

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

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

Name of Management Organisation : Kendawangan Palm Oil Mill – PT Gunajaya Karya Gemilang & PT Gunajaya Ketapang Sentosa subsidiary of Bumitama Agri Ltd

Plantation Name : **PT Gunajaya Karya Gemilang**
Mekar Utama Estate, Kendawangan Estate, and Sungai Tapah Estate
PT Gunajaya Ketapang Sentosa
Banjarsari Estate, Seriam Jaya Estate, and Membuluh Jaya Estate

Location : **Village of Banjar Sari & Seriam, Sub District of Kendawangan, District Ketapang, Province of West Kalimantan, Indonesia**

Certificate Code : **MUTU-RSPO/081**

Date of Certificate Issue : 3 December 2015 Date of License Issue : 3 December 2017

Date of Certificate Expiry : 2 December 2020 Date of License Expiry : 2 December 2018

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
ASA-2	09 – 14 October 2017	Muhammad Rinaldi (Lead Auditor), Yohanes Hardian, Asystasya Aishah Silalahi, Haikal Ramadhan Kharismansyah, Hasiholan Sihombing	Octo H.P.N. Nainggolan	Tony Arifiarachmen

Assessment	Approved by MUTUAGUNG LESTARI on:
ASA-2	11 January 2018

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FIGURE

Figure 1. Location Map of PT. Gunajaya Karya Gemilang and PT Gunajaya Ketapang Sentosa, Kalimantan Barat

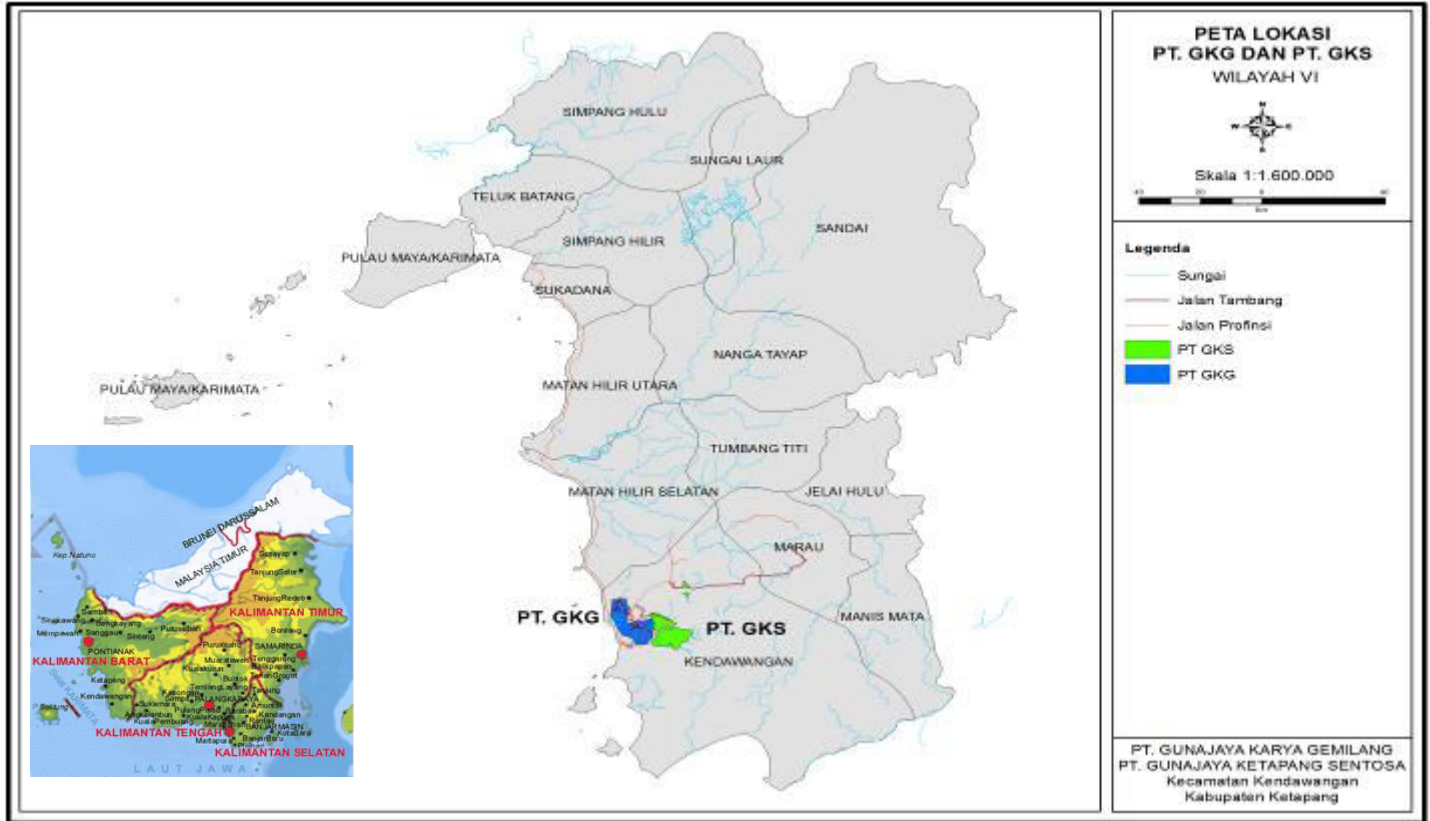


Figure 2. Operational Map of PT. Gunajaya Karya Gemilang

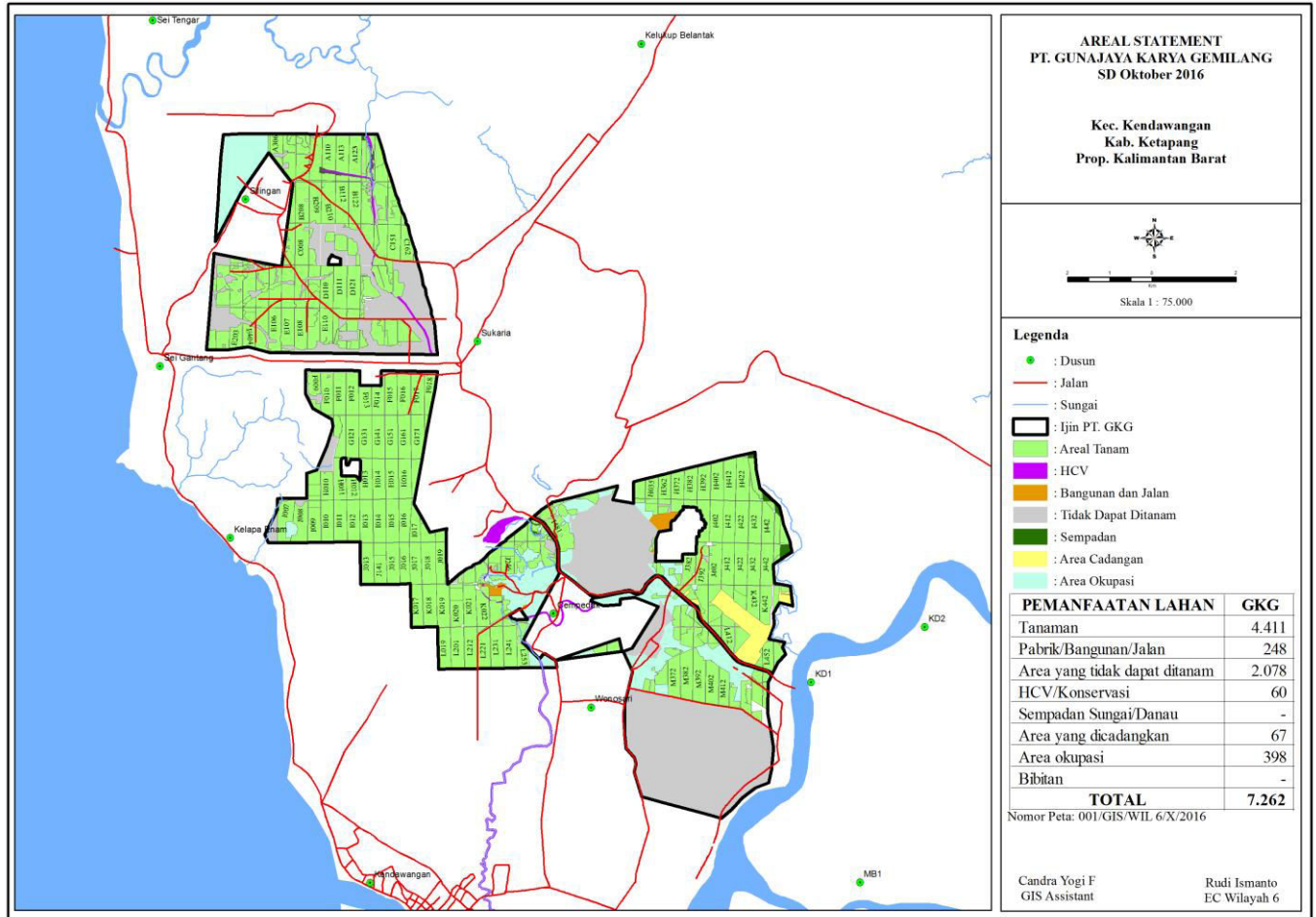
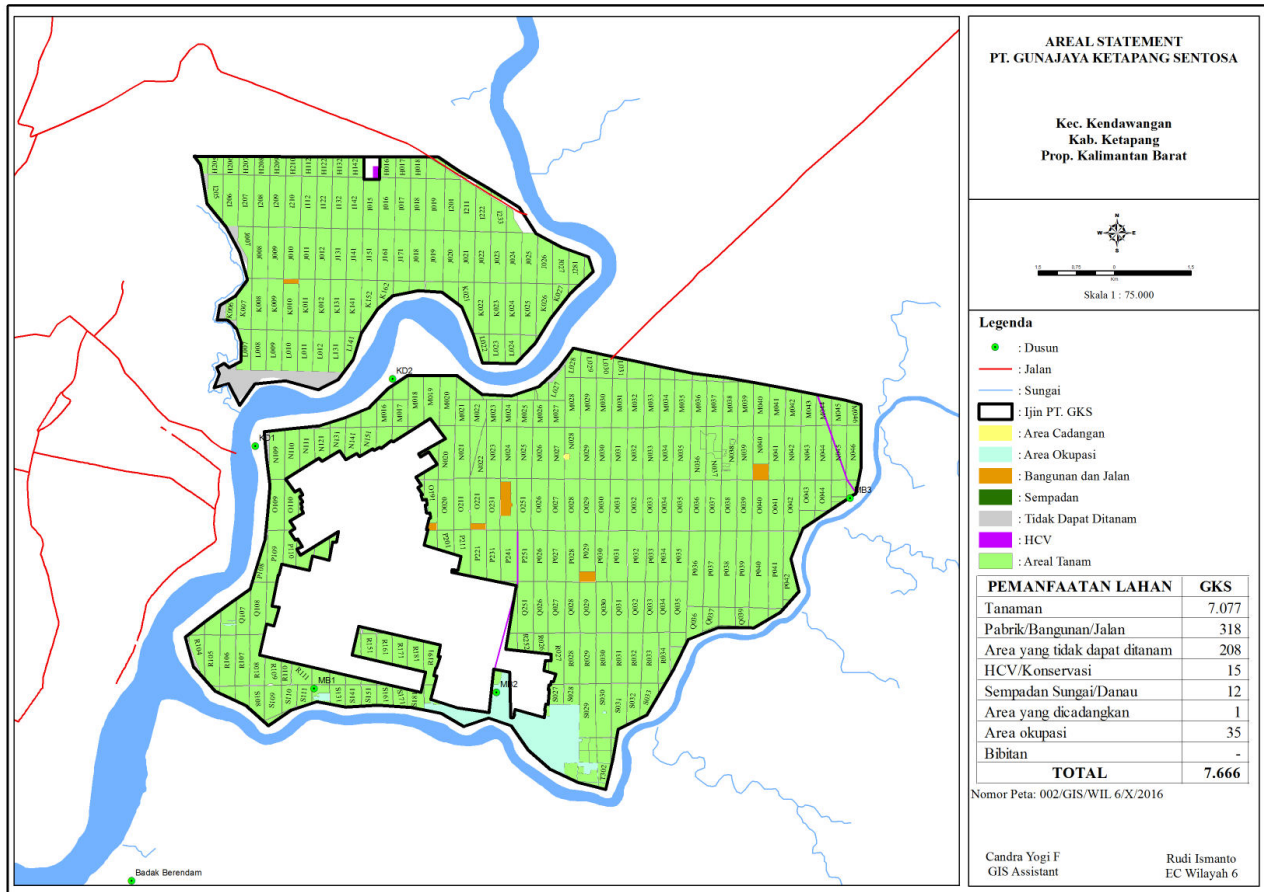


Figure 3. Operational Map of PT. Gunajaya Ketapang Sentosa



Abbreviations Used

AQC	:	Agronomy Quality Control
BGA	:	Bumitama Gunajaya Agro
BMS	:	BGA Manuring System
BOD	:	Biological Oxygen Demand
BPJS	:	Badan Penyelenggara Jaminan Sosial/Social Security Agency
BSRE	:	Banjarsari Estate
BSS	:	BGA Spraying System
CH	:	Certification Holder
COD	:	Chemical Oxygen Demand
COO	:	Chief Operating Officer
CPO	:	Crude Palm Oil
CSR	:	Corporate Social Responsibility
CV	:	Commmanditaire Vennootschaap
DPPL	:	<i>Dokumen Pengelolaan dan Pemantauan Lingkungan</i> (Environmental Management and Monitoring Documents)
EFB	:	Empty Fruit Bunch
EHS	:	Environment, Health, and Safety
FFB	:	Fresh Fruit Bunch
FGD	:	Focus Group Discussion
FPIC	:	Free Prior Informed Consent
GHG	:	Green House Gas
GKG	:	Gunajaya Karya Gemilang
GKS	:	Gunajaya Ketapang Sentosa
HCV	:	High Conservation Value
HGU	:	Hak Guna Usaha (Land Use Title)
IPM	:	Integrated Pest Management
IUP	:	<i>Izin Usaha Perkebunan</i> (Plantation Business Permit)
KER	:	Kernel Extraction Rate
KNDE	:	Kendawangan Estate
KNDM	:	Kendawangan Mill
LCC	:	Legume Cover Crop
MSDS	:	Material Safety Data Sheet
MUTE	:	Mekar Utama Estate
MSJE	:	Membuluh Jaya Estate
OER	:	Oil Extraction Rate
OHS	:	Occupational Health and Safety
PIC	:	Person In Charge
PK	:	Palm Kernel
POM	:	Palm Oil Mill
PPE	:	Personal Protective Equipment
P2K3	:	<i>Panitia Pembina Keselamatan dan Kesehatan Kerja/OHS</i> Committee
QC	:	Quality control
RKL RPL	:	<i>Rencana Pengelolaan Lingkungan – Rencana Pemantauan Lingkungan</i> (Environment Management and Monitoring Plan)
RTE	:	Rare, Threatened, Endangered
SIA	:	Social Impact Assessment
SOP	:	Standard Operating Procedure
STHE	:	Sungai Tapah Estate
STJE	:	Seriam Jaya Estate
WLTK	:	<i>Wajib Laport Tenaga Kerja</i> (Compulsory Labor Report)

1.0 SCOPE OF THE CERTIFICATION ASSESSMENT			
1.1	Assessment Standard Used	<ul style="list-style-type: none">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)RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 (Module D / E for CPO Mill)	
1.2 Organisation Information			
1.2.1	Organisation name listed in the certificate	PT. Gunajaya Ketapang Sentosa & PT. Gunajaya Karya Gemilang	
1.2.2	Contact person	Lim Sian Choo	
1.2.3	Organisation address and site address	<ul style="list-style-type: none">RSPO registered company: Jl. Melawai Raya No. 10 Kebayoran Baru Jakarta Selatan 12160 Indonesia .Liaison Office: Jl. Melawai Raya No. 10 Kebayoran Baru Jakarta Selatan 12160 Indonesia.	
1.2.4	Telephone	(62-21) 727 98418	
1.2.5	Fax	(62-21) 727 98665	
1.2.6	E-mail	lim.sian.choo@bumitama.com	
1.2.7	Web page address	www.bumitama-agri.com	
1.2.8	Management Representative who completed the application for certification	Lim Sian Choo (Head of CSR and Corporate Sustainability)	
1.2.9	Registered as RSPO member	1-0043-07-000-00 – 08 October 2007	
1.3 Type of Assessment			
1.3.1	Scope of Assessment and Number of Management Unit	Kendawangan POM and 6 supply base: PT Gunajaya Karya Gemilang (Mekar Utama Estate, Sungai Tapah Estate, Kendawangan Estate) and PT Gunajaya Ketapang Sentosa (Seriam Jaya Estate, Membuluh Jaya Estate, Banjar Sari Estate)	
1.3.2	Type of certificate	Single	
1.4 Locations of Mill and Plantation			
1.4.1	Location of Mill		
	Name of Mill	Location	Coordinate
			LatitudeLongitude
	Kendawangan POM	Village of Banjasari, Sub District of Kendawangan, District of Ketapang,	S 2° 26' 45"E 110° 15' 57"

		West Kalimantan		
1.4.2	Location of Certification Scope of Supply Base			
	Name of Supply Base	Location	Coordinate	
			Latitude	Longitude
	Mekar Utama Estate	Village of Mekar Utama, Sub District of Kendawangan, District of Ketapang, West Kalimantan	S 2° 28' 11"	E 110° 12' 09"
	Sungai Tapah Estate	Village of Mekar Utama, Sub District of Kendawangan, District of Ketapang, West Kalimantan	S 2° 25' 49"	E 110° 11' 55"
	Kendawangan Estate	Village of Kendawangan, Sub District of Kendawangan, District of Ketapang, West Kalimantan	S 2° 26' 35"	E 110° 16' 15"
	Banjar Sari Estate	Village of Banjar Sari, Sub District of Kendawangan, District of Ketapang, West Kalimantan	S 2° 25' 33"	E 110° 19' 01"
	Seriam Jaya Estate	Village of Seriam, Sub District of Kendawangan, District of Ketapang, West Kalimantan	S 2° 29' 03"	E 110° 20' 28"
	Membuluh Jaya Estate	Village of Seriam, Sub District of Kendawangan, District of Ketapang, West Kalimantan	S 2° 28' 53"	E 110° 23' 07"
1.5	Description of Area Statement			
1.5.1	Tenure			
	• State		14,927.70 Ha	
	• Community		- Ha	
1.5.2	Area Statement			
		PT GKG (Ha)	PT GKS (Ha)	Total (Ha)
	• Total area	7,261.89	7,665.81	14,927.70
	• Mature area	4,410.62	7,076.85	11,487.47
	• Immature area	-	-	-
	• Mill/Building/Road	248.04	318.19	566.23
	• Unplanted Area	2,078.29	208.00	2,286.29
	• Riparian river	-	11.64	11.64
	• Occupation	397.81	35.00	432.81
	• Reserved Area	67.13	1.13	68.26
	• HCV	60.00	15.00	75.00
1.6	Planting Year and Cycles			

