the barcode on the RSPO logo contained in FFB consignment Non RSPO.

**Preventive Action** *(filled by organization audited):*

- Perform periodic physical border care
- Socialization to weight bridge operators in mill is related to the closing / removal of RSPO logo on FFB consignment Non RSPO, if any FFB consignment is missed by the estates

**Assessor Evaluation and Conclusion** *(filled by auditor):*

**Document Verification on June 5, 2017**

The company shows SOP of Lind Use Title holder installation and Boundary Separator between PT KMB and Plasma. Region 1 GIS-SOP-02-R00 signed by EC-1 dated 26 April 2017.

- Installation of auxiliary or more used border marks either adjacent PT or plasma with a distance of ± 30 s.d. 50 meters with a length of 1.5 m; Diameter 10 cm, inserted and cast into the ground as deep as 1 meter and painted red by writing the name of PT KMB for overlooking the Land Use Title area.
- Creation of physical boundaries in the field by providing different paint on palm or boundary path crossing between PT. White color (plasma area), Blue color (estate area / Land Use Title) and yellow color (non estate area of PT KMB).
- Create a road or trench boundary using heavy equipment
- Minutes of Observation Results.
- Evaluation and analysis of observation results.
- Implementation of corrective actions.

The company shows examples of FFB consignment separation between FFB and Non RSPO as follows :

- FFB consignment RSPO dated May 9, 2017 from Divisonon 1, BDME using dump truck No. DT73 (KH 8342 FE) of block E06: 85 FFB, E07: 173 FFB, and E08: 213 FFB. Ticket weighs no. B 312458 at 16:03 on net : 6580 Kg.
- FFB consignment Non RSPO dated May 9, 2017 from Divisonon 1, BDME using dump truck No. DT73 (KH 8342 FE) of block E06B: 05 FFB, E07B: 290 FFB, and E08B: 10 FFB. Ticket weighs no. B 312428 at 12:47 with netto: 6700 Kg.

**Field Verification on June 6, 2017**

Based on the results of field observations to several blocks in BDME and SMNE it is known that:

- Block E7B, Divisonon 1 BDME is the estate area of PT TTL, there is a marking of a red helpline bearing the words PT TTL / PT KMB, in addition to the palm stem there is a yellow paint showing the boundary area of PT TTL following the direction of the helpline. For the areas that enter Land Use Title PT KMB, there is a blue paint on the palm stem in the outer limit.
- Block E8, Divisonon 1 BDME is a plasma area (Cooperative Mekar Jaya), there is a marking of a red helpline bearing the words PT KMB / Plasma, in addition on the palm stem there is white paint that shows the plasma area. For the areas that enter Land Use Title PT KMB, there is a blue paint on the palm stem in the outer limit.

- Block H52, Divisonon 3 SMNE is a plasma area (Cooperative Lestari). There is a marking of a red helpline marked with PT KMB / Plasma, in addition on the palm stem of a white paint showing the plasma area. For the areas that enter Land Use Title PT KMB, there is a blue paint on the palm stem in the outer limit.
- Block K50, Divisonon 3 SMNE is a plasma area (Cooperative Lestari), there is a marking of a red helpline bearing the words PT KMB / Plasma, in addition on the palm stem of palm there is white paint that shows the plasma area. For the areas that enter Land Use Title PT KMB, there is a blue paint on the palm stem in the outer limit.

Based on field observations and interviews with two weight bridge operators in mill, they can demonstrate the separation of RSPO and non RSPO FFB consignment arranged in cabinets based on their respective estate. The result of document verification conducted by the auditor has also been compatible between FFB consignment with monitoring records of RSPO and Non RSPO blocks used as reference by weight bridge operators.

**Verified by** : **Trismadi N**

<b>NCR No.</b>	: 2017.11	<b>Issued by</b>	: Trismadi N
<b>Date Issued</b>	: 7 April 2017	<b>Time Limit</b>	: 6 June 2017
<b>NC Grade</b>	: Major	<b>Date of Closing</b>	: 22 June 2017
<b>Standard Ref. &amp; Requirement</b>	: E.4.1 The site shall verify and document the volumes of certified and non-certified FFBs received.		
<b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i>			
The company has record of FFB receiving from Certified area and Uncertified area from 21 July – 3 April 2017. However, there are no specific information about FFB received from each blocks, divisonons and estates.			
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i>			
Lack of control of the management unit (estate manager) related to monthly data update of specific requests from SC E.4.1 related to FFB Certified data creation based on block, divisonon and estate.			
<b>Corrective Action</b> <i>(filled by organization audited):</i>			
Documenting the volume of TBS certified based on estate, divisonon up to block			
<b>Preventive Action</b> <i>(filled by organization audited):</i>			
Monthly evaluation will be evaluated in the RSPO management review meeting, followed by all estate and mill manager units that will be led by the Estate Controller.			
<b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i>			
<b>Document Verification on June 5, 2017</b>			
The company shows the RSPO FFB monitoring documentation based on each block, divisonon and estate in accordance with the certificate period. As an example :			
- BDME, Divisonon 1 consists of 35 RSPO blocks with an area of 653.58 Ha. In April 2017 produced 138 tons of FFB.			
- SMNE, Divisonon 3 consists of 44 RSPO blocks with an area of 527.49 Ha. In April 2017, TBS produced 187 tons.			
<b>Auditor's Conclusion:</b>			
Based on the results of root cause analysis, corrective actions, and preventive action are shown. So this non-conformity has been complied.			
<b>Verified by</b>	: Trismadi N		