1.6.1	Age profile of planting year							
	Planting Year	Hectarage (Ha)						
		MUTE	STHE	KNDE	BSRE	STJE	MSJE	Total
	2007	453.00	346.73	-	-	-	-	799.73
	2008	103.38	142.65	537.12	1,502.24	548.89	1,020.68	3,854.96
	2009	612.98	233.65	220.15	263.75	911.59	1,577.89	3,820.01
	2010	425.04	112.09	225.22	277.10	249.02	575.15	1,863.62
	2011	70.23	8.71	274.31	34.19	7.83	32.94	428.21
	2012	116.09	28.03	420.01	7.82	-	-	571.95
	2013	35.14	-	29.63	-	4.15	63.61	132.53
	2014	-	-	-	-	-	-	-
	2015	-	-	16.46	-	-	-	16.46
	TOTAL	1,815.86	871.86	1,722.90	2,085.10	1,721.48	3,270.27	11,487.47
1.6.2	New Planting area after January 2010			- Ha				
1.6.3	Planting Cycle			1 st Cycle				
1.7	Description of Mill and Supply Base							
1.7.1	Description of Mill							
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel		
				Out put (ton)	Extraction (%)	Out put (ton)	Extraction (%)	
	Kendawangan POM	60	337,043.70	76,407.81	22.67	14,492.88	4.3	
	<i>*Production data source from 12 months before assessment (October 2016 – September 2017)</i>							
1.7.2	Description of Certification Scope of Supply Base							
	Name of Estate	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)	Supplied to Mill		
						FFB (tonnes/year)	%	
	Mekar Utama Estate	2,639.99	1,815.86	32,107.65	17.68	32,107.65	100.00	
	Sungai Tapah Estate	939.96	871.86	22,915.97	26.28	22,915.97	100.00	
	Kendawangan Estate	3,681.94	1,722.90	30,391.36	17.64	30,398.81	100.02	
	Banjar Sari Estate	2,269.97	2,085.10	49,353.82	23.67	39,155.00	79.34	
	Seriam Jaya Estate	1,895.43	1,721.48	15,182.61	8.82	4,380.74	28.85	
	Membuluh Jaya Estate	3,500.41	3,270.27	41,778.19	12.78	3,902.37	9.34	
	TOTAL	14,927.70	11,487.47	191,729.60	16.69	132,860.54	69.30	
	<i>*Production data source from 12 months before assessment (October 2016 – September 2017)</i>							
1.7.3	FFB description from other source							
	Name of sources/Organisation (RSPO certified / non-certified)	Type of Organisation	Number of smallholders	Production Area (Ha)	Supplied to Mill			
					FFB			

				(tonnes/year)
Rimba Sari Smallholders (RSPO Non certified)	(associate smallholders)	359 SH	580.22	16,923.36
Kelompok Tani Bersama (RSPO Non certified)	(associate smallholders)	49 SH	1,955	14,811.13
Kelompok Tani Sawit Makmur (RSPO Non certified)	(associate smallholders)	16 SH	292	4,457.00
Binasari Smallholder (RSPO Non certified)	(associate smallholders)	354 SH	500.7	2,838.62
Karya Bersama Smallholder (RSPO Non certified)	(associate smallholders)	228 SH	505.65	8,045.70
Usaha Bersama Smallholder (RSPO Non certified)	(associate smallholders)	688 SH	800.92	19,043.47
Fajar Mandiri Smallholder (RSPO Non certified)	(associate smallholders)	595 SH	1,354.97	1,131.68
TRNE (RSPO Non certified)	Independent supplier	-	-	20,435.56
PT Andes Sawit Lestari (RSPO Non certified)	Independent supplier	-	-	1,386.14
SBDE (RSPO Non certified)	Independent supplier	-	-	15,007.51
Rio Gunung Panjang (RSPO Non certified)	Independent supplier	-	-	4,144.99
KSU Setia Hati (RSPO Non certified)	Independent supplier	-	-	37.94
KSU Gunung Tunggal (RSPO Non certified)	Independent supplier	-	-	1,443.65
CV IGVAM (RSPO Non certified)	Independent supplier	-	-	1,356.87
Duta Usaha Smallholder (RSPO Non certified)	Independent supplier	-	-	19,679.99
CV Acen Group (RSPO Non certified)	Independent supplier	-	-	147.44
CV. AAA (RSPO Non certified)	Independent supplier	-	-	1,777.04
PT Sinar Karya Mandiri (RSPO Non certified)	Independent supplier	-	-	11,550.60
PT Prana Indah Gemilang (RSPO Non certified)	Independent supplier	-	-	1,095.41
TOTAL				145,314.10

**Production data source from 12 months before assessment (October 2016 – September 2017)*

1.7.4 Product categories **FFB, CPO, PK**

1.8 Estimate Tonnage of Certified Product

1.8.1	Past Annual Claim Certified Product	Previous Certificate Claim 03 December 2016 to 02 December 2017 (tonnes/year)	Actual certified product 03 December 2016 to November 2017 (tonnes/year)
	• FFB Production	115,645	126,066
	• CPO Production	27,755	28,696
	• Palm Kernel (PK) Production	5,782	5,494

	The Company has informed CB to add production quotas on November 28, 2017.							
1.8.2	Product selling							
	Tonnage of selling product		Actual selling product period December 2016 until November 2017					
	• CSPO sold as RSPO certified product		-					
	• CSPK sold as RSPO certified product		5,415					
	• CSPO sold under other scheme		-					
	• CSPK sold under other scheme		-					
	• CSPO sold as conventional		22,018					
	• CSPK sold as conventional		-					
1.8.3	Estimate of Certified FFB Claim							
	Name of Estate(s)	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)			
	Mekar Utama Estate	2,639.99	1,815.86	34,676	19.10			
	Sungai Tapah Estate	939.96	871.86	24,749	28.39			
	Kendawangan Estate	3,681.94	1,722.90	32,823	19.05			
	Banjar Sari Estate	2,269.97	2,085.10	53,302	25.56			
	Seriam Jaya Estate	1,895.43	1,721.48	16,397	9.52			
	Membuluh Jaya Estate	3,500.41	3,270.27	45,120	13.80			
	TOTAL	14,927.70	11,487.47	207,067	18.03			
	*Projected FFB production for 12 months of certificate							
1.8.4	Estimate of Certified Palm Product Claim							
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO	Palm Kernel	Supply Chain Module		
				Out put (tonnes)	Extraction (%)		Out put (tonnes)	Extraction (%)
	Kendawangan POM	60	207,067	46,590	22.5	9,318	4.5	MB
	*Projected CSPO and CSPK production for 12 months of certificate							
1.9	Other Certifications							
	ISO 9001:2008		-					
	ISO 14001: 2004		-					
	OHSAS 18001:2007		-					
	ISCC		-					
	Others		• ISPO certificate with No. MUTU-ISPO/084 for PT.GKG • ISPO certificate with No. MUTU-ISPO/087 for PT.GKS					
1.10	Time Bound Plan							
1.10.1	Time Bound Plan for Other Management Units							
	Management Unit		Estate (Supply Base)	Time Bound Plan	Location	Status		
	MILL	Time Bound Plan						
		2014	Pundu Nabatindo	2014		Certified		

PunduNabatindo (PT Windu Nabatindo Lestari)		Koperasi Harapan Abadi	2017	KotawaringinTimur District,Kalimantan Tengah	-
Katari Agro (PT Windu Nabatindo Lestari)	2016	Pelantaran Agro Estate	2016	KotawaringinTimur District, Kalimantan Tengah	Certified
		Katari Agro Estate			
		Pantai Mas Estate			
GunungMakmur (PT Karya Makmur Bahagia)	2014	GunungMakmur	2014	KotawaringinTimur District, Kalimantan Tengah	Certified
		Sungai Mentaya			
		Bukit Kecubung			
		Bukit Makmur			
		Bukit Daman			
		KUD Mekar Jaya	2017		-
		KUD Sekar Tani	2017		-
		KUD Lestari	2017		-
Bukit Makmur (PT Karya Makmur Bahagia)	2018	Sungai Puring (PT Langgeng Makmur Sejahtera)	2018	KotawaringinTimur District, Kalimantan Tengah	ST-1
Kotawaringin (PT Bumitama Gunajaya Abadi)	2019	Sepantaian	2019	KotawaringinBarat District, Kalimantan Tengah	ST-1
		Danau Merah			
		Kotawaringin			
		Tonam Raya			
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			
	2016	Koperasi Serba Usaha Bersama	2018	Ketapang District, Kalimantan Barat	-
		Koperasi Binisari			
		Koperasi Serba Usaha Karya Bersama			
		Koperasi Binisari			
		Koperasi Perkebunan Fajar Mandiri			
		Koperasi Rimba Sari			
SukaDamai (PT Rohul Sawit Industri)	2018	PT Masuba Citra Mandiri	2018	Rokan Hulu District, Riau	-
Pembangunan Raya Mill	2016	Pembangunan Raya	2016	Ketapang District, Kalimantan Barat	ST-2
		Bengkuang Raya			

	(PT Agro Sejahtera Mandiri)		Belaban Raya			
			Teluk Rengit (PT Gunajay Harapan Lestari)	2020	Ketapang District, Kalimantan Barat	-
	Sungai Rasau Mill (PT Karya Bakti Agro Sejahtera)	2017	MarauRaya	2017	Ketapang District, Kalimantan Barat	ST-1
	Selucing Mill (PT. Windu Nabatindo Abadi)	2019	Serawak 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	Progress of Associated Smallholders and Outgrowers for Certifiable Standard					
	Based on time bound plan, the smallholders will be assessed in 2018 (3 years after the factory is certified). The progress for Certifiable Standard, in some smallholders already have land use rights, for example in the “Koperasi Serba Usaha/ Kelompok Tani Bersama”.					

2.0 ASSESSMENT PROCESS	
2.1 Assessment Team	
ASA-2	<p>1. M Rinaldi (Lead Auditor). Indonesian citizen, Diploma of Oil Palm Plantation. He has experience 4 years working as Assistant Agronomy since 2009. He has attended training RSPO Lead Auditor, training of Auditor ISPO, training of Lead Auditor ISO 9001-2008, training of ISO 14000, training of HCV identification, training of OHS system management, training of potential and conflict resolution. Experienced in auditing in relevant scheme (ISPO) since 2014 with the aspects of land legality, environmental, social, occupational health and safety, Best Management Practices, Conservation and worker welfare. In this surveillance, he did an assessment on aspects of legality, SCCS and land conflict.</p> <p>2. Yohanes Hardian (Auditor). Indonesia citizen, Diploma of Forest Resource Conservation, Faculty of Forestry, Bogor Agricultural University, specialist in the environment aspect and wildlife. Has Worked as Staff Rehabilitation project at WWF Central Kalimantan region. Had attended training HCV, has been involved in several activity of HCV Identification of Oil Palm Plantation. Has worked as an environmental staff on Oil Palm Plantation. Have been trained as ISPO auditors and have attended training Auditor ISO 9001 and ISO 19011, Legal documents in-house training with the ISPO commission. Training SIA Remark Asia 2016, Training Lead Auditor RSPO by Proforest-Daemeter 2016. Experience audit RSPO And ISPO Since 2014. In this surveillance, he did an assessment on aspects of GHG, environment and conservation.</p> <p>3. Asystasya Aishah Silalahi (Auditor). 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. In this surveillance, she did an assessment on aspects of transparency, social and worker welfare.</p> <p>4. Haikal Ramadhan Kharismansyah (Auditor). Indonesian citizen, Bachelor of Agriculture department of plant and pest disease (Agrotechnology). He has 3 years experience as an Agronomy Staff in private oil palm plantation in Indonesia. Training which had attended including Basic Management Development Program Agronomy, Integrated Urban Pest Management, Integrated Pest Management, ISO 9001 : 2015, Auditor ISPO, RSPO awareness, ISO 22000 awareness. Did some audit ISPO scheme with aspects Best management practices. In this surveillance, he did an assessment on aspects of Best management practices.</p> <p>5. Hasiholan Sihombing (Auditor). Indonesian citizen. Bachelor of Agriculture Majoring in Agronomy, Agriculture Faculty. He has working experienced for 7 (seven) years since 2009 as an Operational Staff in an Oil Palm Plantation Company In Indonesia. The training he has followed namely: Auditor ISPO training, Quality Management System training (ISO 9001:2015), OHS General Expert training and ISO 17021 & 17065 training. In this surveillance, he did an assessment on aspects of long-term plan, OHS and worker welfare.</p>
2.2 Assessment Methodology, Assessment Process and Locations of Assessment	
2.2.1	Figure of person days to implement assessment
ASA-2	<p>Number of auditors : 5 auditor</p> <p>Number of days for ASA-2 at site : 5 days</p> <p>Number of working days for ASA-2 at site : 25 Working days</p>
2.2.2	Assessment Process
ASA-2	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT. Gunajaya Karya Gemilang – PT Gunajaya Ketapang Sentosa to the requirements of <i>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 21 November 2014 (Module E for CPO Mill).</i></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</p>

information; and (3) field observation, aiming to observe directly the sufficiency of implementation on site. Some opportunities for improvement of the results **ASA-2** delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase (**ASA-3**).

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

The assessment program please find Appendix 2

2.2.3	Location of Assessment
ASA-2	<p>Number of units in this certification activity is 6 estates, which supply the raw material (FFB) to one palm oil mill. In conducting the assessment, the team of auditors used the $0.8\sqrt{y}$ formula to determine the management units sampling to be focused on and also considered the issues raised by stakeholder. Based on this formula, the team of auditors determined that the sampling locations are Kendawangan palm oil mill (KNDM) and three estates (STHE, MUTE and BSRE)</p> <p>Kendawangan Mill</p> <ul style="list-style-type: none"> • Weighbridge Station. Observation of supply chain procedure. • WWTP : based on the results of obesrvasi known that WWTP in good condition and functioning well. Wastewater height is safe. The dike is well maintained and there is no indication of leakage of sewage ponds into the environment. Flowmeter to land application works properly. • Workshop. Observation and interview with workshop staff (mechanic, welder and operator) related to employee competence training, environmental management and disaster emergency response system • Temporary Hazardous Waste Warehouse: Hazardous Waste Warehouse has been in compliance with the terms and all facilities in good condition. Separate location from surrounding environment with ventilation and non-combustible material. Available eye shower for emergency, first aid kit, signboard and symbol, label for container, oil trap, waste according to category, Hazardous Waste handling SOP, logbook. • Chemical Warehouse: There are signboards and symbols, material settings by category, Material Safety Datasheet (MSDS) • WTP: observation of the availability of PPE, and flow meter works well. • Land Aplication : based on result of field visit in block J39 of division 3 KNDE known fledbed in good condition and well maintained, not found indication of leakage in body of water. • Loading Ramp. Observations and interviews related to sorting and grading systems, PPE, wages, and treatment of fruit that did not pass the grading • All Processing Station (Sterilizer, Hoisting Crane, Thresher, Pressing, Digester, Clarifier). Observations related to the processing of FFB and interviews to workers related to OHS implementation and worker welfare. • Boiler. Observations and interviews related to operator permits, job responsibilities, PPE, medical check-up, and understanding of the emergency response situation • Engine Room. Observations and interviews related to routinemedical check-up, PPE, and understanding of emergency response. • Hydrant Simulation. Observation of preparedness and completeness of hydrant. <p>BSRE</p> <ul style="list-style-type: none"> • Block H15. Observation at Forest areas (HCV 1.2 & 1.3) • Block H04. Observation legal boundary conditions at pole no. GKS 036 and GKS 123 • Block H06. Observation legal boundary conditions at pole no. GKS 124 • Block H16. Observation legal boundary conditions at pole no. GKS 128 • Block L07-L09. Observation to the dispute area and area has not been compensated • Pesticide warehouse. observation on the facilities and infrastructure and in the warehouse found the arrangement of well-arranged pesticide materials equipped with MSDS. Ventilation conduit condition is good. • Housing complex : observation on facilities and infrastructure for employee welfare in the form of visits to

childcare, employees' offices, mosques, clean water sources, waste management, Fire equipment facilities, sports facilities.

- **Fire equipment facilities:** in the storage warehouse there are robin pumps, hoses, shovels, nozzles, fire-prone maps, and light fire extinguishers
- **BSS House (BGA Spraying System).** Available BSS Mekar Utama Estate houses are in good order condition, all PPE and spray tools are washed and stored in the BSS house. Contaminated drainage channels of pesticide materials are accommodated for reuse as a pesticide mixture in the field so as not to potentially pollute the environment.
- **Workshop Estate.** The workshop available at the Estate is a vehicle maintenance workshop and heavy equipment. In the workshop there is an oil trap channel to prevent oil spills exposed to the ground. Safety signage boards are also available and workshop employees also work by using PPE that matches potential hazards such as safety shoes, helmets, and leather gloves.
- **Temporary Hazardous Waste Warehouse:** Hazardous Waste Warehouse has been in compliance with the terms and all facilities in good condition. Separate location from surrounding environment with ventilation and non-combustible material. Available eye shower for emergency, first aid kit, signboard and symbol, label for container, oil trap, waste according to category, Hazardous Waste handling SOP, logbook.
- **BSS J16 Divisi 1.** Interviews with spraying workers related to the understanding of safety work, the use of PPE, medical examinations, and knowledge of labour unions
- **HArvesting. L08 dan 09 Divisi 2.** Observations and interviews related to harvesting work and understanding of workers on PPE, wages, health facilities, and housing facilities.
- **BMS. I15 divisi 3.** Interviews with manuring workers regarding the understanding of safety work, how to determine the dosage, medical examination, and worker welfare

STHE

- **Block H18a.** Observation legal boundary conditions at pole no. GKG 028 and GKG 029
- **Block I19a.** Observation legal boundary conditions at pole no. GKG178
- **Block I12a/I13a.** Observation legal boundary conditions at pole no. P05
- **Block H9c & I8a.** Observation to area has not been compensated
- **BSS.H09.** Interviews with spraying workers related to the understanding of safety work, the use of PPE, medical examinations, and knowledge of labour unions.
- **BMS. J12.** Interviews with manuring workers regarding the understanding of safety work, how to determine the dosage, medical examination, and worker welfare
- **Landfill. J19.** Observations related to TPSA conditions
- **Peat land area. H14.** Observations on the management of peat, water levels, and subsidence poles
- **Harvesting L19.** Divisi 3. Observations and interviews related to harvesting work and understanding of workers on PPE, wages, health facilities, and housing facilities.
- **Warehouse complex (agrochemical storage, workshop, generator storage, BSS and BMS).** Observation and interview related to environment management, implementation of OHS, medical check up, and worker understanding about work procedure.
- **Central housing.** Observation and interview related to worker facilities, management of domestic waste from housing, and child day care facilities.
- **Child daycare.** Observation related to facilities and interview related to worker welfare and complaint mechanism.
- **Clinic.** Observation related to health facilities and interview about first aid mechanism, management of medical waste, and monitoring of work accident record.

MUTE

- **Block D06.** Observation legal boundary conditions at pole no. D7
- **Block C06.** Observation legal boundary conditions at pole no. D6

- **Block A13.** Observation legal boundary conditions at pole no. GKG08 and to swampy areas for conservation areas
- **Block A06a.** Observation to areas used by mining companies (PT WHW)
- **Riparian Tengar river :** observation of the installation of signs of conservation areas and at the time of field visit the border conditions are left natural and there is no sign of the application of chemicals in the river border
- **Harvesting. F15 dan F16 Divisi 2.** Observations and interviews related to harvesting work and understanding of workers on PPE, wages, health facilities, and housing facilities.
- **BSS. E7** Interviews with spraying workers related to the understanding of safety work, the use of PPE, medical examinations, and knowledge of labour unions
- **Barn Owl Box. E7.** Observation related implementation of PHT and the condition of gupon (Barn Owl Box).
- **Warehouse complex (agrochemical storage, workshop, generator storage, BSS and BMS).** Observation and interview related to environment management, implementation of OHS, medical check up, and worker understanding about work procedure.
- **Child daycare.** Observation related to facilities and interview related to worker welfare and complaint mechanism
- **Housing complex division III and IV.** Observation and interview related to worker facilities, management of domestic waste from housing, and child day care facilities.
- **Clinic.** Observation related to health facilities and interview about first aid mechanism, management of medical waste, and monitoring of work accident record.