<b>NCR No.</b>	: 2017.12	<b>Issued by</b>	: Trismadi N
<b>Date Issued</b>	: 7 April 2017	<b>Time Limit</b>	: 6 June 2017
<b>NC Grade</b>	: Major	<b>Date of Closing</b>	: 7 July 2017
<b>Standard Ref. &amp; Requirement</b>	<b>E.5.1</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. All volumes of palm oil and palm kernel oil that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO. c. The site can only deliver Mass Balance sales from a positive stock. Positive stock can include product ordered for delivery within three months. However, a site is allowed to sell short.(ie product can be sold before it is in stock.)		
<b>Non-Conformance Description &amp; Evidence observed (filled by auditor):</b>  According to document verification, <b>there are several non conformity No. 2017.16;</b> such as: a. The company has recording of Certified production of FFB, CPO and PK with three-monthly basis. However, there are no information of FFB production from each blocks, divisonons and estates. b. According to document verification, Certified Palm Kernel stocks from 21 July – 3 April 2017 is nol, its after Palm Kernel selling. It was non conformity with clause E.5.1.c; “the site can only deliver mass balance sales from a positive stock. The positive stock can include product ordered for delivery within three months”.			
<b>Root Cause Analysis (filled by organization audited):</b> a. No documentation of FFB certified volumes by estate, divisonon up to block b. Lack of knowledge from commercial HO			
<b>Corrective Action (filled by organization audited):</b> a. Documenting the volume of TBS certified based on estate, divisonon up to block b. Conducting discussions and socialization related to CPO and PK certified sales standards based on SC RSPO standard			
<b>Preventive Action (filled by organization audited):</b> a. Filling FFB certified volume data by estate, divisonon up to block and evaluated periodically b. Evaluate every 3 months			
<b>Assessor Evaluation and Conclusion (filled by auditor):</b>  <b>Document Verification on June 5, 2017</b> The company shows the RSPO TBS monitoring documentation based on each block, divisonon and estate in accordance with the certificate period. As an example : <ul style="list-style-type: none"> <li>• BDME, Divisonon 1 consists of 35 RSPO blocks with an area of 653.58 Ha. In April 2017 produced 138 tons of FFB.</li> <li>• SMNE, Divisonon 3 consists of 44 RSPO blocks with an area of 527.49 Ha. In April 2017, FFB produced 187 tons.</li> </ul> In addition, shows 3 monthly monitoring of Mass Balance for FFB, CPO and PK (RSPO and Non RSPO) produced by GMKM POM and its suppliers. Production Period July 21, 2016 s.d April 3, 2017: FFB RSPO: 72,165 MT CPO RSPO: 15,387 MT PK RSPO: 3,272 MT No sales of RSPO CPO product claims during the period Sales of PK (RSPO): 8,250 MT			

Based on the results of the mass balance document review, from October 2016 until 3 April 2017 there was sales of the kernel (RSPO) not from the positive stock; Meaning that there are sales of PK non RSPO claimed as PK RSPO. The company presented a meeting document between Sustainability Dept and Commercial Dept on May 5, 2017, that CPO and PK (RSPO) sales must be from a positive stock and comply with the mass balance of the mill. In addition, there is an Internal Office Memo No. 060 / IOM / CL-BGA / V / 2017 dated May 24, 2017 addressed to Mill Manger GMKM, BMKM, PNBK, KAGM, and KNDM. That each mill must send data of FFB receipt, along with monthly positive data of CPO and PK (RSPO) on monthly basis, where the data will be used for balancing CPO and PK certified products.

**Verification on 7 July 2017**

According mass balance report by email from PT KMB to the RSPO on 7 July 2017, there are difference between PK Production and PK sales (The PK production is 6,813 MT and PK sales is 8,250 MT or (1,437 MT) this data is record of May 2017. According to email was showed to the auditor team, between a RSPO Certification Head and BGA Commercial Department. To make the position of PK Mass Balance back in positive stock, it can be done by remove PK from Bukit Makmur Mill (PT KMB) amount 1,448 MT; so the ctually of PK stock is 11 MT.

**Auditor's Conclusion:**

According to root cause, corrective action and preventife action analysis this NC was closed.

**Verified by** : **Trismadi N**

<b>NCR No.</b>	: 2017.13	<b>Issued by</b>	: Trismadi N
<b>Date Issued</b>	: 7 April 2017	<b>Time Limit</b>	: 6 June 2017
<b>NC Grade</b>	: Major	<b>Date of Closing</b>	: 5 June 2017
<b>Standard Ref. &amp; Requirement</b>	<b>RSPO Certification System</b> <b>4.2.3. The unit of certification shall be the mill and its supply base:</b> <ul style="list-style-type: none"> <li>• The unit of certification must include both directly managed land (or estates) and associated smallholders and outgrowers, where estates have been legally established with proportions of lands allocated to each.</li> <li>• All the FFB from the directly managed lands (or estates) shall be produced to certifiable standards. The mill develop and implement a plan to ensure that 100% of associated smallholders and outgrowers are certifiable standard within 3 years.</li> </ul>		
<b>Non-Conformance Description &amp; Evidence observed (filled by auditor)::</b>			
<ol style="list-style-type: none"> <li>1. BGA has a Time Bound Plan that has been signed by the Director of CA and Sustainability and Certification and Compliance Dept. Head on June 15, 2016. However, the document has not yet informed : the plan for certification of Bukit Daman Estate (Usaha Bersama Cooperative), Batang Hijau Estate (Makarti Jaya Cooperative Scope), Sungai Penyahuan Estate (Scope Cooperative Eka Kaharap), Sungai Puring Estate (Eka Kaharap and Telawang Bersatu Cooperative scope), Bukit Harapan Estate (scope of Hinje Atei Cooperative), Sungai Meraya Estate (Scope of Cooperatives of Bina Tani and Cooperative of Rika Bersatu); PT KMB independent plasma, Tanjung Harapan Farmer Group, Waringin Jaya KUD, and KUD Tri Daya.</li> <li>2. In the document time bound plan dated June 15, 2016, it is known that PT Tanah Tani Lestari will be certified in 2017, however, the scope addition of ASA-3 assessment in GMKM is only for Mekar Jaya Cooperative, Lestari and Sekar Tani.</li> </ol>			
It is not in accordance with RSPO Certification System 4.2.3 all FFBs from self-managed must produce to certified			

standards. The mill (Certificate Holder) should develop and implement a plan to ensure that 100% of farmers' partnerships and estate have been certified within 3 years (since the plant is certified).

**Root Cause Analysis** *(filled by organization audited):*

Time Bond Plan is evaluated every year once in the middle of the year and for PT TTL waiting for NPP progress updates

**Corrective Action** *(filled by organization audited):*

Revised the Time Bond Plan

**Preventive Action** *(filled by organization audited):*

Keep evaluating each year in accordance with the company's development

**Assessor Evaluation and Conclusion** *(filled by auditor):*

**Verification on June 5, 2017**

The company shows the Revised Time Bound Plan RSPO of BGA of 24 May 2017 signed by Certification & Compliance Dept. Head and Director of Corporat Affair & Sustainability. There are several changeable Time Bound Plan and justifications have been made, for example :

- The scope of FFB suppliers to GMKM PT KMB has been incorporated entirely (including all cooperatives of PT KMB, PT TTL and Independent Smallholders). For example: KUD Mekar Jaya, Sekar Tani, Lestari, Usaha Bersama, Makarti Jaya, Waringin Jaya, Marga Rahayu and Sentosa Tani are scheduled for 2017 with justification still in the certification preparation process. In addition, interviews with sustainability staff from head office. It is explained that all plasma will be conducted ST-2 audit in July - August 2017.
- PT TTL and all its cooperatives (Koperasi Hapakat, Rika Bersatu, Usaha Bersama, Eka Kaharap, Berkat Usaha Bersama dan Bina Tani) are scheduled for 2019. Because there are several areas that are still in the process of NPP, in addition for areas that are already embedded without NPP will be subject to sanctions under NPP Procedure (2014).
- Independent Smallholders (Sawit Borneo Nusantara) is scheduled for 2019, as it is still in the preparation stage for certification.

**Verified by** : Trismadi N

<b>NCR No.</b>	: 2017.14	<b>Issued by</b>	: Trismadi N
<b>Date Issued</b>	: 7 April 2017	<b>Time Limit</b>	: 6 June 2017
<b>NC Grade</b>	: Major	<b>Date of Closing</b>	: 6 June 2017
<b>Standard Ref. &amp; Requirement</b>	<b>RSPO Certification System</b> <b>4.2.4. Organizations that have a majority holding in and/or management control of more than one autonomous company growing oil palm will be permitted to certify individual management units and/or subsidiary companies only if all the following are complied with Requirements for uncertified management units and/or holdings.</b>		
<b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor)::</i>			
<p>Based on the results of partial certification assessment for management under BGA that has not been certified RSPO obtained information that:</p> <ol style="list-style-type: none"> <li>1. Internal Audit reports are available related to criterion 2.1; 2.2 .; 6.3; Plasma PT KMB, PT RSI, PT MCM, PT WNA, and PT NKU. However, there is no internal audit result related to criterion 6.4; 7.3; 7.5; and 7.6.</li> <li>2. Not yet can be shown internal audit report related to criterion 2.1; 2.2 .; 6.3; 6.4; 7.3; 7.5; 7.6; for PT LMS, PT WNS, PT BGB, PT ASMR, PT IKB, PT GKG, PT GKS, PT ASM, PT GHL, PT KBAS, PT LSM, PT LGI, PT AMS, PT KML and PT GMS.</li> </ol>			

<b>Root Cause Analysis</b> <i>(filled by organization audited):</i> Corrective actions related to Partial Certification audits at ASA-03 KMB audit have been submitted and are awaiting evaluation from the auditor	
<b>Corrective Action</b> <i>(filled by organization audited):</i> Complete the necessary documents related to Partial Certification	
<b>Preventive Action</b> <i>(filled by organization audited):</i> Immediate audit every year if there is a new company related to the fulfillment of criteria in Partial Certification	
<b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i>  <b>Verification on June 6, 2017</b> The company has shown the Partial Certification BGA group report, it is known that the companies described above, there are some which still in the process of legality. In addition, there are also some companies that are in the process of reviewing LUCA report by RSPO.	
<b>Verified by</b>	: <b>Trismadi N</b>

**3.5.2 Identification of Findings, Corrective Actions and Observations at ASA-4**

<b>NCR No.</b>	: 2018. 01	<b>Issued by</b>	: <b>Asystasya Aishah Silalahi Arif Faisal Simatupang</b>
<b>Date Issued</b>	: 27 April 2018	<b>Time Limit</b>	: 26 June 2018
<b>NC Grade</b>	: Major	<b>Date of Closing</b>	: 11 June 2018
<b>Standard Ref. &amp; Requirement</b>	: 2.1.1 Evidence of compliance with relevant legal requirements shall be available		
<b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i> Certificate holder has not been able to demonstrate compliance with mandatory reporting: <ol style="list-style-type: none"> <li>5. Submission of reports on the implementation of hazardous waste management for the fourth quarter of 2017 in accordance with the permits.</li> <li>6. Submission of compulsory labor report in accordance with Law No. 7 of 1981 Article 7 concerning compulsory reporting of employment.</li> <li>7. Submission of Plantation Progress Report (LPUP) every 6 months to Plantation Agency, pursuant to the provisions in regulation of agricultural ministry No. 98 of 2013 on plantation business licensing guidelines.</li> <li>8. Submission of Land Use Report every year to Land Agency, in accordance with the provisions in the regulation of Agrarian Ministry No. 7 of 2017 concerning the regulation and procedure for the stipulation of entitlement rights</li> </ol>			
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i> <ol style="list-style-type: none"> <li>1. Hazardous waste management report: Sustainability staff turnover, previous staff was resigned and the new staff is appointed at the end of 2017</li> <li>2. Employment report: changes of report system, the new system is online and there is still disturbance. So, advice from manpower agency is to make report manually.</li> <li>3. Plantation report: because changes of PIC of plantation report. The previous PIC is PAD Region staff, the new PIC is Sustainability staff.</li> </ol>			

4. Land Use Report: there is no socialization to PAD Region about Permen Agraria dan Tata Ruang No 7/2017

**Correction** (filled by organization audited):

1. Reporting the Hazardous waste management report to related agency
2. Make Employment report manually and report it to Manpower Agency
3. Reporting Plantation Report to Land National Agency
4. Reporting the Land Use Report to Land National Agency

**Corrective Action** (filled by organization audited):

Do management review meeting monthly to make sure compliance about mandatory reporting to related agencies.

**Assessor Evaluation and Conclusion** (filled by auditor):

**Verification 1<sup>st</sup> May 2018**

Perusahaan telah menunjukkan bukti perbaikan berupa. Company has showed correction, namely:

1. Receipt of Gunung Makmur Mill Hazardous Waste Management periode of 4<sup>th</sup> quarter of 2018 to Environmental Agency in Kotawaringin Timur Regency on 28<sup>th</sup> April 2018.
2. Receipt of CMNT Hazardous Waste Management periode of 4<sup>th</sup> quarter of 2018 to Environmental Agency in Kotawaringin Timur Regency on 28<sup>th</sup> April 2018.
3. Employment report year of 2018 on 29<sup>th</sup> March 2018 to Manpower Agency in Kalimantan Tengah Province and the next mandatory report on 1<sup>st</sup> March 2019.
4. Receipt of Plantation Report periode of July – December 2017 to Plantation Agency of Kalimantan Tengah Province on 26<sup>th</sup> May 2018.
5. Receipt of Plantation Report periode of January - June 2018 to Plantation Agency of Kalimantan Tengah Province on 26<sup>th</sup> May 2018

Besides, company also showed result of RSPO ISPO management review on 30<sup>th</sup> May 2018 to discuss the compliance of RSPO ISPO nonconformities attended by 18 participants and work program of Sustainability Regional I year of 2018.

**Verification 11<sup>th</sup> June 2018,**


Company showed receipt of land use reporting to Land National Agency of Kalimantan Tengah Province year of 2017 on 7<sup>th</sup> March 2018.