2.3 Stakeholder Consultation and Stakeholders Contacted

2.3.1 Summary of stakeholder consultation process.

- ASA-2** Summary of stakeholder consultation process
Consultation of stakeholders for PT Gunajaya Karya Gemilang – PT Gunajaya Ketapang Sentosa was held by:
- Public Notification on 22nd September 2017 PT Mutuagung Lestari Website
 - Public consultation meeting with government of Ketapang Regency conducted by visits and interview on 9th October 2017
 - Public consultation meeting with local stakeholder conducted by FGD and interview on 10th October 2017
 - Public consultation meeting with internal stakeholder on 10th October 2017
 - Public consultation with NGO by email conducted on 4th October 2017

2.3.2 Stakeholder contacted

Please find appendix 1

2.4 Determining Next Assessment

The next visit (**ASA-3**) will be determined one year after this **ASA-2** (October – 2018).

3.0 ASSESSMENT FINDINGS

3.1 Summary of Assessment Report of the RSPO Certification

MUTUAGUNG LESTARI has conducted an assessment of **Kendawangan POM – PT Gunajaya Karya Gemilang, Bumitama Agri Ltd** operation consisting of one (1) mill and six (6) oil palm estates.

During the assessment, there were four (4) Nonconformities were assigned against Major Compliance Indicators; two (2) nonconformities were assigned against Minor Compliance Indicators ; and three (3) nonconformances against supply chain requirement for CPO mill and nine (9) opportunities for improvement were identified.

Further explanation of the non-conformities raised and corrective actions taken by the company are provided in section 3.5. The company has already prepared and implemented the corrective action(s) that had been reviewed and accepted by Auditor(s) in form of documentation evidences. Those corrective actions taken that consist of seven (7) Major non-conformities and one (1) Minor non-conformity had been closed out shall be verified during next assessment.

MUTUAGUNG LESTARI found that **Kendawangan POM – PT Gunajaya Karya Gemilang, Bumitama Agri Ltd** complied with the requirements 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 21 November 2014 (Module D / E for CPO Mill).*

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

Ref Std.	VERIFICATION RESULT of MUTU-Certification	
PRINCIPLE #1 COMMITMENT TO TRANSPARENCY		
1.1	Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.	
1.1.1	Certificate holder has list of information that can be accessed by stakeholders, which has been set in Transparency Procedure (No. BGA-SOP-GKG-0713-12-R0) and Communication Procedure (BGA-SOP-GKG-2415-28-R0). The procedures describe the public documents, such as legal document, company report, company procedures and policies, environmental impact assessment and reporting, sosial and EHS program, HCV and SIA assessment, and summary of certification assessment. Based on Areal Controller 6 Decree No The PIC to respond the information request is CSR Department. The information request should be responded within 15 days. Based on public consultation with related stakeholder, they know and understand the mechanism for accessing information from certificate holder.	
1.1.2	Certificate holder has recorded all incoming letters from stakeholder. Based on document review, there is no information request by stakeholders. There is only proposal for fund, service request, and invitation. Based on interview with representatives from Banjar Sari and Mekar Utama Village, it is known that there is no request of information to certificate holder. Nevertheless, they have understood the accessible information and the mechanisms to obtain it.	
	Status: Comply	
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.

1.2.1

Certificate holder has list of information that can be accessed by stakeholders, which has been set in Transparency Procedure (No. BGA-SOP-GKG-0713-12-R0) and Communication Procedure (BGA-SOP-GKG-2415-28-R0). The procedures describe the public documents, such as legal document, company report, company procedures and policies, environmental impact assessment and reporting, sosial and EHS program, HCV and SIA assessment, and summary of certification assessment.

Status: Comply

1.3

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

1.3.1.

The company has document of Integrity Pact of Good Corporate Governance Implementation and Code of the conduct year 2016. This Integrity Pact regulate about fair conduct in business, bans on corruption, bribery, and fraud, and also transparation information of company. In addition based on interview with several workers in estate, they were understood with this policy. Socialization of this policy is conducted on:

- 3rd October 2016 in Sungai Tapah Estate and attended by 28 participants
- 30th September 2016 in Mekar Utama Estate and attended by 70 participants
- 3rd October 2016 in Kendawangan Mill and attended by 39 participants
- 1st October 2016 in Banjarsari Estate and attended by 57 participants.

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 & 2.1.2

Legality

- Has have Land Use Title No. **67/HGU/BPN/RI/2011** & No. **85/HGU/BPN/RI/2011** coverage area 14,927.7 ha. This in accordance with Laws No. 5 on 1960.
- Has have Plantation bussines permit number **No.542/DISBUN-D/2013** & **No. 469 Tahun 2009** in accordance with Plantation Ministry Regulation No. 98 on 2013.

Manpower

- Company has implemented the governor decree related to sectoral minimum wage for 2017
- Bipartite Cooperation and worker union has been registered to Manpower Agency of Ketapang Regency

Best Management Practices

The company has been able to demonstrate compliance with regulations on Best Management Practices such as :

- Using a registered pesticide was allowed and the validity period is still recognized by the pesticide commission. Can be verified through the site Pesticida.id Directorate-General Infrastructure Ministry of Agriculture Indonesia
- Conducted training of limited pesticide use known and approved by pesticide commission. At the time of audit the company no longer use paraquat

List of relevant laws and regulations requirements for operational of estate and mill can be shown in the list of legal provisions, and regulations for plantation, employment, occupational health & safety and environmental aspects. In the document shall inform the list of laws and regulations, aspects to be done, articles of legislation, fulfillment status, proof of fulfillment (explanation of documents / references) and information. Regulatory copies are available in soft copy and hard copy at Sustainability dept and have been distributed to each unit in soft copy.

Examples of proof of compliance with regulatory regulations:

- CH has paid the wages of employees in accordance with the provisions of the government namely the Decree of the Governor of West Kalimantan No.789/Disnakertrans/2016 about the determination of district minimum wage and sectoral minimum wage Ketapang regency in 2017.
- CH has complied with regulations on reporting such as reporting on plantation activities, reporting on implementation of environmental management and monitoring plan (RKL-RPL), OHS Committee or P2K3 reporting, mandatory report labor or WLTk reporting, reporting of fire monitoring, etc.

2.1.3 & 2.1.4

In SOP of Corporate Communication & Sustainability on Identification and Audit of Fulfillment of Applicable Rules and Laws Requirements No: BGA-SOP-CCS-1102.1-R0, 9 May 2012 attestation, it is mentioned that audit of law register is conducted every 6 months and/or certain time considered need. Implementation of the audit is done in coordination with the CSS on the recommendation of each department.

Auditors who have audited the Employment aspect are HCGD (Human Capital Group Department), Environmental and Safety aspects are CCSD (Corporate Communication Sustainability Department) and Plantation and Licensing aspect is Public Affair Department (PAD).

Status: Comply

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

Based on document review of area statement, interview with plantation agency and interview with management, there is no additional area so that there is no change related to document of land ownership and utilization. Land tenure and concession are listed on:

PT GKG

- Decree of the National Land Agency of the Republic of Indonesia Number: **67/HGU/BPN/RI/2011** regarding the granting of land use to PT GKG, July 18, 2013 with an area of **7,261.89 Ha** with validity period of 35 years
- Decree of the Regent of Ketapang No. **542/DISBUN-D/2013** on the grant of plantation business permit to PT GKG dated 31 October 2013, explaining that the permitted area is **9.471 Ha** with capacity of processing unit of **60 Ton FFB/Hr**.

PT GKS

- Decree of the National Land Agency of the Republic of Indonesia Number: **85/HGU/BPN/RI/2011** regarding the granting of land use to PT GKS, December 21, 2011 with an area of **7.665,81 Ha** with validity period of 35 years
- Decree of the Regent of Ketapang No. **469 Tahun 2009** on the grant of plantation business permit to PT GKG dated December 04, 2009, explaining that the permitted area is **10,500 Ha** with capacity of processing unit of **60 Ton FFB/Hr**.

Based on field observation and document review of field map, it is known that there are areas outside from land use title, including the Kendawangan Metro, Emplacement/ Offices of BSRE, STHE and housing complex of Div 1 & 2 MUTE. This indicates that the area does not yet have legal land ownership documents. **Non-Conformity No. 2017.01 with Major category**

2.2.2

SOPs related to the maintenance of the land use boundary pole are unchanged from the previous assessment listed on SOP no. GKG-GIS-SOP-01, it is explained that maintenance and monitoring of the pole are done every 4 months with the responsible are Estate Manager.

Based on field observation, it is known that there is no clear restriction between scheme smallholders area and own estate

such as BSRE Block H16, MUTE block D06 & C06 and KNDE block I20. **Non-Conformity No. 2017.02 with minor category**

2.2.3, 2.2.4, 2.2.5

SOPs relating to conflict management are still similar to the previous assessment contained in the SOP on land conflict resolution No. BGA-SOP-GKG-01-R0 dated September 10, 2014. In the procedure explains the identification of areas / potential land conflicts and land conflict resolution processes through negotiation.

Based on interviews with Plantation Agency of Ketapang District, explained there was once a land dispute in the area of BSRE in early 2017. Based on interviews with the management, explained that the dispute occurred in the area of BSRE block L and this has been resolved. The Company may also show evidence of dispute settlement in the form of:

- Map of Land Disputes occurring in Block L09-L13 with an area of \pm 580 Ha
- Photographs of meetings and measurements of disputed areas
- The agreement of land conflict in the form of Memorandum of Understanding on April 29, 2017 with the solution is making plasma area.

Based on dispute settlement documents, Company need to improve documentation of land disputes processes. **OFI**

Based on field observation in the conflict area, it is known that there is no indication of land dispute and based on interviews with representatives of Banjarsari Village explained that currently there is no land dispute but there are still areas that have not been compensated.

2.2.6

The Company has an Internal Office Memo No. 003/ASM-SUST/03/2017 dated 01 July 2017 from Deputy Regional Head which explains problem solving and conflict must be done by way of dialogue and consensus deliberation. Conflict resolution does not use force in any form.

Based on interviews with village representatives, it was explained that during this time the compensation / land conflicts had been settled by deliberation and involving village apparatus.

2.2.1	Status:	
2.2.2	Non-Conformity No. 2017.01 with Major category	
	Non-Conformity No. 2017.02 with Minor category	

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, 2.3.3 & 2.3.4

There is no change of the SOP of land compensation through the FPIC process stated in the Plant and Land Growing Compensation Procedures Number. SOP-PAD-001. The procedure describes the steps in the implementation of Compensation, among others: undertaking the inventory of land to be compensated, socializing to the land-owning community, negotiating of compensation, approving management, making payments, handover of land, and documentation.

There is no addition of company area during the last 1 year. The last land acquisition activity took place in 2013 and has been verified in the previous assessment. Land acquisition documents indicated in the form of Payment Minutes of Land Acquisition, Statement Letter, Receipt of payment, Letter of Land Handover, Letter of Agreement of Land Tenure Rights, Location Map agreed to both parties and Land Management Statement Letter.

Based on verification document of Identification and Analysis Report of High Conservation Value (HCV) in Oil Palm Plantation Area of PT GKG and PT GKS, it is known that there is no area which is under the control of customary rights.

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

CH has a 10-year Long Range Projection for the period of 2012 to 2021. The projection describes the projected planted area per year of planting, the production achievement of FFB, OER, KER, CPO and Kernel in PT GKG area. Also shown are 5 years Financial Projection document describing CPO price, CPO sales, PK, production costs, plan for scheme smallholders production, cost for ESH, social and environmental management and operations for the period of 2017 until 2021. The long term plan also explaining peat, subsidence and water management monitoring. The personil in charge for operation performance evaluation in part of Quality Control and Internal Audit is Organisation Strategic Management. The certified unit has a learning centre to provide the new information update and informed to all level of workers.

3.1.2

There is no plan of replanting for the next five years due to the requirements written on the SOP of agronomy of 3rd edition (BGAAGRKS-SOP-17 Peremajaan). According to the SOP, the palm oil plants economic age is 25 years. Meanwhile, the oldest plants in GKG was planted on 2007 (10 years) and the oldest plants in GKS was planted on 2008 (9 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

The agronomy procedures divided in to 3 chapter. First chapter explained of nursery, land preparation, road/bridges construction and maintenance, trench construction and maintenance, soil and water conservation, planting legume cover crop and palm oil planting. Second chapter explained weed control, manuring and pest and disease control. The third chapter explained of castration and canopy management, tree and yield census, harvesting, pesticides management, transportation management, marginal soil management and replanting.

According to the field visit and interview with the harvesters of (block L08, Division 2, BSRE; block L9, Division 3, STHE; block F15, Division 2, MUTE) the harvesters have known harvesting procedures such as FFB criteria, PPE usage, payments, labour union, etc. All harvester can demonstrated harvesting procedure as good and safe. Interview with the BSS and BMS team in STHE and MUTE both of them known how to work safely with pesticide and fertilizer. Worker says each estate has a BSS and BMS house for PPE storage, mixing pesticide, and cleaning up after work.

The company has an SOP for FFB processing in mill and documented in Mill Operational that approved by COO dated 17 January 2013. The SOP contain procedures from FFB received until dispatch. It also supply chain procedures (Identification and Traceability Procedures / GKG-SUST-SOP-21).

Based on interview with field staff in estate and mill, all SOP has available in every unit and written in Bahasa which is easy to understand.

4.1.2

The company has conducted monitoring of operational activity to ensure implementation of procedures. It activity conducted by Internal Quality Controller every month Several documentation of internal control has done in each unit conduct by Agronomy Quality Control Department as follows:

- Mekar Utama Estate : Result of Manuring Performance September 2017 for Division 3 MUTE with quality score 85.5 (Good). Item assessed including the quality of manuring application, organization of worker, dosage application, and the condition of BMS house.
- Sungai Tapah Estate : Result of Mature Upkeep Performance September 2017 with quality score 55,1 (fair). Item assessed including path and circle condition, inter row, pruning, road maintaenance programme, water and soil conservation programme, etc
- Banjarsari Estate : Harvesting performance September 2017 with quality score 58 (good). Item assessed including transportation unit, man power, FFB quality, quality of harvester,etc

All nonconformity identified has been closed.For example report on improvement of AQC findings on September, 29. Result of regular assessment will determine performance of all staff.

4.1.3

The company has documented all activity in estate or mill monthly on monthly manager report. For example, monthly

manager report of on September 2017 described hectare statement, supplying, stacing, planting and LCC, organization structure, manpower turnover, working facility, rainfall, nursery, manuring, intergrated pest management and financial report.

4.1.4

CH has procedures for third party/supplier of FFB No: BG-SOP-SM-803.1-RO, revision: 00, valid date: 1 June 2014 explaining the plan of purchasing FFB to third party. Record of the origins of all third party FFB source that goes into the factory through weighbridge has been well recorded and classifies each of the suppliers of FFB by coding, such as: PT Rio Gunung Panjang, KSU Gunung Tunggal, CV IGVAM, Koperasi Duta Usaha, CV Acen Group, CV AAA, PT Sinar Karya Mandiri, Koperasi Makmur Jaya, PT Prana Indah Gemilang, PT Andes Sawit Lestari.

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 a Standard Operating Procedure Agronomy to manage soil fertility published on 25 May 2011 which contains the Soil and Water Conservation (SOP-05); planting legumes (SOP-06); Fertilization (SOP-09); and management of marginal lands (SOP-16). Agronomy SOP consists of volumes 1-3 with document number BGA-AGR-KS-SOP-01. Implementation of the SOP proven by manuring realization Rock Phosphate and Muriate of Potash on STHE and BSRE amount 162.27 ton and 1,193 ton.

Results of manuring is monitored by the Quality Control department and the monitoring results are made in the QC monthly report. For example, manuring application quality performance report in September 2017 for division 3 MUTE with quality 85.5% and good category.

Based on interviews with BMS workers in block J12 STHE, Block I15 BSRE the majority of workers understand well how to manuring application. Workers explained sowing manuring application using a special bowl so that the appropriate dose of fertilizer applied. Urea application instance with a dose of 1kg / tree. One cup serving calibrated fertilizer can contain as much as 250gr. So workers sow 4 times. Fertilizers are sown circular outer the circle.

The manuring program in 2017 has been carried out properly, for example Urea has realized in Sungai Tapah Estate 161.8 ton. Banjarsari Estate has realized Rock Phosphate as much as 540.7 ton. The manuring program refer to manuring recommendation year 2017 which published by research department BGA. Manuring program refer to the results of soil and leaf analysis in late 2016 issued by the BGA research department.

4.2.3

Soil and leaf sampling procedure arranged in inter office memo No.004 / IOM / RSC / II / 15 issued by the Head of Oil Palm Research dated December 7, 2015. The procedure stated soil sampling is taken 20% from all of block. Soil sampling collecting point on inter row between palm tree (3 point) with 0 – 30 cm and 30 – 60 cm depth. Leaf sampling unit taken with the norm one palm tree / Ha for 30 Ha Block. For the block with area more than 30 Ha, leaf sampling taken with one palm tree for each 1.5 Ha. Palm tree sample were taken with a diagonal pattern of South-East North-West towards the appropriate field conditions. Sampling row used multiples 4. Measurement of vegetative plants (frond number, frond petiole width and thickness to 17, height measurement staple, stem diameter, length and width of the leaves, the number of strands of leaflets) made only 20% of the total palm tree amount of the sample.

Leaf sampling unit inform the content of elements P, K, Mg, Ca, and N. While the soil analysys informs about soil type, saturation bases, C-Organic contents, N, P, K, and Mg elements.

4.2.4

The company has a strategy of recycling of nutrients such as by the use of an empty Fruit Bunch. In year of 2017, STHE has applied as much as 7,932 ton of EFB, MUTE 7,093 ton, and BSRE 2,736 ton. At the time of the 2nd surveillance audit carried out there is no new application of Empty Fruit Bunch on the field because of high rainfall condition so that the application area is waterlogged. Based on interview with BMS worker which usually apply EFB, stated EFB applied in circle and interrow one layered with dosage 200Kg/palm tree

Status: Comply
4.3
Practices minimize and control erosion and degradation of soils.
4.3.1

PT GKG and GKS had some type of map that identifies existence of marginal land. One of it is from HCV assessment report in 2012 with scale 1:10,000 that informed soil type in BSRE a number of 3,182.70 Ha Inceptisol Alluvial and 92.2 Ha is a type of Histosol (Hemis 1 – 2 Meter). Otherwise for the MUTE area there is 767.2 Entisol; 700 Ha Histosol (Hemis); 1,331.5 Inceptisol; and 1,602.7 Ultisol.

The company also has marginal land map which conduct by BGA Group research department that state :

Marginal Land	(Ha)	
	MUTE	BSRE
Deep Sand	589,67	-
Spodik Sand	69,70	-
Kaolin	751,70	287,95
Lateritic	1.434,31	-
Slope > 8%	142,02	-
Low land	1.037,20	92,22
Tidal Area	-	2.157,50

In STHE identified 593.15 Ha of Haplohemist soil (Peat). The map is the reference used by the company to decide the strategy to manage the area.

4.3.2

SOP Agronomy with BGAAGRKS-PTKS No.Dokumen-KTA volumes 1 authorized directors dated January 4, 2011 section Soil and Water Conservation, arranged of strategies and identification of areas of steep and conservation. The procedure divides four types of land based on slope and slope angels (Flat land, slightly sloping ground, sloping ground, and the soil is very sloping). Soil and water conservation strategy that can be applied for example LCC planting, Manufacture individual terraces, terraces Preparation and Vertifer Grass Planting.

Based on the map of the marginal area there is 142.02 Ha with slope of > 8% in Mekar Utama Estate. While BSRE and STHE classified into the flat area. Management on slopes by using contour terrace. As part of soil and water conservation the company planted ground cover crops. At the time of ASA-2 is being planted Nephrolepis Bisserata on the block H09 and J12 STHE; J15 and I15 BSRE, and C08 MUTE.

4.3.3

The company developed a work plan outlined in the road maintenance upkeep. In each estate planned road maintenance collection frond pruning, manual road upkeep, and heavy equipment (graders and compactor) road upkeep every year for each field.

Based on observations in the field in road conditions Main Road, Collection Road and accses road in the boundary area even road operations has been well maintained.

4.3.4

The company owns Inter Office Memo 12 / IOM / RSC / I / 14 for the manufacture of subsidence pole signed by the research manager. Inter Office Memo explains that subsidence pole is required to monitor land subsidence in peat areas. The company's procedures in the maintenance area of peat refer to the " RSPO Manual on Best Management Practices (BMPs) for the Management and Rehabilitation of Natural Vegetation Associated With Oil Palm Cultivation on Peat " a decrease in land surface height is done once a month by using a millimeter ruler measured to subsidence pole.

Monitoring of subsidence indicated by the record results of the monitoring peatland subsidence pole and pieziometer January to September 2017 with the subsidence of 9.48 cm. Land subsidence can be reduced by maintaining the water level of 40-60 cm from ground level. Water level measurements carried out on the block H14 STHE using pieziometer. The measurement available results in January to September 2017 water level of 30 – 69 cm.

Based on field observation to block H14 STHE and document review known the company has done the calculation of the peat surface decline. However the calculations performed are still not accurate because it is an average calculation rather

than an accumulation calculation. The actual calculation results in the field show the numbers 9.5 cm. Therefore, the company is expected to ensure the calculation of the reduction of peat advance in accordance with the government regulations LH No 7 year 2006. This becomes an opportunity for improvement (OFI)

4.3.5

In the near future, the company has no plan of replanting. The oldest planting year is the year 2007 so replanting plan will still be done in the long term (life cycle of oil palm trees about 25 years old).

4.3.6

Agronomy procedure Palm Oil (BGAAGRKS-SOP-I) Volume 3 of Marginal Land Management No. SOP-PLM BGAAGRKS- PTKS authorized by the director regulates the critical land management strategies. Soil and Water Conservation procedure No. SOP-KTA BGAAGRKS- PTKS regulates the land management on a certain slope among others :

- Cover Crop Planting (Leguminose cover crops)
- Vetiver Grass Planting
- Application for Empty Bunch
- Fronds Stacking
- Silt Pit
- Planting Platform
- Contour Terraces
- Drainage Ditch
- Piling Platform

Marginal land management implementation in PT GKG and GKS such as :

- EFB application in sandy area and kaolin soil
- Peatland management by making drainage, planting nephrolepis as ground cover crops, measuring the reduction of peat surface, monitoring and installation of piezometer
- Empty Bunch applied by retailed at inter row, a single layer, in the area around the circle bordering the frond laying U-shape method

Other forms of management can be seen from selective spray systems, so that beneficial plants such as Nephrolepis bisseratta can continue to grow in interrow to maintain soil moisture.

Status: Comply

4.4

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

4.4.1

The company has developed water management plan referring to DPPL document. The plan consists of routine test of clean water and river water quality, water management of peat land, riparian area management and land application with effluent quality routine test. In order of water use efficiency, the mill has monitoring routinely its water use for FFB process. The current water use is still in accordance with water use budget set by the mill. Field visit to land application revealed that the land application has been well managed and no leakage found. The company has water management strategy such as:

- outlet normalization and drainage function and culvert connectors
- determine the drainage zone based on the topografi
- determining the location, number and size of water gates based on drainage zone containment volume
- Maintain the water level of the ditch in the 30-50 cm block by creating water springs or embankments in a ditch that does not function as an outlet

4.4.2

The company has identified its water source presented in DPPL document and HCV identification document such as riparian at Tapah river and riparian at Tengar river. Based on field observation in riparian area in sungai tangar at block 14 Division IV, MUTE known that there is border sign of riparian area, sign of no chemical application in riparian area and the riparian is naturally vegetated. Natural revegetation of plants has been implemented as evidenced by the border areas that have begun to grow natural vegetation.

4.4.3

All liquid wastes are processed first in the WWTP pond and Based on the waste pond layout, Kendawangan Mill has 8 WWTP pond. The company has managed its effluent of FFB processing as regulated. Document review shows there is monthly effluent quality against national regulation for waste that is discharge to land application. The company has a permit 862/KLH/-B/2015 to discharge treated effluent onto land application. The effluent quality test result by accredited laboratory shows that the effluent quality especially BOD, pH and COD has met the national regulated threshold. Field visit to Waste Water Treatment Plant (WWTP) shows that the facility is well managed

4.4.4

The company has recorded its actual water use. The average water use per tonne FFB for period of January – September 2017 is 1,29 m3/ton FFB from budget 1,5 m3/ton FFB.

Status: Comply

4.5

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

4.5.1 & 4.5.2

The Company has had an integrated pest management program that is listed in the annual budget. Budget in accordance with the procedures set in the SOP of integrated pest management. The Company has demonstrated result of pest census that has been conducted regularly in recapitulation documents of the plants census in each planting block. Based on the SOP identification, potential pest in palm tree is Palm Leaf Eating Caterpillar, Rat, Oryctes, Tirathaba, and termite. Based on the census, research department of PT GKG and GKS identified the potential pest in MUTE, STHE, and BSRE is rat.

Pest control measures taken is to combine biological, mechanical, chemical, and physical control. Pest and disease control SOP describes one type of biological control is to planting benefecial plant. As we know, benefecial plant can be host plant for Sycanus Sp (Predator of palm leaf-eating caterpillars) and host plant for other parasitoid of PLEC too. For rodent control, especially for rat, biological control with barn owl (tyto alba). Development of a barn owl for rodent control performed 50% on TM 5 – 7 years and 100% in TM > 7.

Biological control carried out by the company is expected to reduce the use of pesticides. Based on data from the use of pesticides PT GKG and GKS period 2015 - 2017 can be seen the company is committed to decimate the use of chemicals. Pesticides are only applied if the census showed levels above the threshold control attacks.

Result of Early Warning System in July 2017 stated in block F11 MUTE and G40 STHE suffered by heavy rat attack (> 5%) but the company has not been able to show any evaluation and follow-up of those census result. It becomes **non conformity No 2017. 03**

Based on interviews with MUTE IPM Officer known the officer has a lack knowledge on IPM because its only 3 month concerned on handling IPM as an IPM Officer. Therefore, the company has the opportunity to ensure the increased competence and understanding of the IPM officer in terms of integrated pest management (OFI).

Major 4.5.1 **Status: Non Conformity No 2017. 03 with Major Category**

4.6

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

4.6.1

Standard Operating Procedure Agronomy Palm BGAAGRKS-SOP-01 (14) regulating the company's policy on safety in the use of pesticides. The procedure describes preference of pesticide, the use of pesticide, and safekeeping of the pesticide. Guidance to the use of pesticides on target listed in table 14.1 "Classification of pesticides based on targets such as :

- Herbicides: To Weed Control (Fluroksipir, Glyphosate and sulfosat)

- Insecticides: For pest control (deltamethrin, cypermethrin and cyhalothrin.)

The procedure explained in the procedure described to avoid resistance carried out by way of application of pesticides as prescribed, application of pesticides in accordance with the target pest, application of pesticides performed only if the results of the census pest exceeded threshold control, control programs that combine physical control, chemical, and biological, Application of pesticides by using the active ingredient rotation. Companies use pesticides that have an active ingredients such as Glifosat, Metil Metsulfuron, and Brodifacum.

Verification of the implementation of the SOP in the field by interview with BSS worker. Both in BSRE, MUTE, and STHE can explain it well that circle spraying job use dosage 80cc/knapsack with glyphosate pesticides. Meanwhile for wooden weed control use pesticides with active ingredients Trikopir.

4.6.2

The programs of pesticide application listed in Mature and Immature Upkeep Annual Work Plan and which is at the breakdown into monthly plans and daily work plans. In 2017 the company plans to conduct maintenance path and circle, row, Imperata cylindrical, and pruning. In the document recording the use of pesticides BSRE known the use of glyphosate herbicides until September a number of 2,397 litres the application area of 7,966 Ha. While the use of methyl metsulfuronin MUTE is 81Kg with 10,775 ha area application.

Record of the use of pesticide informative ingredient, amount of use, and the application area. Information about LD50 listed on MSDS.

4.6.3

The company has a documented IPM plan in its Annual Work Plan MUTE, STHE, and BSRE. The plan is detailed in the Monthly Work Plan which will be included in the Manager Monthly Report.

IPM plans that have been implemented include the construction of gupons for the introduction of gupon (Barn Owl Box) for the introduction of Thyto Alba as a natural predator of rats. In addition the company has also carried out detection and census of the pest routinely listed in the monthly report of Early Warning System and map of pest distribution.

The use of pesticides for pests has been minimized because the application will only be done if the census results have been above the threshold of control so there is no prophylactic use

4.6.4

The company has a complete list of pesticides included in class 1A and 1B WHO and committed to minimizing and in the process to eliminate its use. Agriculture & technical Internal Circular dated 09 May 2015 from the Head of Oil Palm Research to the entire area controller contains:

1. 1A and 1B class herbicide (Paraquat) is then no longer used in weed control
2. For estate those which have a paraquat herbicide stock, it can be used until it is depleted and not allowed back in to make a request or a new purchase
3. To control wooden weed surrounded by nephrolepis used triklopir not methyl metsulfuron.

Companies still use brodifacum to rodent control (class 1A). Used of pesticides class 1A and 1b related to policy listed in Internal Agriculture & Technical Circular dated May 09, 2015 issued by Head of Palm Oil Research. In principle pesticide is the last option in IPM programme. Only performed if result of the plant pest census shown above pest control threshold. Based on the observation in the pesticide warehouse known amount of pesticide is equal with warehouse card.

The company already has a natural predator development program for rat using Thyto Alba. Up to the month September 2017 from 63 gupon planned to be installed, there are only 8 pieces for all operational areas of PT GKG and GKS. therefore the company has a chance to ensure the realization of the introduction program of thyto alba as a natural predator of rats to reduce the use of klerat (WHO 1A pesticide). OFI

Non-Conformity No 2016.04 with Minor Category

Bumitama Agri Ltd has issued a Sustainability Policy on August 13, 2015 informing about the commitment to IPM practices

by not using pesticides categorized as World Health Organization (World Health Organisation) Class 1A or 1B, or listed in the Stockholm and Rotterdam Conventions, and paraquat, is not used, except in special circumstances.

Based on the document review auditors found that the pesticides list used by Certificate Holder not informed class of pesticides 1A and 1B based on World Health Organisation (Both of MSJE and KNDE). Auditors found pesticides with trade name KLERAT (a.i Brodifacum is class 1A) and FURADAN (a.i carbofuran is class 1B)

DAFTAR PENGGUNAAN PESTISIDA

Merak Dagang Pesticida	Bahan Aktif	No Izin	Tanggal Kadaluarsa Izin	Produsen	Keterangan	Satuan	2016 Desember	TOTAL
Garlon 570 EC	Triklorip Butoks Etil Ester 570 g/l	RI. 0103011984655	25 September 2018	PT. Dow Agro Sciences Indonesia		Lt	-	-
Metoprine 20 WG	Metil Metsulfuron 20%	RI. 01030120031897	25 September 2018	PT. Centra Brasindo Abadi Chemical Industry		kg	-	-
Furadan 3-Gr	Karbofuran 0.03	RI. 0112011986891	06 Agustus 2021	PT. Bina Guna Kimia		kg	-	-
Roundup 480 SL	Isopropil Amina Glifosat 480 g/l	RI. 01030120001580	12 Desember 2020	PT. Manargo Kimia		Lt	-	-
Klerat	Brodifakum 0,005%	RI. 0112011984666	25 September 2018	PT. Syngenta Indonesia		Lt	-	-
Dipel SC	Bacillus Thuringiensis	RI. 010101120062401	17 Oktober 2017	Sumitomo Chemical Enviro Argo Asia Pacific Sdn. Bhd		Lt	-	-
Cyperm 250 EC	Sipermetrin 250 g/l	RI. 01010120052255	06 September 2015	PT. Nufarm Indonesia	Sedang Proses Pendaftaran Ulang	Lt	-	-
Basta 150 SL	Amonium Glutamat 150 g/l	RI. 01030119921113	31 Desember 2018	PT. Bayer Indonesia		Lt	-	-

Dibuat Oleh:
Dukas Tamba
RSC WII 6

Diketahui Oleh:
Jatmiko G
MAN MSJE

Observation 12 October 2017

The Company has shown the pesticides listed included in WHO 1A and 1B groups and completes the list of pesticides owned with the information. There is an evidence of delivery and transfer of furadan stock to TPS LB3 Seriam Jaya Estate on October 3, 2016. To improve the understanding of staff and employees about WHO 1A and 1B pesticides has been carried out the socialization of pesticide use on 21 November 2016.

Based on the root cause analysis, evidence of corrective actions, and the preventive measure action, nonconformities are stated to have been fulfilled

4.6.5, 4.6.7 and 4.6.9

The results of field observation in warehouse and interview with 8 sprayer of BSRE division 1 in block J16, 8 sprayer of STHE division 2 in block H09 and 3 sprayer of MUTE division 2 in block E07, it is known that the employees have been given regular training in safe work practices. This was evidenced by the employee can demonstrate the correct way to work in accordance with the procedures including how use and handling the risks in accordance with material safety sheets. There have been sheets of safety work (MSDS) and the symbols of hazardous and toxic materials are properly installed on the walls and doors of warehouse. The sprayer also using personal protective equipment in accordance with specified hazard identification and material safety data sheet such as mask, gloves, safety shoes, apron and goggles. In addition, employees are also informed about the steps of secure work in each roll call in the morning before work

4.6.6

The unit management has SOP of hazardous waste handling No. BGA-SOP-CCS-1101.1-R0 dated August 2011 explaining the mechanism of hazardous waste storing started from hazardous waste source, temporary storing in estate hazardous waste storage and the mechanism of its delivery to the permitted hazardous waste. There is a hazardous balance sheet to record the incoming and outgoing waste and there is no hazardous waste that is kept more than the permitted period. However, based on field visit to hazardous waste of KNDE estate, there is record of hazardous waste especially pesticide ex containers record from chemical warehouse to hazardous waste storage. Ensure pesticide

package is not used for other purposes either from the company area or from outside the company. **OFI**

Based on field visit at storage, there are some rodenticide that store in fertilizer storage. Ensure the placement of chemicals in accordance with the place that has been established company. **OFI**

4.6.8

Based on a review of documents and interviews with management staff, certificate holder did not perform the application of pesticides from the air

4.6.10

Based on interview with the employee in workshop in STHE and hazardous waste officer in BSRE, they understand the mechanism well. The observation result in housing complex the domestic has been handled well and observation on plantation block and riparian area show that there is no agrochemical ex-container in the plantation working area.

4.6.11

CH regularly have a medical examination for pesticide operator. Mekar Utama Estate has a list of the latest pesticide operator as many as 29 people, while in Sungai Tapah Estate has 23 people and Banjarsari Estate has 30 people. All workers spray has examined health through inspection types of cholinesterase, to ascertain the condition of workers in good health. This semester examination was conducted in 4 September 2017 for all units. Examination results in MUTE stating that all workers spray are in a healthy condition (normal result). But, in STHE and BSRE there are some abnormal results. CH shows a letter of recommendation from the doctor to the manager to transfer that workers to a job not related to chemical materials. CH shows the employee mutation letter from manager.

4.6.12

Certificate holder has a policy that prohibits pregnant and breast-feeding women working with chemical material. CH checks the pregnancy routinely every 3 months and if it is known that there are positive pregnant employees, it will be transferred to other work not directly related to chemicals.

Interviews were conducted on 8 spray workers in Block J16 division 1 BSRE, 8 spray workers in block H9 division 2 STHE and 3 workers in block E7 division 2 MUTE and from interview result it was found that no pregnant or breast-feeding women workers entered the spraying team.

Status: Comply

4.7

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

4.7.1

CH has a policy of occupational safety and health were written in Bahasa. The policy has been legalized and updated on January 2015 by Area Controller of PT GKG. This policy is designed to control hazards in every activity that is in the working environment to prevent accidents and occupational diseases. Management have work program of occupational health safety every year. Realization of the program of work will be monitored through regular meetings Guiding Committee of Occupational Safety & Health every month. This work program applies generally to all workers in the workplace. If the plans have been made yet on target then will be evaluated in the management review to assess effectiveness.

Interviews were conducted to 18 workers in BSRE (5 harvesters, 5 manuring workers, 8 pesticide applicators), 23 workers in STHE (4 harvesters, 8 manuring workers, 11 pesticide applicators), 8 workers in MUTE (5 harvesters and 3 pesticide applicators) and 8 workers in Kendawangan POM (3 grading workers, 2 boiler operator, 1 engine room operator, 1 pressing operator and 1 mechanic). Based on the results of interviews can be concluded that workers understand the OHS policy and it's recognized that every morning meeting is always affirmed about the importance of safety and the use of PPE in work.

4.7.2

Certification holder shown the document of hazard identification, risk assessment and risk control which issued on July 2017. It will be reviewed if any occupational accident happen. The document describes the description/activity, potential hazards, risk assessment and risk control. Identified activities already cover all existing activities at Banjarsari Estate,

Sungai Tapah Estate, Mekar Utama Estate and Kendawangan Mill.

Based on site observation at workshop and agrochemical warehouse in BSRE, STHE, MUTE and KNDM, it was clearly confirmed that workers had been aware related potential risk and hazards in the work place. Following up on this, the company has been reduce the potential risk by providing PPE and OHS signboard are available in workplace.

4.7.3

Based on documents verification and interviews, it is known that all operators at Kendawangan Mill, Banjarsari Estate, Sungai Tapah Estate and Mekar Utama Estate already have license, such as boiler operators, lift carrier operators, welders and electrical technician.

Based on field visits and interviews with workers, the company has provided PPE to workers. PPE for type of glove, ear plug, ear muff, helmet, apron, googles and safety shoes can be replaced immediately if damaged. This is evidenced by shown the recording of PPE distribution documents to the workers and the workers recognition from interviews also confirmed it.

4.7.4

Certification holder already has persons that responsible for the OHS program within the organizational structure of OHS Committee established in each management unit (BSRE, STHE, MUTE and KNDM). The organization routinely conducts monthly meetings on OHS issues in the workplace. The minutes of the meeting were recorded and stored well. Based on interviews to workers who are members of the OHS Committee organization it is known that monthly meetings are always routinely conducted to discuss about OHS such as consistency of PPE usage, work accident report, fire simulation, checking of emergency response equipment, OHS sign board, cleanliness of work area, etc.

4.7.5

Certification holder provides procedures for accidents and emergencies in the SOP of Emergency Preparedness and Response and Recovery of Emergency (BGA-SOP-GKG-0413-2-R0). The procedures cover the main potential causes of emergencies such as fires, chemical spills. Simulation was performed to know the preparedness of emergency response equipment in the POM. The simulation was performed on hydrants located in Kendawangan Mill and the result of the simulation was concluded that the hydrant tool is ready for use.

Kendawangan Mill, Banjarsari Estate, Sungai Tapah Estate and Mekar Utama Estate has already licensed first aid officers and there was first aid internal training conducted on 16-18 Maret 2017 in Kendawangan Learning Centre which was attended by 54 participants. Unit certification also has a first aid kit in each unit and based on observations, it's concluded that the contents in the first aid box are sufficient. There is also a checklist of observations of the contents of first aid boxes routinely performed every month by first aid officers.