**This non conformity is closed.**

**Verified by** : **Asystasya Aishah Silalahi and Sandra**

<b>NCR No.</b>	: 2018. 02	<b>Issued by</b>	: Haikal Ramadhan Kharismansyah
<b>Date Issued</b>	: 27 April 2018	<b>Time Limit</b>	: Recertification
<b>NC Grade</b>	: Minor	<b>Date of Closing</b>	:
<b>Standard Ref. &amp;</b>	: 4.4.4		

<b>Requirement</b>	<b>Monitoring of mill water use per ton of FFB shall be recorded</b>
<b>Non-Conformance Description :</b>	
The company already done water monitoring per ton FFB up to March 2018 with water use average is 0.7 m3/Ton FFB. Based on observation at WTP of GMKM, noted that flowmeter is damaged. Related to that evidence, company not yet shown that record of monitoring of water use has been done with an accurate tool.	
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i>	
<b>Correction</b> <i>(filled by organization audited):</i>	
<b>Corrective Action</b> <i>(filled by organization audited):</i>	
<b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i>	
<b>Verified by</b>	:

<b>NCR No.</b>	: 2018.03	<b>Issued by</b>	: Haikal Ramadhan Kharismansyah
<b>Date Issued</b>	: 27 April 2018	<b>Time Limit</b>	: Recertification
<b>NC Grade</b>	: Minor	<b>Date of Closing</b>	:
<b>Standard Ref. &amp; Requirement</b>	: 4.6.7 Application of pesticides shall be by proven methods that minimize risk and negative impacts		
<b>Non-Conformance Description :</b>			
Based on observation at BSS house on Bukit Kecubung Estate note that there is active ingredients named methyl metsulfuron which saved on plastic container. It's not suitable with Company Procedure (SOP-BGAAGRKS-PROS-PPS-01) about Pesticide Management which stated pesticide must saved on original container.			
			



<b>Root Cause Analysis</b> <i>(filled by organization audited):</i>	
<b>Correction</b> <i>(filled by organization audited):</i>	
<b>Corrective Action</b> <i>(filled by organization audited):</i>	
<b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i>	
<b>Verified by</b>	:

<b>NCR No.</b>	: 2018.04	<b>Issued by</b>	: Arif Faisal Simatupang
<b>Date Issued</b>	: 27 April 2018	<b>Time Limit</b>	: Recertification
<b>NC Grade</b>	: Minor	<b>Date of Closing</b>	:
<b>Standard Ref. &amp; Requirement</b>	: 6.1.4 The documented plan for management and monitoring of social impacts, shall be reviewed at least on two-yearly basis. If necessary, the plan should be updated. There shall be evidence that the review process includes participation of all affected parties.		
<b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i>			
The company not yet be shown the evidence that social impact management plan has been reviewed participative every two years, where the last review done in 2015.			
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i>			
<b>Correction</b> <i>(filled by organization audited):</i>			
<b>Corrective Action</b> <i>(filled by organization audited):</i>			
<b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i>			
<b>Verified by</b>	:		

<b>NCR No.</b>	: 2018. 05	<b>Issued by</b>	: Briyogi Shadiwa
<b>Nomor ketidaksesuaian</b>		<b>Diterbitkan oleh</b>	
<b>Date Issued</b>	: 27 April 2018	<b>Time Limit</b>	: 26 Juni 2018
<b>Tanggal diterbitkan</b>		<b>Batas Waktu</b>	
<b>NC Grade</b>	: Major	<b>Date of Closing</b>	: 5 Juni 2018
<b>Grade</b>		<b>Tanggal</b>	

ketidaksesuaian	Terpenuhi
<b>Standard Ref. &amp; Requirement Acuan Standar &amp; Persyaratan</b>	<b>6.10.2 Mekanisme penetapan harga TBS dan input/jasa harus dijelaskan dan didokumentasikan (bila hal ini berada dibawah kuasa pihak perkebunan atau pabrik).</b>
<p><b>Non-Conformance Description &amp; Evidence observed (filled by auditor):</b></p> <p>Based on interviews with the Mekar Jaya Cooperative Board, Sekar Tani Cooperative, Waringin Jaya Cooperative and Makarti Jaya Cooperative, there is a complaint that in the FFB sales report which submitted to the cooperative every two months, not yet transparently describe the tonnage of FFB production per year in each month, FFB purchase price (from Plantation Agency) per year planted in every month (Note: FFB price determination from Plantation Agency valid for 1 month), and total of FFB purchase price per year planting per month.</p> <p>The Company has shown the details of the payment (annual tonnage of planting per month, the price of FFB (from Plantation Agency) per year planting per month, the total purchase price of FFB per year planted per month), and based on the verification result has been in accordance with the financial statements submitted to each cooperative, and has been in compliance with the pricing decree from Plantation Agency.</p> <p>However, in the FFB purchased report submitted to the Cooperative is only a global purchase, and there is no evidence that the details of the payments (annual tonnage of planting per month, the price of FFB (from Plantation Agency) per year planted per month, the total purchase price of FFB per year per plant month) has been explained and submitted to each cooperative management.</p>	
<p><b>Root Cause Analysis (filled by organization audited):</b></p> <p>Details of the payments report (annual tonnage of planting per month, the price of FFB (from plantation agency) per planting year per month, the total purchase price of FFB per year planted per month), which requested by the cooperative can basically be given only indeed need to get approval from management (partnership office center) first.</p>	
<p><b>Correction (filled by organization audited):</b></p> <p>Socialization to the cooperative regarding the payment (annual tonnage of planting per month, the price of FFB (from plantation agency) per planting year per month, the total purchase price of FFB per year planted per month) as requested</p>	
<p><b>Corrective Action (filled by organization audited):</b></p> <p>Delivering and Reporting the payment details every month according to the requested by the Cooperative</p>	
<p><b>Assessor Evaluation and Conclusion (filled by auditor):</b></p> <p><b>Auditor Verification , 5 June 2018</b></p> <p>The Company has sent evidence of correctice action by performing the following:</p> <ul style="list-style-type: none"> <li>• Report on production and sale of FFB Plasma from Cooperative Makarti Jaya, Coop. Mekar Jaya, Coop. Lestari, Coop. Tani Santoso, Coop. Waringin Jaya, Coop. Sekar Tani, Coop. Makarti Jaya, Coop. Joint Venture, and Coop. Rahayu Marga for the period January to March 2018 with details of FFB price per planting year that has been signed by the company and the cooperative.</li> <li>• Minutes Letter of Socialization Production and Sales FFB Plasma from Cooperative Makarti Jaya, Coop. Mekar Jaya, Coop. Lestari, Coop. Tani Santoso, Coop. Waringin Jaya, Coop. Sekar Tani, Coop. Makarti Jaya, Coop. Joint Venture, and Coop. Marga Rahayu on May 14, 2018 and May 15, 2018 which was attended by the Parties Cooperative and Company.</li> </ul> <p>Based on the evidence of such improvements, the non-conformity has been met and will be further observed on the next assessment activity.</p>	
<b>Verified by</b>	<b>: Briyogi Shadiwa</b>

<b>NCR No.</b>	: 2018. 06	<b>Issued by</b>	: Briyogi Shadiwa
<b>Date Issued</b>	: 27 April 2018	<b>Time Limit</b>	: Recertification
<b>NC Grade</b>	: Minor	<b>Date of Closing</b>	:
<b>Standard Ref. &amp; Requirement</b>	: 6.10.3 Evidence shall be available that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent		
<b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i>			
<p>Based on interviews with the Management of Waringin Jaya Cooperative and Makarti Jaya Cooperative Board, there is a complaint about the basic agreement of the debt of the company's bailout fund with certain nominal (bail of investment stage and production stage) to be paid by the cooperative after the bank credit settled, as well as complaints about the details of goals of the bailout funds. The debt of the bailout was submitted to the Cooperative Management Board based on the Minutes of Socialization of Cooperative Management Accountability Report dated 17 and 18 January 2018.</p> <p>According to the management of the cooperative and the result of auditor verification, the bailout clause is not in the agreement letter partnership with Waringin Jaya Cooperative (No. 02 / KUD-WJ / III / 2008) and agreement letter partnership with Makarti Jaya Cooperative (03 / KUD-MJA / III / 2008). But the company can show the Addendum Agreement letter for Makarti Jaya Cooperative, which includes investment of stage bailout clause and production stage.</p> <p>Based on that descriptions, the Company has not been able to demonstrate transparent partnership cooperation practices related to:</p> <ol style="list-style-type: none"> <li>1. Not yet be shown the basis of agreement for the implementation of bailout fund of Waringin Jaya Cooperative.</li> <li>2. Not yet be shown the details of time and goals of the use of bailout funds that have been submitted to the Cooperative Waringin Jaya and Cooperative Makarti Jaya.</li> </ol>			
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i>			
<b>Correction</b> <i>(filled by organization audited):</i>			
<b>Corrective Action</b> <i>(filled by organization audited):</i>			
<b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i>			
<b>Verified by</b>	:		

<b>NCR No.</b>	: 2018. 07	<b>Issued by</b>	: Briyogi Shadiwa
<b>Nomor ketidaksesuaian</b>		<b>Diterbitkan oleh</b>	
<b>Date Issued</b>	: 27 April 2018	<b>Time Limit</b>	: 26 June 2018
<b>Tanggal diterbitkan</b>		<b>Batas Waktu</b>	

<b>NC Grade</b>	<b>: Major</b>	<b>Date of Closing</b>	<b>: 20 June 2018</b>
<b>Grade ketidaksesuaian</b>		<b>Tanggal Terpenuhi</b>	
<b>Standard Ref. &amp; Requirement</b>	<b>: 8.1.</b>		
<b>Acuan Standar &amp; Persyaratan</b>	<b>Oil palm growers and millers regularly monitor and review their activities and develop and implement action plans that allow for sustained real improvements in key operations.</b>		
<b>Non-Conformance Description &amp; Evidence observed (filled by auditor):</b>			
During ASA-3 assessment there was a non-conformance in the SCCS indicator E.3.1 and in RSPO System Certification 4.2.3, then the ASA-4 assessment of non-conformance to the indicator was also found. Related to this, the company has not been able to demonstrate a continuous improvement plan in the application of RSPO.			
<b>Root Cause Analysis (filled by organization audited):</b>			
<p>1. Ineffective management review meeting (change of manager of BMKE and due to lack of sustainability of the region's staff in 2017) so that the installation program of HGU (Land use title) stakes and area boundaries that have been made is unmonitored and for RSPO System Certification 4.2.3 related to the existence of 5 Cooperatives no certification audit has been undertaken in July 2018</p> <p>2. There is no longer a special PIC in BMKE and BKCE that monitor the implementation of RSPO specifically installation and maintenance of the boundary stakes.</p>			
<b>Correction (filled by organization audited):</b>			
<p>1. Creation of program and execution of making stakes &amp; boundary area</p> <p>2. Specific PIC designation for BMKE and BKCE</p>			
<b>Corrective Action (filled by organization audited):</b>			
<p>1. Re-review management review meetings every month to ensure no recurrence of existing non-conformance findings.</p> <p>2. Specify the PIC specifically to monitor the implementation of the installation of the boundary and monitor every month.</p>			
<b>Assessor Evaluation and Conclusion (filled by auditor):</b>			
<b>Verification June 8, 2018,</b>			
The Company has shown evidence of improvements in the form of documents filing the audit date for the addition of scope of PT Karya Makmur Bahagia as many as 5 cooperatives namely Marga Rahayu Cooperative, Usaha Bersama Cooperative, Tani Santoso Cooperative, Makarti Jaya Cooperative and Waringin Jaya Cooperative, filing from CB (certification Bodies) on May 23, 2018 , and the audit plan dated July 23 - 27, 2018.			
<b>Verification June 20, 2018,</b>			
The Company shows evidence of improvement for the NCR in E.3.1 and has been stated to be observed by observation by the auditor.			
Based on these evidences the discrepancies are met and will be re-observed section during Recertification.			
<b>Verified by</b>	<b>: Sandra</b>		
<b>Diverifikasi oleh</b>			