Non-Conformity No. 2016.07 with Minor Category

Field observation shown that first aid box hasn't provided adequate in accordance with first aid box list whom determined by the company (18 items), for the example first aid box in hazardous waste warehouse SJYE, Divisi 1 MSJE Daycare, and First aid kit in harvesting block N43 MSJE.

The Company shows evidence of improvements in the form of:

- Document of the fulfilled of first aid kit and First Aid bag for field supervision of Membuluh Jaya Estate on October 14, 2016 as well as periodic checks for First Aid Bags.
- Decree on the establishment of First Aid Membership with the position of first aid officer of every field supervision in MSJE.
- Document of the monitoring and replacement of the first aid kit in Hazardous Waste Storage at Seriam Jaya Estate on October 27, 2016.
- Decree on the establishment of First Aid Membership with the position of first aid officer of each field supervision in SJYE.
- Document of the monitoring of first aid kit and first aid bags on September 30, 2017 at Seriam Jaya Estate

Based on field visit on harvesting, spraying and manuring activity at BSRE, STHE and MUTE, it is known that each supervision carried a first aid kit containing the complete set in accordance with the company standard.

Based on the explanation of the root cause, corrective actions, preventive action as well as the evidence presented and the results of field visits during the ASA-2 audit, the Non-Conformity No. 2016.07 has been fulfilled.

4.7.6

Based on the Collective Labour Agreement (CLA) that workers have the right to receive medical care and be protected by the accident insurance company. The management unit show proof of payment Health and Employment Workers Social Security Agency (BPJS). Payments are made every month by percentage according to the rules.

Based on interviews with KNDM, BRSE, STHE and MUTE employees, concluded that all employees were aware of the medical service procedures in the event of an accident or illness. All employees interviewed also claimed to have a health BPJS card, if they went to a company clinic there was no fee at all.

Based on interview with local contractor of FFB transport, it is known that they workers covered by an social security agency of health and labour insurance.

4.7.7

The certificate holder is still consistent in monitoring the recording of occupational accidents by calculating the lost time accident (LTA). Recapitulation of work accidents with a formula to find the level of severity and frequency of accidents. This document informs the time period, the number of working days, the number of non effective working days, hours of work in total, the number of accidents, the number of working days lost, the number of accidents a year, lost days a year. Calculation of SR and FR is reviewed regularly and monitoring will be evaluated at the monthly meeting of Committee of Occupational Health and Safety.

Status: Comply

4.8

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

4.8.1

Company has had training program for worker in the period of 2017. The training is targeted for all workers, including staff, permanent workers, and contract workers. The training program such as socialization of company policy, best management practice in estate and mill, training related to OHS, emergency response, etc. The training that held in 2017 has documented in minutes of meeting, list of attendees, and activity photos.

4.8.2

Company has showed the documentation of training whether it is internal or external training. For example, socialization of scheduled waste in STHE on 14th August 2017 attended by 13 participants and fire fighting training in MUTE on 25th July 2017 attended by 15 participants. Documentation of training is recorded in form of list of attendees, minutes of meeting, and activity photos. Based on interview with workers in Banjar Sari, Sungai Tapah, Mekar Utama Estate and Kendawangan Mill, they have received several training from company such as best management practice, OHS, first aid training, and socialization of company policies and procedures.

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

The company has developed DPPL (Environmental Impact Assessment) in 2010 covering 10.000 ha and mill capacity of Ton/hour The document has been developed in accordance with mechanism arranged by applied regulation and has been legalized by Decree of Kalimantan Barat Province No. 561/BLHD/2010 dated 13 December 2010. The study covers social restlessness, the depletion of air quality and the potential increase of noise, depletion of river water quality, the increase

rate of soil erosion, potency of land fire, biodiversity, income increase and community health The company applies IPM method on controlling pest and disease, zero burning is not applied to handle pest and disease.

Based on the results of field visits in Kendawangan Mill it is known that there is EFB waste management using incinerator and based on DPLH document study results it is known that EFB is used as fertilizer in the field. This indicates that the company has not yet undertaken an environmental impact assessment on the management of empty blank waste by using incinerator. This becomes a **Major Non Conformity no 2017.04**

5.1.2 & 5.1.3

The company has developed environmental management and monitoring plan covered in RKL-RPL document. Evidence shows that the management plan is adaptive to change. The environmental management and monitoring has been in accordance with applied regulation and reported every semester to District Environmental Agency. The plan is available in matrix completed with the timetable of each activity and also PIC for its implementation monitoring has been appointed.

Document review shows that RKL-RPL report for semester 1 year 2017 has been sent to Environment Agency of Ketapang District. The company has done monitoring on river water quality, air emission, air ambient, noise, odour, effluent quality and land application by regular testing on monitoring well and soil where land application located. The report also contains evaluation of the current operational by evaluating the impact monitored.

Based on presented evidence and the actual condition during the field visit, the company has complied with criterion 5.1 on identification of environmental impacts of company operations and the management plan and its implementation to reduce the negative impact and develop the positive ones.

Major 5.1.1	Status: Nonconformity No 2017. 04 with Major Category
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5.2

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

5.2.1

The company has conducted HCV identification covering HCV in the company area and located identified HCV area in its operational area and the surrounding area. The identification was conducted by independent consultant of Institute Pertanian Bogor, Faculty of Forestry in 2012. The HCV identified in PT GKG are HCV 1.2; HCV 1.3; HCV 4.1 and HCV 6 and HCV identified in PT GKS are HCV 1.1; HCV 1.2; HCV 1.3; HCV 4.1 and HCV 6. The HCV in PT GKG are in form of riparian area of Tapa River, riparian area of Anak Sungai Tapa, riparian area of Tengar River, riparian area of Anak Sungai Tengar, riparian area of Canal IV, swamp block I23 – I25 and ‘Kayu Ara’ area. Meanwhile, HCV area in PT GKS are in form of riparian area of canal MB-2 and MB-3, forested area in block H15, Islamic Cemetery 1 and Islamic Cemetery 2. The identification of HCV in PT GKG and PT GKS has involved the surrounding community with evidence of FGD implementation, among others by representative of Kendawangan village community, Banjarsari village and hamlet of Membuluh 2

In PT GKG, the identified RTE fauna species are *Hsytrix brachyuran*, *Hystrix brachura*, *Anhinga malogasterr*, *Bulbucus ibis*, *Egretta sacra*, *Falco cenchorides*, *Nectarina jugularis*, *Pelargosis capensis* and *Spilornis cheela*. And RTE flora species is *Shorea balangeran* (Korth.)). In PT GKS, the identified RTE flora species are *Nephentes alata*, *Nephentes ampullaria*, *Nephentes gracilis* and *Combretocarpus*.

Based on the HCV map of PT GKG and PT GKS it is known that the total HCV area within the Land Title (HGU) is 75 ha as follows

- Tapa river of 10 ha
- Creeks Tapa river 5 hectares
- Tengar river is 8 ha
- Creeks Tengar River is 13 ha
- Membuluh 2 River area of 15 ha
- Membuluh 3 River area of 24 ha

5.2.2

In accordance with the identified RTE species in PT GKG – GKS operational area, the company has developed HCV management plan to protect HCV area and RTE species. The plan also stated in HCV management and mitigation plan for threat to HCV. The related program are the development of flora and fauna protection procedure, monitoring on HCV area and RTE species and socialization of HCV and RTE species protection. Based on field observation, there is no interference at the HCV area. The HCV patrols are performed every month

5.2.3

PT GKG – GKS programs regular education for the worker and has a policy on harm, capture, hunt or kill RTE species. The regular education on HCV and RTE species to the worker can be found in company HCV management plan (refer to major 5.2.2). The policy of sanction for employee who disobey RTE protection is delivered in Internal Office Memo of Estate Controller of Area 6 No. 011/GKS-Sust 6/VII/2016 dated 1 July 2016. Based on interview with mapping officer known that the company has socialized on HCV and RTE species protection including the sanction given for disobeying the company protection effort.

5.2.4

Based on field observation in riparian area in sungai tangar at block 14 Division IV, MUTE known that there is border sign of riparian area, sign of no chemical application in riparian area and the riparian is naturally vegetated. Natural revegetation of plants has been implemented as evidenced by the border areas that have begun to grow natural vegetation. According to document review seen that record of protected species is regularly monitored. evaluation feedback from monitoring result ie:

- Installation of HCV stabs up to 2017 as many as 1211 stakes so that staple installation proram has been realized
- renovation of the signboard and ban for 2017 has been realized
- The realization of HCV area up to 2017 is 3890 and the rehabilitation / enrichment program has been realized.
- Socialization to employees is done once every 6 months and once a year
- Patrols are performed every month

5.2.5

Based on document review known that there is HCV area located outside the company HGU and it has a cultural value for Dayak community surrounding. The company has maintained the area well and it is accessible for the community to use the area for their cultural ceremony. Further, there is no issue from community during the public consultation on HCV area management by the company.

Status: Comply

5.3

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

5.3.1

PT GKG-GKS has identified its waste and pollution source and developed waste and pollution management plan. The identification is grouped based on estate and mill activity. Among the identified waste and pollution source in estate are manuring activity, clinic, workshop, spraying activity, office, warehouse and housing complex, genset use and transportation. Meanwhile, the source of pollution and waste identified in mill among others are processing activities, workshop, office, laboratory and WWTP.

5.3.2

The company has permitted hazardous waste storage from Head of Ketapang District Decree No.291/PerkimLH-D/2017 dated 30 May 2017. There is hazardous waste handling mechanism from the hazardous source in estate and mill to the permitted hazardous waste. There is sample records of all hazardous waste handling over from STHE to KNDE where the permitted hazardous waste is located. The company has agreement with permitted third party to transport and dispose hazardous waste and the last hazardous waste handling over was on 16 September 2017

5.3.3

Management plan of waste management and pollution reduction is available. It contains information on type of waste and pollution and the taken action to manage and to reduce it. The implemented efforts are:

- The company has monitored and documented their hazardous waste in the hazardous waste balance sheet and stored in KNDE permitted hazardous waste storage

- The hazardous waste is disposed of to the licensed third party transported by licensed hazardous waste transporter (last conducted on 16 September 2017).
- Reducing pollution from fossil fuel use, the company uses shell and fiber as boiler fuel
- Applying EFB as organic fertilizer by putting it to the plantation area
- Operates WWTP to treat effluent and use it for land application as one of organic fertilizer option
- Based on visit to housing complex, domestic waste has been well managed.
- Based on visit to estate's workshop, hazardous waste has been collected and kept in the allocated storage area before sent to permitted hazardous waste storage.
- During visit to mill area, the waste has been managed.

Based on the results of field visits in Kendawangan Mill it is known that there is EFB management using incinerators, but the company has not been able to show the SOP of empty empty waste management using incinerators. Its become **non conformity no 2017.05**

Based on presented evidence and the actual condition during the field visit, the company has complied with criterion 5.3 on waste and pollution identification and its management and mitigation plan and action taken on the plan implementation.

Minor 5.3.3	Status: Non Conformity No 2017. 05 with Minor Category
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5.4 Efficiency of fossil fuel use and the use of renewable energy is optimised.

5.4.1

The company has been using renewable energy of shell for boiler fuel in order to reduce the use of fossil fuel. The use of shell and fiber per MT FFB processed is 0.18 ton fiber and shell/ ton FFB and using fossil energy is 0,9 liter /ton FFB. Other company effort to reduce the use of fossil fuel is by budgeting fossil fuel for vehicle and machinery operation. The fossil fuel budget will control the fossil fuel use. The record of fossil fuel use is recorded both in mill and estate. Further, there is also routine engine maintenance to increase engine efficiency intended to reduce the use of fossil fuel.

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.

5.5.1 & 5.5.2

SOP No: BGAAGRKS-SOP-02, dated 3 June 2010, section 6.7 states that the company's commitment is to apply the "zero burning" method of Land Clearing plantations without burning. Field observation results indicate that there are no signs of burning of land in the operational area visited by the auditor.

Status: Comply

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

5.6.1

The company has identified the source of pollution and has assessed the pollution resulted from the company activity. The identified source of pollution in estate are manuring activity, clinic, workshop, spraying activity, office, warehouse and housing complex, genset use and transportation. Meanwhile, the source of pollution and waste identified in mill among others are processing activities, workshop, office, laboratory and WWTP. The regular quality test have been conducted for monitoring well for land application monitoring, soil in land application area, air emission, air ambient, water quality odour level, noise level and effluent quality. The water result shows that pH is under the regulated range which is too acid. The water has been in acid condition before entering the company area. The company evaluation informs that the acid water is due to the soil type of the area and the biological decomposition in the water body.

5.6.2

The company has listed the significant GHG emission both from mill and estate. The identified significant GHG emission source in Estate are land use change, the current land use type (manuring, soil cultivation, planting in peat land area), the

use of fossil fuel for vehicle and heavy equipment and transporting FFB to mill. The identified significant GHG emission source in Mill are the use of generator fuelled with fossil fuel, the use of shell and fiber for boiler fuel, electricity use for mill operation, WWTP and transportation of CPO from mill to bulking.

The mitigation plan to reduce GHG emission develop by the company are routine engine maintenance such as ,boiler and generator, waste disposal management, riparian area reclamation, fertilizer application in accordance with dosage recommendation, SOP socialization on BMP practice and good WWTP operation, The plan has had clear timeline, PIC and target. The implemented ones are routine emission level test for air emission, noise, odour and air ambient, fertilizer applied as its recommendation and routine engine maintenance. The pollution and emission monitoring is conducted by the mill laboratory division and the measurement is conducted regularly refer to the applied regulation such as for noise and odor the measurement is conducted every 6 month and mill effluent quality is conducted every month. The measurement itself is conducted by the national accredited testing laboratory. The result of the monitoring shows that all the pollution and emission generated from company activity is still comply with each applied regulated threshold for each type of emission and pollution.

Based on field visit to mill's WWTP facility known that the mill effluent has been well treated, the supporting equipment is functioned well and the in-charged officer has understood his task well.

5.6.3

The company has calculated its GHG emission using RSPO Palm GHG calculator version 3.1

Summary emission

Product	tCO ₂ e/t Product
CPO	1,68
PK	1,68

Description	Unit	Value
Total planted area	Ha	15953
Total planted area on peat	Ha	2617,4
Conservatio area	Ha	225
OER	%	22.91
KER	%	4,43

Mill Emission and credit

Description	tCO ₂	tCO ₂ e/ t FFB
Emission Source		
POME	60791,32	0,27
Fuel Consumption	1020,58	0
Grid Electricity utilisation	0	0
Credit		
Export of excess electrycity to housinh & Grid	-4,63	0
Sale of PKS	0	0
Sale Of EFB	0	0
Total	61807,28	0,27

Plantation / field emissions and sinks

Description	Own			Group		
	tCO ₂ e	tCO ₂ e/ha	tCO ₂ e/t FFB	tCO ₂ e	tCO ₂ e/ha	tCO ₂ e/t FFB
Emission Source						
Land Conversion	31970.65	4.33	0.31	6429.62	5.07	0.73

CO2 Emissions from Fertiliser	5409.49	0.7	0.05	1474.65	1.16	0.17
N2O Emissions	14209.14	1.87	0.13	3269.84	2.58	0.37
Fuel Consumption	1980.2	0.26	0.02	526.72	0.42	0.06
Peat Oxidation	56792.74	8.17	0.59	13931.27	10.98	1.57
Sinks						
Crop Sequestration	-69143.07	-9.36	-0.68	-11874.7	-9.36	-1.34
Sequestration in Conservation Area	-932.19	-0.08	-0.01	-492.24	-0.39	-0.06
Total	40286.96	5.89	0.43	13265.16	10.46	1.5

Based on the above provided evidence shows that the company has complied with the two indicators requirements of criterion 5.6

Status: Comply

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

6.1

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

6.1.1

Certificate holder has document of Social Impact Assessment which describe social impact of plantation and mill operation. The Social Impact Assessment was done 2010, collaboration with Faculty of Forestry, Bogor Institute Plantation. The SIA document describes the general condition and characteristic of the locals, socio-economic condition of surrounding community, manpower issue and relation among the parties, social impact management of PT GKG-GKS and the conclusion and the recommendation. The assessment was done with the participation of surrounding community.

6.1.2

The Social Impact Assessment was done with the participation of surrounding community and worker of PT GKG – GKS. The result of this assessment is socialized through focus group discussion (FGD). Focus group discussion is held in village of Mekar Utama, Kendawangan Kiri, Banjarsari and MD II and also to the workers of PT GKG - GKS. Stakeholders has chance to give their opinion related to social impact assessment in this activity. Company has recorded the respondent list participated in this assessment.

6.1.3

Certificate holder has plan for mitigate or reduce of negative impact and increase of positive impact was described in environment monitoring and management plan report (RKL and RPL report) and in the SIA report. Company also has 2017 – 2019 social monitoring and management plan. The aspects was monitored and manage related of social aspects consist of smallholders, empowerment of society economic, improving the quality of community education, improving the local culture of community, improving the quality of housing facilities for workers, etc. this management and monitoring plan is completed with timeline. The PIC for implementation of social management and monitoring plan is CSR department, D & L department, and other related department. The implementation of this plan is documented on CSR and RKL RPL report.

Based on interview with the representative of surrounding village, it is known that there is no issue with the company. If there are any issues, it will be solved by the mechanism they have.

6.1.4

Certificate holder has document of Management and Monitoring Plan for 2017 – 2019. This document has been reviewed by on 7th October 2017 in Kendawangan Learning Center attended by representatives from surrounding villages. It has been documented in form of list of attendees, report of public consultation, and activity photos. Some of the program has implemented, such as improving the local culture, improvement of community education, etc. The result of public

consultation is documented on "Evaluation of Social Impact Management Report". Besides, the company also give out questionnaire to the representative of surrounding village related to social impact of operational activity of the company.

Non-conformity No. 2016.08 with Minor Category

The company couldnt show evaluation of the implementation of management plans for social impact by involving the active participation of the public at least twice a years.

Verification dated October 11, 2017

The Company has presented evidence of improvements in the form of:

1. Public consultation on social impact management review on 7 October 2017 which was attended by 11 participants. Available attendance list and activity photos.
2. Social Impact Manage Evaluation Report of PT GKG GKS on October 2017. The company has made follow-up to the evaluation of managing social impact.
3. Sample questionnaire of Social Management Review Around PT GKS Plantation.

Based on the above explanation, the non-conformity No. 2016. 08 is stated fulfilled.

6.1.5

The process of Social Impact Assessment was conducted with participation of community surround including five smallholders. The management of smallholder is using full managed system. Smallholder becomes the company's main partner as FFB supplier. Result from smallholder participation in SIA is written on social management and monitoring plan, as one of the issue is there are still villagers who have not plasma area yet and company also has set the strategy for the issue arised.

Status: Comply

6.2

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

6.2.1 & 6.2.2

Certificate holder has the Transparency Procedure (No. BGA-SOP-GKG-0713-12-R0) and Communication Procedure (BGA-SOP-GKG-2415-28-R0). The procedures have been developed with the participation of surrounding community. The consultation is documented in form of list of attendees. These procedures have socialized to the surrounding community, such as on 7th May 2015. The PIC in communication and consultation with stakeholder is CSR department in accordance with job description of CSR department. Based on interview with representatives of surrounding community, they know and understand the mechanism for consultation with company.