<b>NCR No.</b>	<b>: 2018. 08</b>	<b>Issued by</b>	<b>: Sandra Purba</b>
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<b>Date Issued</b>	: 27 April 2018	<b>Time Limit</b>	: 26 Juni 2018
<b>NC Grade</b>	: Major	<b>Date of Closing</b>	: 20 Juni 2018
<b>Standard Ref. &amp; Requirement</b>	<b>E.3.1</b> <b>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:</b> <ol style="list-style-type: none"> <li><b>a. Complete and up to date procedures covering the implementation of all the elements in these requirements;</b></li> <li><b>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.</b></li> </ol>		
<p><b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i></p> <p>The company has identification product traceability procedur in document KMB-SUST-SOP-43 which stated on FFB separating mechanism for certified and non-certified area and procedure no.: SOP GIS-SOP-02 related to marking of boundaries between certified areas and non certified areas (smallholders scheme and its own estate).</p> <p>However, during the field observation to block C20A BKME (bordering with MAGE/smallholder) and block O25 Divisonon 2 BMKE (bordering with smallholder) showed that company not yet done separate between certified area and non-certified area according to its SOP.</p>			
<p><b>Root Cause Analysis</b> <i>(filled by organization audited):</i></p> <p>The management review are not done in timely due to changes of BKME manager and there is not yet appointed the officer in charge to monitor the marking during 2017, so that the program of installation/marketing the area between certified and non certified not carry out as per schedule and not monitored.</p>			
<p><b>Correction</b> <i>(filled by organization audited):</i></p> <p>Re-identified and re-marking the the area between certified and non certified, established the program to monitor and to maintain the marking.</p>			
<p><b>Corrective Action</b> <i>(filled by organization audited):</i></p> <p>Discuss the progress of marking area during the management review which conducted by monthly to prevent the recurrence of NC.</p>			
<p><b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i></p> <p><b>Verification on 8 June 2018,</b></p> <p>The company showed the correction evidence such as official report of identification of boundary between certified area and non certified are in HGU Pole no.: BT100 and BT71 which conducted on 8 April 2018, showed the sustainability program which one of it is carry out the legal and certified area marking audit per semester, as well as the program of pole and marking maintainance for periode of 2018.</p> <p><b>Verification on 11 June 2018,</b></p> <p>The company has shown the evidence such as result of identification and program &amp; realization of HGU boundary maintainance in region I period of 2018, there was 14 pole of HGU which not yet installed.</p>			

Shown the result of checking (inspection checklist) of boundary marking periode of 21 and 22 May 2018 in BKME which include of checking of separation marking between certified and non-certified area in BKME. The evidence also along with the details report of area (list of block) which has been marked by painting on the palm-trunk according to the SOP, installation of pole also done in the border. Shown the minute of management review on 30 May 2018 which discuss of program of legal and area border audit and also to set the action plan and its PIC.

**Verification on 20 June 2018,**

The company has shown the evidence of result of identification, checklist and evidence of re-marking for area separation between certified and non-certified in BDME (21 April 2018), GKME on 8 June 2018 and SMNE on 12 May 2018. The marking which has been faded/broken has been maintained by re-painting and changes to a new poles.

Based on evidence above, the NC stated fulfilled.

**Verified by** : **Sandra**

<b>NCR No.</b>	: 2018. 09	<b>Issued by</b>	: Sandra Purba
<b>Date Issued</b>	: 27 April 2018	<b>Time Limit</b>	: 26 March 2019
<b>NC Grade</b>	: Major	<b>Date of Closing</b>	: 8 June 2018
<b>Standard Ref. &amp; Requirement</b>	<p><b>RSPO Certification System</b>            4.2.3 The unit of certification shall be the mill and its supply base:</p> <ul style="list-style-type: none"> <li>The unit of certification must include both directly managed land (or estates) and associated smallholders and outgrowers, where estates have been legally established with proportions of lands allocated to each.</li> <li>All the FFB from the directly managed lands (or estates) shall be produced to certifiable standards. The mill will develop and implement a plan to ensure that 100% of associated smallholders and outgrowers are of certifiable standard within 3 years.</li> </ul>		
<b>Non-Conformance Description &amp; Evidence observed (filled by auditor):</b>			
<p>PT KMB showed time bound plan for uncertified units under of PT BGA (uncertified unit of PT BGA subsidiaries) including smallholder, however until ASA-4 assessment PT KMB not yet showed evidence that all smallholder managed by PT KMB (for eg.: Usaha Bersama, Makarti Jaya, Marga Rahayu dan Tani Santoso Cooperative), has been in accordance with the RSPO principle.</p>			
<b>Root Cause Analysis (filled by organization audited):</b>			
<p>According to TBP, will be audited on July 2018</p>			
<b>Corrective Action (filled by organization audited):</b>			
<p>Proposed to CB for audit, and currently has been planned to be done in July 2018</p>			
<b>Preventive Action (filled by organization audited):</b>			
<p>The TBP will be implemented timely</p>			
<b>Assessor Evaluation and Conclusion (filled by auditor):</b>			
<p>Verification on 8 June 2018,            The company has shown the corrective evidence such as document of proposed of audit schedule for extension scope under PT KMB as much as 5 cooperative unit, namely: cooperative of Marga Rahayu, cooperative of Usaha Bersama, cooperative of Tani Santoso, cooperative of Makarti Jaya and cooperative of Waringin Jaya on 23 May 2018, and the schedule has been agreed by both on 23 – 27 July 2018. The NC stated closed.</p>			



<b>Verified by</b>	<b>:</b>	<b>Sandra</b>
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**3.5.3 Opportunity for Improvement**

No	Ref. Std.	Description Deskripsi
1	Major 4.7.3	Extension of First Aid Kit Officers License (expired on 20 August 2017)
2	Major 5.2.2.	Clarify the buffer zone boundaries for HCV areal.
3	Minor 5.2.3	Increase the effectiveness of Training and socialization of HCV existence and HCV management for workers.
4	Minor 6.10.4	Consistency of outcome payment accuracy from cooperative partnership.
5	SCCS CoC 5.9.1	Accuracy and updating of SCCS implementation record.







**1.5.4 Noteworthy Positive Components**

No	Ref Std	Descriptions
1		Has realized partnership with farmers in full managed and independent.
2		Has been certified in ISPO scheme

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

Public Issues (Institution/ NGO/Community)	Auditor Verification
<p><b>Plantation Agency Regency of Kotawaringin Timur</b></p> <p><i>Notes : The auditor team has attempted to contact the Agency, but no PIC can be found for questioning.</i></p>	
<p><b>Land Agency Regency of Kotawaringin Timur</b></p> <ul style="list-style-type: none"> <li>- the company is not applying for a new permit</li> <li>- there are no issues related to land disputes</li> <li>- smallholder cooperative already has the land title</li> <li>- The company has not submitted a land use report</li> </ul>	<p>The company is not applying for a new permit. There were no cases of land disputes. But there is a discrepancy in the compulsory report on land use that has not been submitted. It becomes NCR in indicator 2.1.1</p>
<p><b>Environmental Agency Regency of Kotawaringin Timur</b></p> <ul style="list-style-type: none"> <li>- The Company already has environmental permit documents in the form of AMDAL and UKL / UPL. In addition, it also has licenses temporary hazardous warehouse, land application permits are still valid.</li> <li>- Currently there are no cases of environmental pollution.</li> <li>- The mandatory reports has been reported on a regular basis.</li> </ul>	<p>During the assessment, known that environmental permits are still valid. There is no casses of environmental pollution. However, related mandatory reports, the CH has not been able to show consistency of submission of hazardous waste report. It becomes nonconformity on indicator 1.2.1</p>
<p><b>Manpower Agency Regency of Kotawaringin Timur</b></p> <p>The Company has shown compliance in mandatory reporting, as well as the implementation of the minimum wage of plantation sectoral.</p> <p>There are no complaints from stakeholders related to industrial relation, as well as PPE or worker welfare.</p> <p>All employees have been included in the Health / Employment insurance (BPJS program).</p>	<p>Based on the audit results, it is concluded that the company complies with labor laws, such as on payments, overtime, employment and health insurance (described in criterion 6.5).</p> <p>Related to mandatory reporting, the company has not been able to show of submission of Yearly Labor Report of 2017. This becomes a nonconformity in indicator 2.1.1</p>
<p><b>Head of Bukit Makmur Village</b></p> <p>The company has empowered the surrounding community, among others by building smallholder partnership, employment of villager, and participatory CSR programs.</p> <p>There are no land dispute or environmental cases.</p>	<p>The Company has provided evidence of comunity development programs.</p> <p>The results of the assessment there are no cases of land disputes or environmental pollution that affect the village community.</p> <p>However, the company has not been able to show evidence that the social impacts management and monitoring plan has been reviewed in a participatory manner every two years, where the final review took place in 2015. Its become nonconformity on indicator 6.1.4.</p>
<p><b>Board of Smallholder Cooperative of Mekar Jaya</b></p> <ul style="list-style-type: none"> <li>- Routinely meeting has been conducted every two month. But there is a complaint that the monthly report of payment has not transparently described the details of the tonnage of FFB production per year planted in every month, the purchase price of TBS Disbun per year planted in every month.</li> <li>- there are complaints related to the basic agreement on the</li> </ul>	<p>Based on the verification result, the CH can not show evidence of justification related to the complaints. this becomes nonconformity detailed in indicators 6.10.2 and 6.10.3</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
implementation of bailout funds in each cooperative.	
<p><b>Board of Smallholder Cooperative of Waringin Jaya</b></p> <ul style="list-style-type: none"> <li>- Routinely meeting has been conducted every two month. But there is a complaint that the monthly report of payment has not transparently described the details of the tonnage of FFB production per year planted in every month, the purchase price of TBS Disbun per year planted in every month.</li> <li>- there are complaints related to the basic agreement on the implementation of bailout funds in each cooperative.</li> </ul>	Based on the verification result, the CH can not show evidence of justification related to the complaints. this becomes nonconformity detailed in indicators 6.10.2 and 6.10.3
<p><b>Board of Smallholder Cooperative of Sekar Tani</b></p> <ul style="list-style-type: none"> <li>- Routinely meeting has been conducted every two month. But there is a complaint that the monthly report of payment has not transparently described the details of the tonnage of FFB production per year planted in every month, the purchase price of TBS Disbun per year planted in every month.</li> <li>- there are complaints related to the basic agreement on the implementation of bailout funds in each cooperative.</li> </ul>	Based on the verification result, the CH can not show evidence of justification related to the complaints. this becomes nonconformity detailed in indicators 6.10.2 and 6.10.3
<p><b>Board of Smallholder Cooperative of Makarti Jaya</b></p> <ul style="list-style-type: none"> <li>- Routinely meeting has been conducted every two month. But there is a complaint that the monthly report of payment has not transparently described the details of the tonnage of FFB production per year planted in every month, the purchase price of TBS Disbun per year planted in every month.</li> <li>- there are complaints related to the basic agreement on the implementation of bailout funds in each cooperative.</li> </ul>	Based on the verification result, the CH can not show evidence of justification related to the complaints. this becomes nonconformity detailed in indicators 6.10.2 and 6.10.3
<p><b>Local contractor of UD Mandoyo</b></p> <ul style="list-style-type: none"> <li>- The agreement draft by the certificate holder was proposed to each contractor before their sign the document</li> <li>- There is no issue about payment</li> </ul>	Certificate holder has establishing several business relationship with villagers especially in surrounding village (verified in criteria 6.10.4)

4.0	<b>CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY</b>		
4.1	<b>Formal Sign-off of Assessment Findings</b>		
	<p>Hereunder sign by management representative from inspected company to acknowledge a field assessment and agree for all content explained in this assessment report, included of non-compliance findings.</p> <p style="text-align: center;">Signed on behalf of:</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; text-align: center; vertical-align: top;"> <p>Company Name Management Representative</p>  <p><b><u>Diar H. Damanik</u></b> Wednesday, 20 June 2018</p> </td> <td style="width: 50%; text-align: center; vertical-align: top;"> <p>Mutuagung Lestari Lead Auditor</p>  <p><b><u>Sandra Purba</u></b> Wednesday, 20 June 2018</p> </td> </tr> </table>	<p>Company Name Management Representative</p>  <p><b><u>Diar H. Damanik</u></b> Wednesday, 20 June 2018</p>	<p>Mutuagung Lestari Lead Auditor</p>  <p><b><u>Sandra Purba</u></b> Wednesday, 20 June 2018</p>
<p>Company Name Management Representative</p>  <p><b><u>Diar H. Damanik</u></b> Wednesday, 20 June 2018</p>	<p>Mutuagung Lestari Lead Auditor</p>  <p><b><u>Sandra Purba</u></b> Wednesday, 20 June 2018</p>		

**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	Bukti Kecubung Estate: 6 Harvesting Workers 12 Spraying Workers 8 Manuring Workers	Bukti Kecubung Estate	-	Observation and Interview	25 April 2018	√	-
2	Sekar Tani Cooperative: 4 Harvesting Workers 4 Spraying Workers 6 Manuring Workers	Sekar Tani Cooperative	-	Observation and Interview	24 April 2018	√	-
3	Plantation Agency Regency of Kotawaringin Timur	Regency of Kotawaringin Timur	-	Interview by phone	24 April 2018		√
4	Land Office Regency of Kotawaringin Timur	Regency of Kotawaringin Timur	-	Interview by phone	24 April 2018	√	
5	Environmental Agency Regency of Kotawaringin Timur	Regency of Kotawaringin Timur	-	Interview by phone	24 April 2018	√	
6	Manpower Agency Regency of Kotawaringin Timur	Regency of Kotawaringin Timur	-	Interview by phone	24 April 2018	√	
7	Head of Bukit Makmur Village	Kotawaringin Timur Regency	-	Direct Interview	24 April 2018	√	
8	Board of Makarti Jaya Cooperative	Kotawaringin Timur Regency	-	Direct Interview	24 April 2018	√	
9	Board of Waringin Jaya Cooperative	Kotawaringin Timur Regency	-	Direct Interview	24 April 2018	√	
10	Board of Sekar Tani Cooperative	Kotawaringin Timur Regency	-	Direct Interview	24 April 2018	√	
11	Board of Mekar Jaya Cooperative	Kotawaringin Timur Regency	-	Direct Interview	24 April 2018	√	
12	Gender Committee	Kotawaringin Timur Regency	-	Interview	5 <sup>th</sup> April 2017	√	-
13	Worker union	Kotawaringin Timur Regency	-	Interview	5 <sup>th</sup> April 2017	√	-
14	Head of <i>Dewan Adat Dayak</i> Kecamatan Antang Kalang Aspiration	Kotawaringin Timur Regency	-	Interview	4 <sup>th</sup> April 2017	√	-
15	Sawit Watch	-	info@sawitwatch.or.id	Quiesioner via Email	29 <sup>th</sup> March 2017	-	√
16	WWF	-	info@sawitwatch.or.id	Quiesioner via Email	29 <sup>th</sup> March 2017	-	√
17	Save Our Borneo	-	info@sawitwatch.or.id	Quiesioner via Email	29 <sup>th</sup> March 2017	-	√
18	Walhi	-	informasi@walhi.or.id	Quiesioner via Email	29 <sup>th</sup> March 2017	-	√
19	Plantation Agency Regency of Kotawaringin Timur	Regency of Kotawaringin Timur	-	Interview by phone	24 April 2018		√