6.2.3

The Company has a list of stakeholders consist of 35 stakeholders, divided into stakeholders from District of Ketapang, Subdistrict of Kendawangan, and contractors. The list of stakeholders has been approved by the Controller Area on October 2017. Communication and consultation between stakeholders and company is done via written or oral. The written communication will be done by sending a letter, either a request for information or a letter of assistance request which will then be recorded by the company into the logbook of incoming mail. Then, the company will respond to the incoming letter in accordance with the timetable in the SOP Communications. The incoming letter will be responded not later than 15 days.

Status: Comply

6.3

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

6.3.1

The procedure relating to the settlement of a complaint is unchanged from the previous assessment contained in the External Complaints Procedure (BGA-SOP-GKG-04-27-RO). There is a flowchart for handling incoming complaints. The procedures listed are the external/internal resolution mechanism, meeting, the attendance list/the minutes.

Based on interviews with village representatives, it is known that stakeholders have been aware of complaints

mechanisms in accordance with SOPs. Based on the results of field visits, the company has posted a bulletin board at the front of the office area in each work unit, for example in the estate and factory offices. In the bulletin board, there is a complaint addresses (phone & email address) and confidentiality and protection against the complainant.

6.3.2

The complaint documentation is listed in the Employee Complaint Manual which describes complaints from workers. For example:

- At BSRE for 2017 there are 4 complaints related to housing maintenance. All complaints have been addressed eg complaint from Manuto related to a damaged bathroom tub submitted on 02 September 2017 and fixed on 08 September 2017
- At STHE for 2017 there are 3 complaints related to housing maintenance. All complaints have been addressed such as Martin's complaints regarding broken bins submitted on 13 September 2017 and fixed on 14 September 2017

All complaints are equipped with Letter Suggestions & Complaints, Complaints Minutes and documentary evidence in the form of photo related maintenance are made. Based on interviews with village representatives, so far there has no complaints and the communication with the company goes well.

Based on the decision of Estate Controller 6 No. 097/GKG-EC/SK/X/2016 states that the Consultation and Communications officer regarding complaints from External Parties in the Land Dispute Settlement is assigned to Document License Area 6 Assistant.

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

There is no change of the SOP of land compensation through the FPIC process stated in the Plant and Land Growing Compensation Procedures Number. SOP-PAD-001. The procedure describes the steps in the implementation of Compensation, among others: undertaking the inventory of land to be compensated, socializing to the land-owning community, negotiating of compensation, approving management, making payments, handover of land, and documentation.

There is no addition of company area during the last 1 year. The last land acquisition activity took place in 2013 and has been verified in the previous assessment. Land acquisition documents indicated in the form of Payment Minutes of Land Acquisition, Statement Letter, Receipt of payment, Letter of Land Handover, Letter of Agreement of Land Tenure Rights, Location Map agreed to both parties and Land Management Statement Letter.

Based on verification document of Identification and Analysis Report of High Conservation Value (HCV) in Oil Palm Plantation Area of PT GKG and PT GKS, it is known that there is no area which is under the control of customary rights.

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 has implemented decree of Kalimantan Barat Governor 789/DISNAKERTRANS/2016 about The minimum wage and sectoral minimum wage for Regency in Kalimantan Barat. The wage system for permanent workers also regulated on IOM no 010/IOM/HC-BGA/XII/2016. Furthermore, the basic salary for worker is explain in appointment decree. CH also show an example of pay slip which explain the details of income (basic salary, premium pay) and deduction such as employment insurance payment and other deductions. Payment of overtime is regulated in Company Regulation article 9. It is stated that provisions regarding overtime pay is guided by the applicable regulation. The pay and condition for nonpermanent workers is regulated in the work agreement. Based on interview with harvesters, it is known that there is no force labor. If they've got the target, they will get the premi pay.

6.5.2

Certificate holder has company regulation period of 2016 – 2018 that has been ratified by Manpower Agency of Kotawaringin Timur Regency No Kep. 944/PHIJSK-PK/PP/VII/2016. It explain explains about company and workers duty and rights, such as wage system, assessment of worker performance, promotion, demotion, leave rights, etc. CH also has work agreement with worker in form of appointment decree for daily and monthly permanent worker.

Based on field observation in Sungai Tapah Estate Block K18/19 Division III, auditor found a harvester bringing along his family member. Based on interview with the worker, he already know that bring along family member to help his work is not allowed. Company also has followed up this finding by made a statement letter from the related worker for not bringing his family member again to the work area. (OFI)

6.5.3 & 6.5.4

Based on field observation, it is known that the company has been providing housing facilities, lighting, water, daycare, 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.

Policy related to worker union is written on Internal Office Memo No 010/GKG-Dpt/VIII/2017 on 1st August 2017 signed by Deputy RH IV. It stated that the company giving freedom to all worker to establish and/or be a member of a worker union. The implementation of this policy is a Bipartite Cooperation and Worker Union for both of PT GKG and GKS which has been registrered to Man Power Agency of Kotawaringin Timur :

- Decree of Head of Manpower Agency No 151/2016 on 19th October 2016 for Bipartite Cooperation of PT GKG
- Decree of Head of Manpower Agency No 150/2016 on 19th October 2016 for Bipartite Cooperation of PT GKS
- Decree of Head of Manpower Agency No 159/2016 on 26th October 2016 for Worker Union of PT GKS
- Decree of Head of Manpower Agency No 01/2015 on 21st January 2015 for Worker Union of PT GKG

The meeting of worker union is documented in form of list of attendees and minutes of meeting, such as agreement between Bipartite cooperation and Worker Union on 17th November 2016 which attended by 31 participants.

Based on interview with workers in STHE, MUTE, BSRE, and KNDM it is know that some of the workers still don't know the freedom to be a member of worker union (OFI).

Status: Comply

6.7

Children are not employed or exploited.

6.7.1

Based on documents on employee liability policies adopted in October 2013 by Area Controller Region VI described in point 4 that the company does not employ children under the age of 18 (eighteen) years. Based on employee data in September 2017, both PT GKG and PT GKS did not find any employees who are less than 18 years old. Based on interview with the board of labor union and the worker, they know and understand about the minimum age policy of the company. Also, auditor team did not sighted any harvesters accompanied by the wife or children during the field observation.

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

CH has a policy regarding anti-discrimination. Based on interviews with employees, it is known that workers are very diverse origin, ethnicity, background, education, gender, and religion. Interviews with union and village revealed that the company open up employment opportunities for the community. This can be considered as a positive value on the company's presence in local communities. No complaints related to discrimination of employees and the local community. The Company provides equal employment opportunities to the community.

6.8.2

Document review and interviews with management representative, it was explained that recruitment of the employees is based on identifying the needs of manpower. It is no discrimination involving gender, religious, ethnic origin and background all meet the criteria required by the company. All prospective employees have the right to employment in accordance with the requirements specified. Moreover, interviews with workers (harvesters, manuring workers, spraying workers, warehouse officer, paramedic, etc.), also revealed that there is no indicating of discrimination issue.

6.8.3

CH indicated employee performance appraisal form contract in which the aspects that include discipline, quality work, cooperation, quantity work, work attitude and activity. Workers have the same opportunity in improving career. Promotion of employees based on skills, abilities, health and quality required by the job position.

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

Policy related to reproductive rights is written on Internal Office Memo No 010/GKG-Dpt/VIII/2017 on 1st August 2017 signed by Deputy RH IV. 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 member, company provided daycare for all workers' children and also give maternity and menstrual leave for female workers.

Company has procedure for mechanism of complaint written on Grievance Resolution Procedur No BGA-SOP-HC-311.1-R0. It explain about the mechanism of handling complaint. The whistle blowing mechanism has socialized through signboard in each estate. The worker can make complaint through complaint channel by phone, SMS or email. Based on interview with worker ini 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 price determination by considering and referring to the calculation of FFB price by Plantation Agency of West Kalimantan Province for each month that issued by the Department of Plantations on the date of 10 -15 months. Based on the results of the public consultation with representatives of Batu Gedang Village, Bangun Sari Village, Air Merah Village, Selatan Villager, Mekar Utama Village and Banjarsari Village, there was never any issues related to the pricing of FFB. Companies with local communities as a FFB seller already has a work agreement, so that prices of FFB has been listed in SPK (work agreement) determined by the company.

6.10.2

CH has a contract of work agreement between the factory and the farmers indicated by the Sale and Purchase Agreement Letter for local FFB. For example the letter of purchase agreement between the factory with the local FFB CV IGVM by Number. 008/SPKL/KNDM-TBS/VI/2017. In the letter explained about bioadata both parties, the scope of the agreement, the quality requirements and acceptance FFB, pricing is based on statutes prices in Plantation Agency of West Kalimantan Province determined every month, for the period of 12 months, the mode of payment is paid 2 times a month and made by transferring to the account of contractors with a maximum of 10 days after the invoice submitted to the company,

warranties and conditions of the agreement expires, until the settlement issue.

6.10.3

CH has a contract agreement between the factory and the farmers indicated by Purchase Agreement Letter of local FFB. Both sides have understood the contract they held because the letter is signed by both parties. The contract agreement was made two copies so that each - each party save contract.

6.10.4

In Purchase Agreement of FFB Article 5 about how to pay mentions that the payment is calculated based on minute of hand over of FFB issued by First Party, Payment FFB carried out using a transfer to the bank account designated by the second party, second party shall issue invoice/billing payments of FFB to the first party as much as 2 periods/month, payment made by the first party via transfer to the account of the second party maximum of 10 working days from the date of invoice is received by the first or the day after if the payment to coincide with national holidays or holiday bank operations.

Payments to farmers/deliver listed in minutes of handover of FFB. For example payment minutes of CV IGVAM in period of 1 June to 7 June 2017. In the minutes it is clearly shown in the price per Kg of FFB, FFB Netto received from CV IGVAM, as well as the amounts of money that must be paid.

Status: Comply

6.11

Growers and millers contribute to local sustainable development wherever appropriate.

6.11.1

The contribution to local development is documented in the program of Corporate Social Responsibility for year 2017. Based on document review, the local development is conducted in every aspects, such as infrastructure, environment, economic, health, education, and preservation of customs and culture, for example the repair of infrastructure of village facilities in Wonosari village, Dusun Cimpedak, Dusun Air Merah, Dusun Batu Bagendang, Dusun Tanjung, etc. This activity is an ongoing activity and working period from January to September 2017. Moreover, company has been consulting to the village related to SIA document review which discuss about social monitoring and management plan. Based on interview with representative of surrounding community, the company is responsive to the village invitation.

6.11.2

The Company has made partnership with smallholder scheme which has been completed with work agreement letter and list of smallholder grower. The smallholder is managed by full managed system. Thus, the entire management of the operational activities is from the company.

Status: Comply

6.12

No forms of forced or trafficked labour are used.

6.12.1; 6.12.2; 6.12.3

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 field observation in Sungai Tapah Estate Block K18/19 Division III, auditor found a harvester bringing along his family member. Based on interview with the worker, he already know that bring along family member to help his work is not allowed. Company also has followed up this finding by made a statement letter from the related worker for not bringing his family member again to the work area. **(Observation on indicator 6.5.2)**

Status: Comply

6.13

Growers and millers respect human rights

6.13.1.

The company has policy Company Responsibility to Employee, these document was contained of Human Right Protection. These document was signed by Deputy RH IV on 27th July 2017. 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. Based on interview with worker in estate and mill and board of Bipartite cooperation and worker union, there is no complaint related to human rights violation.

Status: Comply

PRINCIPLE #7 Responsible development of new plantings

7.1

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

7.1.1

The company has conducted SEIA covered in DPPL report year 2010 and Social Impact Assessment conducted in 2012 by IPB Consultant. The SIA study has been conducted in participative way supported by available evidence of community participation. The covering SIA issue has covered community condition, potential impact, arisen issue and management recommendation. This study is followed up with management plan covered in social management and mitigation plan, CSR program and RKL-RPL program. Environmental Impact Assessment has been covered in DPPL report conducted in 2010. The study covered potential environmental impact from company operation such as depletion of air quality and the potential increase of noise, depletion of river water quality, the increase rate of soil erosion, potency of land fire and biodiversity. The company has developed environmental management and monitoring plan (RKL-RPL) including the schedule for its implementation.

7.1.2 & 7.1.3

The developed plan of SIA and EIA assessment has been implemented. There is a routine report to Environmental Agency of Kendawangan District every semester. The company has done monitoring on river water quality, air emission, air ambient, noise, odour, effluent quality and land application by regular testing on monitoring well and soil where land application located. The report also contains evaluation of the current operational by evaluating the impact monitored. The evaluation of company social program implementation has been conducted every semester for RKL-RPL plan and yearly for CSR program. Related to smallholder, there are 5 koperasi have been established organizing smallholders who are cultivating palm oil plantation outside the company HGU. The SEIA has been covered in company DPPL and SIA document.

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

The company already has a map that informs condition of the land in PT GKG and PT GKS that explain marginal land and its distribution. For example on MUTE there is a deep sand area of 589.67 Ha; spodic sand 69.70; kaolin 751.70 Ha; Lateritic 1,434.31; slope > 8% 142.02 Ha and no tidal area found. The marginal area map has provided information on soil type, topography, hydrology, and fertility. Conditions on the type of soil in the area of operation can also be seen in the Environmental Management and Monitoring documents made in 2010. The map can be used as a preliminary information for companies in determining management strategies. Based on basic information data total area set aside for conservation area of 39 Ha for PT GKS and 37 Ha for PT GKG.

7.2.2

In the peat and lowland areas, irrigation and drainage systems have been created. The company shows a map of peat distribution for MUTE, STHE, and BSRE. Management of peat areas includes maintaining water levels and observing peat surface degradation

The Company already has a land slope map and a marginal area distribution that can be used as information in drainage, irrigation and road infrastructure development. Marginal land maps have been described in indicator 4.3.1. The map informs an area with a slope of more than 8% as well as a peatland distribution. Information about the slope of the land is also contained in the DPPL document.

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 <p>The company has conducted HCV identification on 2012. The identification is conducted after the land clearing and during the ongoing land clearing at that time. The first new planting was conducted on 2007. However the company has conducted ongoing NPP in 2014 and developed HCV management plan. The NPP has been published in RSPO website on 30 December 2014. The company has also submitted its LUCA and has passed RSPO review by Associate Prof. Dr. Kasturi Devi Kanniah. There has been a result of company conservation liability based on the review and still on process approval by RSPO (OFI).</p> 7.3.4, 7.3.5 <p>Accompanied NPP notification there is a document of HCV management and mitigation plan for threat to HCV. The document describes the HCV type, location, its monitoring indicator, monitoring purpose, benchmark and the monitoring method.</p> <p>Considering the provided document and field visit, known that the company has complied with the criterion requirement and there is observation on compensation proposal approval by RSPO.</p> <div> <div>Status: Comply</div> </div>
7.4 Extensive planting on steep terrain, and/or on marginal and fragile soils, is avoided.
7.4.1 <p>The Company has fragile and marginal land maps including slopes and peatlands. Documents that identify such things as DPPL, Peatland distribution and depth, and marginal land maps. Based on the document is known in the MUTE region there are 142.02 Ha with Slope > 8%, while on STHE and BSRE into the flat area. The peatland map states the identified areas of 93.3 Ha Haplohemist on BSRE, 593.15 Ha at STHE, and 267.23 at MUTE. The other marginal area consists of kaolin and low land.</p> 7.4.2 <p>The management strategy to plant on the slopy area (based on climate and soil condition) is based on the SOP of high-erosion potential area management (Document No. BGA-SOP-CCS-113 year 2012). There are soil types that required appropriate practice according to the maps for example sandy soil and kaolin soil the strategic applied is to use empty fruit bunch application and for peat soil the strategic applied is to use boiler ash. The plan for planting on peat by the management unit was consider for not to plant especially over the 3 meters peat deep.</p> <div> <div>Status: Comply</div> </div>
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.
Criteria 7.5 <p>There is no addition of company area during the last 1 year. The last land acquisition activity took place in 2013 and has been verified in the previous assessment. Land acquisition documents indicated in the form of Payment Minutes of Land Acquisition, Statement Letter, Receipt of payment, Letter of Land Handover, Letter of Agreement of Land Tenure Rights, Location Map agreed to both parties and Land Management Statement Letter.</p> <div> <div>Status: Comply</div> </div>
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. Criteria 7.6 <p>There is no addition of company area during the last 1 year. The last land acquisition activity took place in 2013 and has been</p>

verified in the previous assessment. Land acquisition documents indicated in the form of Payment Minutes of Land Acquisition, Statement Letter, Receipt of payment, Letter of Land Handover, Letter of Agreement of Land Tenure Rights, Location Map agreed to both parties and Land Management Statement Letter.		
	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		
SOP No: BGAAGRKS-SOP-02, dated 3 June 2010, section 6.7 states that the company's commitment is to apply the "zero burning" method of Land Clearing plantations without burning. Field observation results indicate that there are no signs of burning of land in the operational area visited by the auditor.		
	Status: Comply	
7.8		
New plantation developments are designed to minimise net greenhouse gas emissions.		
7.8.1, 7.8.2		
The company has identified potential significant emission source generated from company operational area as well as the GHG calculation. It is covered in summary report of GHG management and mitigation plan of PT GKG-GKS year 2016. The GHG calculation is calculated using Palm GHG Calculator version 2.1.1 and has been submitted to RSPO on 7 Oktober 2016. The company has finished its planting activity in 2013 and no new expansion for new planting, therefore the company has no obligation to calculate its high carbon stock assessment.		
	Status: Comply	
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.		
<u>Social Aspect</u>		
<ul style="list-style-type: none"> - The company has reviewed the social management and monitoring plan. - CSR for surrounding village is conducted continuously. 		
<u>Environment Aspect</u>		
<ul style="list-style-type: none"> - The company has report regularly environmental management and monitoring plan covered in RKL-RPL document. - wastewater is used for fertilizer 		
Based on non-conformities identified at ASA-1 on 2016, the Auditor team considers that there is a recurrent non-conformities when ASA-2 as a result of the incomplete implementation of continuous improvement. Such non-conformities are: Non-Conformity No 2017.06 with Major category		
<ul style="list-style-type: none"> • Indicator 2.2.2 related to territorial boundaries • Indicator 4.5.1 related to IPM implementation • Indicator E.4.1 related to certified and non-certified FFBseparation documentation • Indicator E.5.1 related to recording and balancing of certified FFB receipts and delivery of CPO and PK on a quarterly basis, within one certificate period 		
8.1.1	Status: Non-Conformity No 2017.06 with Major category	

3.2 Summary of Assessment Report of Supply Chain Requirements

Clause	(Module E) CPO Mills - Mass Balance Requirements																											
E.1	Definition																											
E.1.1	<p>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.</p> <p>FFB processed by Kendawangan POM (KNDM) supplied by own estates (certified) and third party suppliers – small holders and growers (non-certified). Based on observation and interview with weigh-bridge clerck during the FFB reception activity, stated that besides of FFB from own sources, the mill also receipt FFB from smallholder scheme (under PT GKG and PT GKS), other estates (under BGA Group) and other out growers. With its scenario, Kendawangan POM will be audited using the standard and requirements of SCCS model E and can claim only the palm oil products produced from the processing of FFB certified as MB.</p> <p>Status: Comply</p>																											
E.2	Explanation																											
E.2.1	<p>The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the CB in the public summary of the P&C certification report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced should then be recorded in each subsequent annual surveillance report.</p> <p>Estimates of CPO and PK produced by Kendawang Mill obtained from the budget data of 12 months (October 2017-September 2018) after the audit activities and have been described in this ASA-2 report, consist of: FFB: 207,067 ton CPO: 46,590 ton (OER: 22.5%) PK: 9,318 ton (KER: 4.5%)</p> <p>Status: Comply</p>																											
E.2.2	<p>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).</p> <p>Kendawangan POM has met the requirements for reporting of RSPO supply chain through IT Platform.</p> <ul style="list-style-type: none">IT Platform RSPO member registration number: RSPO_PO10000034491During the period of certificate December 3, 2016 - 10 Oct 2017 KNDM never done sales the certified CPO. It has been verified by the auditor through the RSPO e-trace that the CPO remaining stock is still same with number in the certificate and record CPO sales conducted by the company.Certified Palm Kernel sold to each buyer period of 3 Des 2016 – 10 Okt 2017 <table><tr><th>Date</th><th>Buyer</th><th>Volume (kg)</th></tr><tr><td>16 February 2017</td><td>PT Sari Dumai Sejati</td><td>300</td></tr><tr><td>16 February 2017</td><td>PT Sari Dumai Sejati</td><td>300</td></tr><tr><td>23 March 2017</td><td>PT Sari Dumai Sejati</td><td>200</td></tr><tr><td>23 March 2017</td><td>PT Sari Dumai Sejati</td><td>350</td></tr><tr><td>23 March 2017</td><td>PT Sari Dumai Sejati</td><td>265.05</td></tr><tr><td>05 April 2017</td><td>PT Sari Dumai Sejati</td><td>84.95</td></tr><tr><td>05 April 2017</td><td>PT Sari Dumai Sejati</td><td>500</td></tr><tr><td>05 April 2017</td><td>PT Sari Dumai Sejati</td><td>300</td></tr></table>	Date	Buyer	Volume (kg)	16 February 2017	PT Sari Dumai Sejati	300	16 February 2017	PT Sari Dumai Sejati	300	23 March 2017	PT Sari Dumai Sejati	200	23 March 2017	PT Sari Dumai Sejati	350	23 March 2017	PT Sari Dumai Sejati	265.05	05 April 2017	PT Sari Dumai Sejati	84.95	05 April 2017	PT Sari Dumai Sejati	500	05 April 2017	PT Sari Dumai Sejati	300
Date	Buyer	Volume (kg)																										
16 February 2017	PT Sari Dumai Sejati	300																										
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05 April 2017	PT Sari Dumai Sejati	300																										

	05 April 2017	PT Sari Dumai Sejati	300
	05 April 2017	PT Sari Dumai Sejati	315
	29 May 2017	PT Sari Dumai Sejati	800
	29 May 2017	PT Sari Dumai Sejati	200
	15 June 2017	PT Sari Dumai Sejati	500
	15 June 2017	PT Sari Dumai Sejati	900
	03 August 2017	PT Sari Dumai Sejati	100
Total			5,415

	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.	
SOP's relating to the Supply Chain has not changed from the previous assessment that listed on SOP of Product Identification & Supply Chain No .BGA-SOP-SSM-LO-405.1-R0 dated October 5, 2016. In SOPhas explained the duties and responsibilities of each SCCS implementation.	
Based on the interview with the weighbridge officer, it was explained that SPB's originating from certified areas are given RSPO stamp marks and documentation has been separated between certified and non-certified SPB's. For sales of certificate products, weigh tickets will be given RSPO certified marks in accordance with information from the Comercial & Logistic Group Department based on contract with the buyer.	
The Company shows product sale and purchase contract that distinguishes between contracts for certified and non-certified purchases. For contracts with the purchase of certified products equipped with the requirement, among others, have RSPO certificate, palm kernel is palm kernel with RSPO-certified (mass balance) for example Contract Sale and Purchase No. 1100005730 dated December 29, 2016 with PT.Sari Dumai Sejati with total PK of 200 tons.	
	Status: Comply
E.3.2	
The site shall have documented procedures for receiving and processing certified and non-certified FFBs.	
SOP's relating to the Supply Chain has not changed from the previous assessment that listed on SOP of Product Identification & Supply Chain No .BGA-SOP-SSM-LO-405.1-R0 dated October 5, 2016. In sub sections 7.1.1 points a and b it is described that the identification of raw materials and products derived from certified RSPO plantation is marked using the RSPO Logo on each FFB Delivery Letter (SPB) for FFB from own estate.	
Based on the interview with the weighbridge officer, it was explained that SPB's originating from certified areas are given RSPO stamp marks and documentation has been separated between certified and non-certified SPB's.	
	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.	
Certified and non-certified FFB received period of 03 December 2016 to 10 October 2017	

[illegible]

KNDM has not been able to show proof that it has verified and documented the volume of certified and non-certified FFB received during the certificate period. It is shown that the recapitulation of FFB from MUTE, STHE and BSRE is not separated between own estate (certified) and plasma (not certified). **Nonconformity No 2017.07 with Major Category**

Status: Nonconformity No 2017.07 with Major Category

E.4.2

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

For this period (ASA-1) from 03 December 2016 till 10 October 2017, Kendawang Mill production of FFB, CSPO and CSPK has exceed the RSPO certificate issued.

- Received FFB: Ton → Total estimate in certificate is 115,645 Ton
- CPO: Ton → Total estimate in certificate is 27,755 Ton
- PK: Ton → Total estimate in certificate is 5.782 Ton

The Company has not shown evidence that the production of FFB, CPO, and PK certified does not exceed from the existing quota of the certificate. **Nonconformity No 2017.08 with Major Category**

Status: Nonconformity No 2017.08 with Major Category

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.)

Kendawangan Mill shows data on the separation of production and sales of certified and non certified CPO and PK but has not been able to show proof that it has recorded and balances the acceptance of FFB certified and delivery of CPO and PK on a quarterly basis, within one certificate period and has not been able to show that the certified products sales are from Positive Stock. **Nonconformity No 2017.09 with Major Category**

Status: Nonconformity No 2017.09 with Major Category

E.5.2

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

The Kendawangan POM does not perform the processing by themselves nor outsource to independent palm kernel crusher. Kendawangan POM only performs sales.

Status: Comply

3.3 Conformity Checklist of Certificate and Logo Use

1.	Evidence of permission or approval certificate and logo from Certification Body which submitted by Client	X or √
ASA-2	PT.GKG-PT.GKS Kendawangan POM has been RSPO Certified with registered Number MUTU-RSPO/081	
	Status: Comply	
2.	Implementation of certificate and logo used by Client comply with size and type (shape) against Guideline of Logo Use	X or √
ASA-2	PT.GKG-PT.GKS Kendawangan POM did not use Logo both on and off product	
	Status: Comply	
3.	Implementation of Certificate and Logo is not used on product	X or √
ASA-2	PT.GKG-PT.GKS Kendawangan POM did not use Logo both on and off product	
	Status: Comply	
4.	Controlling of Certificate and Logo, including withdrawing inappropriate logo.	X or √
ASA-2	PT.GKG-PT.GKS Kendawangan POM did not use Logo both on and off product	
	Status: Comply	

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>Auditor verification Based on the document review, there is a company internal audit that was conducted on:</p> <ul style="list-style-type: none"> • 08 – 10 February 2017 for PT Rohul Sawit Industri and PT Masuba Citra Mandiri • 09 – 10 Maret 2017 for PT Ladang Sawit Mas • 10 – 11 March 2017 for PT Langgeng Makmur Sejahtera • 12 – 13 April 2017 for PT Gunajaya Harapan Lestari • 17 – 18 April 2017 for PT Andalan Sukses Makmur and PT Investa Karya Bhakti • 20 – 21 April 2017 for PT Windu Nabatindo Sejahtera • 17 – 18 January 2017 for PT. Windu Nabatindo Abadi and PT Nabatindo Karya Utama
2.1.2	<p>No replacement after dates defined in Nis Criterion 7.3 of:</p> <ul style="list-style-type: none"> • Primary forest. • Any area identified as containing High Conservation Values (HCVs). 	<p>PT Langgeng Muara Makmur Sejahtera</p> <ul style="list-style-type: none"> - RaCP Plan document are wait for LUCA documents to be submitted and approved by RSPO. - HCV conducted March 2012 by Forestry IPB.

	<ul style="list-style-type: none"> Any area required to maintain or enhance HCVs in accordance with RSPO criterion 7.3. 	<p>PT Andalan Sukses Makmur</p> <ul style="list-style-type: none"> LUCA was sent on January 2015 to RSPO Documents RaCP Plan are wait for LUCA approved by RSPO HCV was conducted on October 2013 by Sonokeling Akreditasi Nusantara <p>PT Investa Karya Bhakti</p> <ul style="list-style-type: none"> LUCA was sent on 13 June 2016 to RSPO Documents RaCP Plan are wait for LUCA approved by RSPO <p>PT Gunajaya Harapan Lestari</p> <ul style="list-style-type: none"> LUCA has not been submitted to RSPO HCV was conducted on October 2012 by Forestry IPB <p>PT Windu Nabatindo Sejahtera</p> <ul style="list-style-type: none"> LUCA was sent on 19 June 2016 to RSPO Documents RaCP Plan are wait for LUCA approved by RSPO HCV was conducted on March 2012 by Forestry IPB <p>PT Ladang Sawit Mas</p> <ul style="list-style-type: none"> LUCA was sent on 16 July 2014 to RSPO Documents RaCP Plan are wait for LUCA approved by RSPO HCV was conducted on December 2013 by Sonokeling Akreditasi Nusantara <p>PT Lestari Gemilang Intisawit</p> <ul style="list-style-type: none"> LUCA was sent on 7 November 2014 to RSPO Documents RaCP Plan are wait for LUCA approved by RSPO HCV was conducted on 2013 by Sonokeling Akreditasi Nusantara <p>PT Agro Manunggal Sawitindo</p> <ul style="list-style-type: none"> LUCA was sent on 7 November 2014 to RSPO Documents RaCP Plan are wait for LUCA approved by RSPO HCV was conducted on July 2013 by Sonokeling Akreditasi Nusantara <p>PT Karya Makmur Langgeng</p> <ul style="list-style-type: none"> LUCA was sent on January 2015 to RSPO Documents RaCP Plan are wait for LUCA approved by RSPO HCV was conducted on July 2013 by Sonokeling Akreditasi Nusantara
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		<p>PT Gemilang Makmur Subur - HCV was conducted on November 2016 by PT Gagas Dinamika Aksenta.</p> <p>Auditor verification Based on internal audit results and evidence 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.</p>
2.1.3	Any new plantings since January 1 st 2010 must comply with the RSPO New Plantings Procedure.	<p>PT Langgeng Muara Makmur Sejahtera, there is no new planting after January 1st 2010.</p> <p>PT Andalan Sukses Makmur, NPP was completed for areal 5,630 Ha and publish on March 10th 2016.</p> <p>PT Investa Karya Bhakti, NPP was completed for areal 5,700 Ha and publish on October 4th 2016.</p> <p>PT Gunajaya Harapan Lestari, there is no new planting after January 1st 2010.</p> <p>PT Windu Nabatindo Sejahtera, there is no new planting after January 1st 2010.</p> <p>Auditor verification Based on internal audit, documented time of land clearing and liability disclosure sent to RSPO, there is new planting/land clearing after 1st 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>Auditor verification 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>Auditor verification There is labour dispute in uncertified unit i.e PT Bumitama Gunajaya Abadi. The dispute has</p>

		been resolved as we can seen in RSPO website that the status of dispute in closed for monitoring.
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>PT Langgeng Muara Makmur Sejahtera</p> <ul style="list-style-type: none"> • <i>Izin Prinsip Arahkan Lokasi</i> No. 525.21/660/Ek.SDA/IX/2014 dated 12 September 2014 5,325 Ha • Location Permit SK District Kotawaringin Timur No. 188.45/330/Huk-BPN/2014, 23 September 2014 5,370 Ha • Environment Permit No. 660/2140/BLH-Ek.SDA/2015, 19 October 2015 for 5,325 Ha • <i>IUP</i> No. 188.45/490/Huk-Ek.SDA/2014, 19 December 2014 4,810.72 Ha • <i>SK HGU</i> No. 5/HGU/KEM-ATR/BPN/2017, January 10th 2017. <p>PT Andalan Sukses Makmur</p> <ul style="list-style-type: none"> • <i>Izin Prinsip Arahkan Lokasi SK District Kotawaringin Barat</i> No.590/105/Pem-XI/2012, November 21 2012 for areal 9,000 Ha. • Location Permit SK District Kotawaringin Barat No.525/68/XII/2012, December 18th 2012 for 9,275 Ha • <i>IUP</i> No. 525/45/ek, 06 February 2013 • HGU on process. <p>PT Investa Karya Bhakti</p> <ul style="list-style-type: none"> • <i>Izin Prinsip Arahkan Lokasi</i> No. 590/09.Pem-II/2014, 3rd February 2014 for areal 14,500 Ha. • Location Permit SK District Kotawaringin Barat No. 525/62/IX/2014, 1st September 2014, 11,746.74 Ha • <i>IUP</i> No. 525/014/EK, April 21 2015, 5,700 Ha <p>PT RohulSawitIndustri and PT Masuba Citra Mandiri</p> <ul style="list-style-type: none"> • HGU on process • <i>Panitia B Inti</i> No. 03/RSL/HGU/2015 of 1,893.11 Ha • <i>Panitia B Plasma</i> No. 04/RSL/HGU/2015 of 938,16 Ha <p>PT Gunajaya Harapan Lestari</p>

		<ul style="list-style-type: none"> • <i>Izin Prinsip Arahkan Lokasi</i> No. 525/426/Bappeda-D year of 2007, 08 May 2007 for areal 3,000 Ha. • Location Permit SK District Kendawangan No. 265 year of 2007, 28 June 2007 for 3,000 Ha • Revision Location Permit No. 370 year of 2008, 07 October 2008 for 3,000 Ha • Extension Location Permit No. 415 year of 2010, 27 July 2010 for 3,000 Ha • IUP No. 365/DISBUN-D/2012, August 23rd 2012 for 1,750 Ha • HGU No. 62/HGU/KEM-ATR/BPN/2016, 1,973.45 Ha <p>PT Windu Nabatindo Sejahtera</p> <ul style="list-style-type: none"> • <i>Izin Prinsip Arahkan Lokasi</i> No. 02.04.28/525.26/463/XI/Ekbang/03, 8th November 2003 for areal 7,000 Ha. • Location Permit SK District Kotawaringin Timur No. 165.460.42, 26 February 2004 for 5,370 Ha • IUP No. 525.26/152/V/Ekbang/2004, 17 May 2004 for 5,370 Ha • Permit Location No. 374.460.42, December 13 2006 for 5,000 Ha (Revision) • IUP No. 525.26/386/V/Ekbang/2007, May 30th 2007 for areal 5,000 Ha (Revision) • <i>Kadastral Map</i> No. 355-15.05-2007, July 6th 2007 for areal 4,998.76 Ha • <i>Surat Permohonan HGU</i> 003/WNS-Dir/VII/2007, July 11th 2007 for areal 5,000 Ha. <p>PT Windu Nabatindo Abadi</p> <ul style="list-style-type: none"> • HGU Certificate No. 37/HGU/BPN RI/2014 for areal 1,987.8 Ha • HGU Certificate No. 48/HGU/KEM-ATR/BPN/2015 dated 20 May 2015 for areal 5,773 Ha <p>PT Nabatindo Karya Utama</p> <ul style="list-style-type: none"> • HGU Certificate No. 17/HGU/KEM-ATR/BPN/2016 dated 07 April 2016 for areal 3,298.63 Ha <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>
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		<p>Auditor verification</p> <p>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, OFI and Noteworthy Positive Components
3.5.1 Identification of Findings, Corrective Actions and Observations at ASA-1 Assessment

NCR No.	:	2016.01	Issued by	:	Fuji Lestari
Date Issued	:	13 October 2016	Time Limit	:	13 December 2016
NC Grade	:	Major	Date of Closing	:	13 December 2016
Standard Ref. & Requirement	:	2.1.1 Compliance with legal requirements (Agriculture Ministry Decree no. 100 of 2004)			
Non-Conformance Description & Evidence observed:					
Based on the results of field visits and verification of employee guard housing absenteeism MSJE TPA Division-1, daily paid workers with name Watimah has been worked for 21 days consecutively over than 3 month since July – September 2016. The worker haven't appointed as permanent employee.					
Root Cause Analysis:					
Due to the change of manager at MSJE and the Acting Manager did not know the correct employment information at new unit. There is a change of person in charge, lack of knowledge and the absence of mechanism for periodic evaluation related to decree of Labour Ministry No.100 year 2004.					
Corrective Action:					
Conduct the appointment of worker as a permanent employee in accordance with the regulation and procedures					
December 1, 2016 Socialization to staff / manager of operations by the competent authority (HRD & Head of Administration (KTU) region 6 PT GKG and PT GKS) regarding with the Ministry of Labour (Decree) No100 Year 2004 or other relevant regulations concerning on employment.					
Preventive Action:					
Re-socialize to all managers / acting manager / head of administration when there is a change of leadership.					
December 1, 2016 issued an Internal Office Memo (IOM) on Guidelines and Mechanisms of Evaluation periodically (every 3 months) for the entire unit and re-socialization to all managers / PJS manager / chief administrative sie / related staff					
December 13, 2016 Evaluation program periodically contained in the document of monitoring and agenda of sustainability, in the point 6A of the appointment program evaluation of Permanent Daily Paid worker, Non-Permanent Dailiy Paid and Permanent Monthly Paid (evaluation conducted in October 2016, January 2017, April 2017 and July 2017), and to improve the effectiveness of the evaluation, it also will be discussed in the meeting of bipartite cooperation and/or labour union involving a union representative as a party that will assist the company in overseeing the program.					
Assessor Evaluation and Conclusion:					
December 13, 2016 Based on the root cause, corrective action and preventive action that has been provided through E-Mail, the team of auditors assess the non-conformity No.: 2016.03 were met. Implementation of the fulfillment of this non-conformity will be verified during the next assessment (ASA-2).					
Verified by	:	Fuji Lestari			

NCR No.	: 2016.02	Issued by	: Octo H.P.N. Nainggolan
Date Issued	: 13 October 2016	Time Limit	: 13 December 2016
NC Grade	: MAJOR	Date of Closing	: 13 December 2016
Standard Ref. & Requirement	: 4.5.1 Implementation plans for Integrated Pest Management (IPM) should be monitored		
Non-Conformance Description & Evidence observed:			
Certification Unit show the data of plant pest cencus and detection that recapitulated monthly but hasn't explained the control measures planned.			
Based on data, has known pest attack level in MSJE is more than 5%/ Ha and hasn't explained the control measures planned.			
Root Cause Analysis:			
<ul style="list-style-type: none">• Lack of control of the staff person in charge caused by replacement manager and staff mutation.• Lack of control occur due to the absence of a specified PIC of Sustainability to control related to the RSPO, Environment, and OHS issue.			
Corrective Action:			
Conducting control and evaluation related to the results of the control to the percentage of pest attacks.			
November 11, 2016			
Certification Unit show the evidence related to the monitoring of pests and diseases of plants and evaluation contained in the document:			
<ol style="list-style-type: none">1. Detection report form of oil palm Plant Pests (3 October 2016) in MSJE2. Recapitulation census pest and disease in palm oil plantation3. Report of the evaluation of Pest and Disease management (rat, tirathaba, palm-leaf eating caterpillars) dated October 28, 2016 from each assistant division to the estate manager MSJE whom explained level of pest attacks, evaluation and control actions			
December 13 2016			
Certification unit shows evidence related to the appointment of EHS officer (Environmental, Safety and Health) in each unit, such as:			
<ul style="list-style-type: none">• IOM no.065 / IOM / Dy Dy COO and CSO-BGA / X / 2016 dated 4 October 2016 from the Deputy COO and CSO of EHS Officer Appointment proposal• Letter of Assignment EHS officer in every estate-related effective since October 1, 2016• Certification unit show the documentation of monitoring and evaluation in other units, namely for the Tapah Estate and Seriam Jaya. Record of the Rat and caterpillar Bags (Tirataba) control.			
Preventive Action:			
Conduct meetings RSPO periodically to monitor the process continuitas in the detection and control pest and disease programs			
13 December 2016:			
<ul style="list-style-type: none">• showed Meeting Agenda and documents monitoring of Sustainability activity for 2017 of PT GKG and PT GKS such as Control and Evaluation Plant pest and disease training every 3 months by the research department (Research Department) to an assistant and supervision.			