20	Land Office Regency of Kotawaringin Timur	Regency of Kotawaringin Timur	-	Interview phone by	24 April 2018	√	
21	Environmental Agency Regency of Kotawaringin Timur	Regency of Kotawaringin Timur	-	Interview phone by	24 April 2018	√	



**Appendix 2. Assessment Program**

DATE	23 – 27 April 2018	
PROGRAM	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
<b>Monday, 23 April 2018</b>		
06.00 – 07.30	<b>JAKARTA → PALANGKARAYA</b>	• All Auditor
08.00 – 13.00	<b>PALANGKARAYA → SITE</b>	• SP/AFS/AST/HKL/BRY
	<b>Break</b>	
14.00 – 15.00	<b>Opening Meeting</b>	SP/AFS/AST/HKL/BRG
15.00 – 17.00	<b>Document Review and Review of Previous Visit Non-conformance (ASA-3 RSPO/ISPO)</b>	SP/AFS/AST/HKL/BRG
<b>Tuesday, 24 April 2018</b>		
08.00 – 12.00	<b>Stakeholders consultation:</b> <ul style="list-style-type: none"> <li>External stakeholder to government agency in Kotawaringin Timur District (by phone)</li> <li>External stakeholder to surrounding village (stakeholders of own estates and smallholders scheme), Board of Cooperation (Lestari, Mekar Jaya, and Sekar Tani).</li> </ul>	• AFS
08.00 – 12.00	<b>Field Observation Bukit Makmur Estate and Sekartani Cooperative</b> <ul style="list-style-type: none"> <li>Manuring, Spraying, Harvesting, IPM, best agricultural practices</li> <li>Worker Welfare (payments, complaint mechanism)</li> <li>Hazardous Waste Material management</li> <li>Worker facilities (housing, health clinic, clean water, etc) and</li> <li>Land Fire facilities, Storage, ect..</li> <li>Legal operational, land dispute and Conservation Area</li> </ul>	<ul style="list-style-type: none"> <li>• HKL/BRG</li> <li>• AST</li> <li>• AST</li> <li>• BRG</li> <li>• SP</li> <li>• SP</li> </ul>
12.00 – 14.00	<b>BREAK</b>	
14.00 – 17.00	<b>Field Observation to Gunung Makmur POM</b> <ul style="list-style-type: none"> <li>Processing &amp; Occupational Health and Safety (OHS)</li> <li>WWTP</li> <li>Hazardous Waste Material</li> <li>Land Application</li> <li>Fire Fighting Facilities</li> <li>Supply Chain</li> <li>Interview with workers union, local contractor, koperasi karyawan and gender committee</li> </ul>	<ul style="list-style-type: none"> <li>• HKL</li> <li>• BRG</li> <li>• BRG</li> <li>• BRG</li> <li>• HKL</li> <li>• SP</li> <li>• AST</li> </ul>
<b>Wednesday, 25 April 2018</b>		
08.00 – 12.00	<b>Field Observation Bukit Kecubung Estate</b> <ul style="list-style-type: none"> <li>Manuring, Spraying, Harvesting, IPM, best agricultural practices</li> <li>Worker Welfare (payments, complaint mechanism)</li> <li>Hazardous Waste Material management</li> <li>Worker facilities (housing, health clinic, clean water, etc) and</li> <li>Land Fire facilities, Storage, ect..</li> <li>Legal operational, land dispute and Conservation Area</li> </ul>	<ul style="list-style-type: none"> <li>• HKL</li> <li>• HKL</li> <li>• AST</li> <li>• AST</li> <li>• SP</li> <li>• SP</li> </ul>
08.00 – 12.00	<b>Field Observation to Mekarjaya Cooperative</b>	

DATE	23 – 27 April 2018	
PROGRAM	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
	<ul style="list-style-type: none"> <li>• Manuring, Spraying, Harvesting, IPM, best agricultural practices</li> <li>• Worker Welfare (payments, complaint mechanism)</li> <li>• Hazardous Waste Material management</li> <li>• Worker facilities (housing, health clinic, clean water, etc) and</li> <li>• Legal operational and Conservation Area</li> </ul>	<ul style="list-style-type: none"> <li>• AFS</li> <li>• BRG</li> <li>• BRG</li> <li>• AFS</li> <li>• AFS</li> </ul>
12.00 – 14.00	<b>BREAK</b>	
14.00 – 17.00	Document verificatioan and field visit result clarification	SP/AFS/AST/HKL/BRY
<b>Thursday, 26 April 2018</b>		
08.00 – 12.00	<ul style="list-style-type: none"> <li>• Continued of field visit (if any) and Document verificatioan and field visit result clarification</li> </ul>	• All Auditor
12.00 – 14.00	<b>BREAK</b>	
14.00 – 15.00	<ul style="list-style-type: none"> <li>• Continued of field visit (if any) and Document verificatioan and field visit result clarification</li> </ul>	• All Auditor
15.00 – 17.00	<ul style="list-style-type: none"> <li>• Audit finding preparation</li> </ul>	
<b>Friday, 27 April 2018</b>		
07.00 – 09.00	<ul style="list-style-type: none"> <li>• Closing Meeting</li> </ul>	• All Auditor
09.00 – .....	<ul style="list-style-type: none"> <li>• Site – Palangkaraya - Jakarta</li> </ul>	