- Approval of Proposal Appointment of HSE Officer who will be responsible in terms of sustainability in each unit and Workshop Training.

Assessor Evaluation and Conclusion:
December 13, 2016

Based on the root cause, corrective action and preventive action are provided through E-Mail, team of auditors assess 2016.02 non-conformity were met. Implementation of the fulfillment of this non-conformity will be verified again when the next assessment (ASA-2). non-conformity No. 2016.02 otherwise fulfilled.

Verified by : Octo H.P.N. Nainggolan

NCR No.	: 2016.03	Issued by	: Octo H.P.N. Nainggolan
Date Issued	: 13 October 2016	Time Limit	: 13 December 2016
NC Grade	: MAJOR	Date of Closing	: 8 December 2016
Standard Ref. & Requirement	: 4.6.2 Records the use of pesticides (including active ingredients used, LD50 of the active material, targeted areas, amount of active ingredients used per Ha and the number of application, must provided.		
Non-Conformance Description & Evidence observed: Certification Unit hasn't consistently the agency has not consistently make record use of chemical pesticides (including active ingredients used, LD50 of the active ingredient, the targeted area, the amount of active ingredient applied per ha and number of applications). Certification Unit shows the evidence of recapitulation used of pesticides in 2015 and 2016, but the record did not inform the monitoring data every month and there has been no verification as well as an evaluation of the use of pesticides by the competent authorities.			
Root Cause Analysis: <ul style="list-style-type: none">Lack of knowledge of assistant who is the person in charge due to the there is no prior awareness related with RSPO requirements especially on recording of pesticides usage (including active ingredients used and LD50 of the active ingredient, the targeted area, the amount of active ingredient applied per ha and number of applications).			
Corrective Action: Shows the evidence of recording of the chemicals usage per month and document results of the evaluation sample that has been done.			
December 8, 2016 <ul style="list-style-type: none">Shows the evidence of recording of Socialisation and Training Related Pest Management and Plant Diseases procedure and Pesticide Monitoring Format of PT GKG and PT GKS period of December 2016 held on 3 December 2016, conducted by the Assistant Sustainability and Estate Controller region 6, to the whole Estate Manager and Assistant Division. The document is supported with photos of activities and participants in the attendance registerShowed the document of analysis and monitoring of Active Ingredient Usage by each estate that informs the type of pesticide used, active ingredient, a class of pesticides, toxicity (LD50), the amount of usage (a.i / ton FFB).			
Preventive Action: Programming a training / refreshment training to staff / employees in charge / monitoring through RSPO meetings			

periodically.

December 13, 2016

Showed the document of Meeting Agenda and monitoring Activity of Sustainability period 2017 of PT GKG and PT GKS, such as Control Training and Evaluation IPM 3 monthly basis by the research department (Research Department) to assistants and supervision

Assessor Evaluation and Conclusion:
November 11, 2016

Certification unit demonstrates the evidence relating to the recording of the chemical pesticides usage (including active ingredients used and LD50 of the active ingredient, the targeted area, the amount of active ingredient applied per ha and number of applications) are contained in the document:

1. List of Pesticide Use in MSJE 2016 that was signed by the Estate Manager, Section Head of Administration and Head of the Warehouse which describes 13 types pesticides used, the active ingredient, pesticide license number, expiry date, the manufacturer, the unit and use every month. However on the list do not contain information the active material used and the LD50 of the active ingredient, the targeted area, the amount of active ingredient applied per hectare

December 8, 2016

Based on the root cause, corrective action and preventive action are provided through E-Mail, the team auditor assess the non-conformity were met. Implementation of the fulfillment of this non-conformity will be verified again when the next assessment (ASA-2). Non-conformity No. 2016.03 otherwise fulfilled.

Verified by : **Octo H.P.N. Nainggolan**

NCR No.	: 2016.04	Issued by	: Octo H.P.N. Nainggolan
Date Issued	: 14 October 2016	Time Limit	: Surveillance-02
NC Grade	: Minor	Date of Closing	: 12 October 2017
Standard Ref. & Requirement	4.6.4 Pesticides that are categorised as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions, and paraquat, are not used, except in specific situations identified in national Best Practice guidelines. The use of such pesticides shall be minimised and eliminated as part of a plan, and shall only be used in exceptional circumstances		
Non-Conformance Description & Evidence observed:			
Bumitama Agri Ltd has issued a Sustainability Policy on August 13, 2015 informing about the commitment to IPM practices by not using pesticides categorized as World Health Organization (World Health Organisation) Class 1A or 1B, or listed in the Stockholm and Rotterdam Conventions, and paraquat, is not used, except in special circumstances.			
Based on the document review auditors found that the pesticides list used by Certificate Holder not informed class of pesticides 1A and 1B based on World Health Organisation (Both of MSJE and KNDE). Auditors found pesticides with trade name KLERAT (a.i Brodifacum is class 1A) and FURADAN (a.i carbofuran is class 1B)			

DAFTAR PENGGUNAAN PESTISIDA								
Merak Dagang Pestisida	Bahan Aktif	No Izin	Tanggal Kadaluarsa Izin	Produsen	Keterangan	Satuan	2016 Desember	TOTAL
Carion 570 EC	Trikloripir Butoks Etil Ester 570 g/l	RI. 0103011984695	25 September 2018	PT. Dow Agro Sciences Indonesia		Lt	-	-
Metaprime 20 WG	Meti Metakloron 20%	RI. 01030120031897	25 September 2018	PT. Centra Brasindo Abadi Chemical Industry		kg	-	-
Furadan 3-Gr	Karbendazim 0.03	RI. 0112011989891	08 Agustus 2021	PT. Bina Guna Kimia		kg	-	-
Roundup 480 SL	Isopropil Amina Glifosat 480 g/l	RI. 01030120001580	12 Desember 2020	PT. Manargo Kimia		Lt	-	-
Klerat	Brodifakum 0.005%	RI. 0112011984696	25 September 2018	PT. Syngenta Indonesia		Lt	-	-
Dipel SC	Bacillus Thuringiensis	RI. 010101120082401	17 Oktober 2017	Sumitomo Chemical Enviro Argo Asia Pacific, Sdn. Bhd		Lt	-	-
Cyberin 250 EC	Sipermetin 250 g/l	RI. 01010120052255	06 September 2015	PT. Nufarm Indonesia	Sedang Proses Pendaftaran Ulang	Lt	-	-
Baseta 150 SL	Amonium Glifosinat 150 g/l	RI. 01030119921113	31 Desember 2018	PT. Bayer Indonesia		Lt	-	-

Root Cause Analysis (filled by organization audited):

1. Lack of unit responsible understanding of chemicals entering into WHO 1A and 1B categories
2. Material is the remaining old stock that is not used in accordance with company policy

Corrective Action (filled by organization audited):

1. Complete the pesticide list document with the WHO class description
2. Evacuation and transfer of goods from warehouse to storage place at temporary hazardous waste shelter

Preventive Action (filled by organization audited):

Socializing to Estate Manager, Agronomy Assistant, and warehouse officer on WHO 1A and 1B pesticides

Assessor Evaluation and Conclusion (filled by auditor):
Observation 12 October 2017

The Company has shown the pesticides listed included in WHO 1A and 1B groups and completes the list of pesticides owned with the information. There is an evidence of delivery and transfer of furadan stock to TPS LB3 Seriam Jaya Estate on October 3, 2016. To improve the understanding of staff and employees about WHO 1A and 1B pesticides has been carried out the socialization of pesticide use on 21 November 2016.

Based on the root cause analysis, evidence of corrective actions, and the preventive measure action, nonconformities are stated to have been fulfilled

Verified by : Haikal Ramadhan Kharismansyah

NCR No.	: 2016.05	Issued by	: Sandra Purba
Date Issued	: 13 October 2016	Time Limit	: 13 December 2016
NC Grade	: MAJOR	Date of Closing	: 1 December 2016
Standard Ref. & Requirement	4.6.5 Pesticides shall only be handled, used or applied by persons who have completed the necessary training and shall always be applied in accordance with the product label. Appropriate safety		

	and application equipment shall be provided and used. All precautions attached to the products shall be properly observed, applied, and understood by workers (see Criterion 4.7).
Non-Conformance Description & Evidence observed: Based on field observations in chemical warehouse, auditors team found MSDS (Material Safety Data Sheet) not available for a several agrochemical used, such as : <ul style="list-style-type: none"> MSJE chemical warehouse, MSDS for METAPRIMA and CYPERIN (trademarks) isn't available. MSJE fertilizer warehouse, MSDS for AGROBLEND and CHELATED ZINCOPPER (trademarks) isn't available. Central Metro warehouse, MSDS for BASTA, GARLON, FURADAN, RANDEX liquid fertilizer isn't available. 	
Root Cause Analysis: The lack of control of a warehouse clerk and Sustainability PIC on MSDS Updating regularly.	
Corrective Action: 1. Display the MSDS in storage in accordance with an existing trademark. 2. Display the MSDS in warehouse office December 1, 2016 <ol style="list-style-type: none"> Unit certification demonstrates some evidence relating to the availability MSDS contained in the document: Records of the MSDS installation in Agrochemical storage area on 17 October 2016, supported with photo OHS Committee program in the period 2016/2017 that one of its is containing about MSDS evaluation activities, planned every three months. 	
Preventive Action: Controlling in every 3 months were included in the program of OHS by a warehouse clerk and PIC of Sustainability.	
Assessor Evaluation and Conclusion: December 1, 2016 Based on the explanation submitted by E-Mail, then the team of auditors recommend this mismatch is met and will be observed in compliance during the next surveillance assessment visits (ASA-2).	
Verified by	: Octo H.P.N. Nainggolan

NCR No.	: 2016.06	Issued by	: Yuniar Mitikauji
Date Issued	: 13 October 2016	Time Limit	: 13 December 2016
NC Grade	: Major	Date of Closing	: 1 December 2016
Standard Ref. & Requirement	4.6.6 Storage of all pesticides shall be according to recognised best practices. All pesticide containers shall be properly disposed off and not used for other purposes (see Criterion 5.3). Waste of ex pesticide packages must be managed according to the best practices recognized		
Non-Conformance Description & Evidence observed :			
Objective Evidence : Records of the use / reuse ex packaging and deliveries pesticides from KNDE to TPS LB3 PT GKG can not be shown to the auditor. The company hasn't shown evidence management of ex pesticides packages in accordance with the SOP company			

regarding Hazardous Waste Management No.BGA-SOP-CCS-1101.1-RO.

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

- Lack of control of assistant in overseeing the recording of the use of ex- pesticides container
- Lack of understanding of warehouse assistant related to the management of hazardous waste namely ex-agrochemical gallons. Ex-containers of agrochemical does not stored in the temporary hazardous waste storage but directly use in spraying activity for deliver of fresh water.

Corrective Action:

Identify the number of ex-containers usage and compile the rinsing record and requesting for usage by BSS team

December 1, 2016

I Identify the number of ex-containers usage and compile the rinsing record and requesting for usage by BSS team and socializing to a warehouse clerk and foreman of PT GKG and PT GKS concerning on manag hazardous waste handling.

Preventive Action:

Re-socialization within the RSPO / sustainability meeting which is conducted periodically every month to monitor the implementation of improvements (registration of chemicals) and ensuring that ex-containers that not used anymore is managed according to the hazardous waste management procedure (returned to hazardous waste temporary storage and recorded).

The target of its socialization was that the entire involved regarding with the implementation and management of hazardous waste especially pesticide containers.

Assessor Evaluation and Conclusion:

November 11, 2016

The company has shown the evidence of corrective action in the form of the record of ex-containers of pesticide rinsing and document request of ex-containers by KNDE.

December 1, 2016

The Company has sent an evidence of corrective action in the form of socialization of hazardous waste handling to the foreman and warehouse clerk of PT GKG and PT GKS dated November 26, 2016 and socialization to the OHS committee, all of estate manager, Sustainability PIC on November 23, 2016 and the record of request and approval reuse of pesticide ex-containers that has been stored in scheduled hazardous waste storage in KNDE. The Company has also provided routine socialization program on hazardous waste contained in OHS meeting. Based on the evidence submitted by E-Mail, 2016.6 non-conformity has been met.

Verified by : **Yuniar Mitikauji**

NCR No.	2016.07	Issued by	Sandra Purba
Date Issued	13 Oktober 2016	Time Limit	ASA-2
NC Grade	Minor	Date of Closing	12 October 2017
Standard Ref. & Requirement	4.7.5 Accident and emergency procedures shall exist and instructions shall be clearly understood by all workers. Accident procedures shall be available in the appropriate language of the workforce. Assigned operatives trained in First Aid should be present in both field and other operations, and first aid equipment shall be available at worksites. Records of all accidents shall be kept		

	and periodically reviewed.
Non-Conformance Description & Evidence observed:	
Field observation shown that first aid box hasn't provided adequate in accordance with first aid box list whom determined by the company (18 items), for the example first aid box in hazardous waste warehouse SJYE, Divisi 1 MSJE Daycare, and First aid kit in harvesting block N43 MSJE.	
Root Cause Analysis <i>(filled by organization audited):</i>	
There is no special officer to monitor the presence of first aid box.	
Corrective Action <i>(filled by organization audited):</i>	
Appoint a special officer to monitor first aid box by making decree to the person concerned. The officers have at least received training from officers who already have a first aid license from Labor Agency.	
Preventive Action <i>(filled by organization audited):</i>	
Each month the appointed officer will monitor the item in the first aid kit	
Assessor Evaluation and Conclusion <i>(filled by auditor):</i>	
Verification on October 12, 2017:	
The Company shows evidence of improvements in the form of:	
<ul style="list-style-type: none"> Document of the fulfilled of first aid kit and First Aid bag for field supervision of Membuluh Jaya Estate on October 14, 2016 as well as periodic checks for First Aid Bags. Decree on the establishment of First Aid Membership with the position of first aid officer of every field supervision in MSJE. Document of the monitoring and replacement of the first aid kit in Hazardous Waste Storage at Seriam Jaya Estate on October 27, 2016. Decree on the establishment of First Aid Membership with the position of first aid officer of each field supervision in SJYE. Document of the monitoring of first aid kit and first aid bags on September 30, 2017 at Seriam Jaya Estate 	
Based on field visit on harvesting, spraying and manuring activity at BSRE, STHE and MUTE, it is known that each supervision carried a first aid kit containing the complete set in accordance with the company standard.	
Based on the explanation of the root cause, corrective actions, preventive action as well as the evidence presented and the results of field visits during the ASA-2 audit, the Non-Conformity No. 2016.07 has been fulfilled.	
Verified by	: Hasiholan Sihombing

NCR No.	: 2016.08	Issued by	: Yuniar Mitikauji
Date Issued	: 13 Oktober 2016	Time Limit	: Surveillance-02
NC Grade	: Minor	Date of Closing	: 11 October 2017
Standard Ref. & Requirement	: 6.1.4 Evaluation of social impact management plan with the participation of affected communities		
Non-Conformance Description & Evidence observed:			
The company couldnt show evaluation of the implementation of management plans for social impact by involving the active participation of the public at least twice a years.			
Root Cause Analysis <i>(filled by organization audited):</i>			
Not yet implemented by person in charge of Social Management on a regular basis due to still adjust the willingness of			

time from stakeholders to be conducted public consultation (Interview & survey)	
Corrective Action <i>(filled by organization audited):</i> Implement social impact management with the community with independent parties	
Preventive Action <i>(filled by organization audited):</i> Attach the results of social impact surveys and FGD (Survey Satisfaction Index) CSR for budgeting and annual work program Carry out regular evaluation annually by the Independent Team / Sustainability	
Assessor Evaluation and Conclusion <i>(filled by auditor):</i> Verification dated October 11, 2017 The Company has presented evidence of improvements in the form of: 4. Public consultation on social impact management review on 7 October 2017 which was attended by 11 participants. Available attendance list and activity photos. 5. Social Impact Manage Evaluation Report of PT GKG GKS on October 2017. The company has made follow-up to the evaluation of managing social impact. 6. Sample questionnaire of Social Management Review Around PT GKS Plantation. Based on the above explanation, the non-conformity No. 2016. 08 is stated fulfilled.	
Verified by	: Asystasya Aishah Silalahi

NCR No.	:	2016.09	Issued by	:	Fuji Lestari
Date Issued	:	13 October 2016	Time Limit	:	13 December 2016
NC Grade	:	MAJOR	Date of Closing	:	1 December 2016:
Standard Ref. & Requirement	:	6.5.2 Labour laws, union agreements or direct contracts of employment detailing payments and conditions of employment (e.g. working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc.) shall be available in the languages understood by the workers or explTBSained carefully to them by a management official.			
Non-Conformance Description & Evidence observed: The mechanism of employment agreements has not been implemented well: <ul style="list-style-type: none">• Employment agreement letter has not been signed yet by both parties (GKG company and wemployment):• Interviews with a fertilizer worker (Ana Tasya) PTT status in Division 3, KNDE informed that the worker has worked since August 2015 and has signed SPK, but the copy is not held by the related worker.• Documentation Evidence of SPK PTT (temporary worker) on behalf of Ana Tasya is not authorized by signatures of both parties (GKG and employee)					
Root Cause Analysis: The negligence of personnel department so that the copies of letter of agreement has not been submitted to the workers.					
Corrective Action: 1. It has been handed the copies of the agreement to the employee, provided handover official letter 2. It has been upgrade the level of employees from the Non-permanent Daily Paid Worker to Permanent Daily Paid Worker, to the employee were are qualified to do the appointment. 3. A letter warning to the Personnel who are responsible					

1 December 2016:

Unit certification shows evidences related to the fulfillment outlined in the document:

1. IOM (Internal of Office Memo) No. 004 / MPD Sust / XI / 2016 on November 18, 2016 issued by Estate Controller Region 6 by referring to the the Ministry of Manpower (Decree) 100 of 2004 and applicable since 21 November 2016.
2. Minutes of socialization of appointment procedure of employees (Non-permanent Daily Paid Worker to Permanent Daily Paid Worker) PT GKG and PT GKS dated 25 November 2016 to all managers and the head of administration, socialized by Assistant Sustainability, HR & Head Administrative region 6 PT MPD and PT GKS. The socialization explained the conformity of the Kepmenaker number 100 of 2004. The document equipped with employee attendance and photos of activities.
3. Decree on the appointment of Permanent Daily Paid Worker No.001 / SK-PTH / MPD KNDE / X / 2016 dated October 26, 2016 (eg on worker of fertilization) in Kendawangan Estate. The document informs the wages and also included the activities photograph of handover from the management representatives to the workers concerned.

Preventive Action:

Management of the region has published the IOM on guidelines and mechanisms for the perform periodic evaluations related to the appointment of workers and labor regulations compliance for the entire units. As well as re-socializing to all Managers / Acting Manager / Chief administrative / relevant staff concerning on the fulfillment of labor laws and its IOM.

Assessor Evaluation and Conclusion:
1 December 2016.

Based on the corrective action evidence submitted through the E-Mail, the team auditors recommending this non-conformance are fulfilled and will be re-observed regarding to compliance during the next surveillance assessment visits (ASA-2)

Verified by : Octo H.P.N. Nainggolan

NCR No. : 2016.10

Issued by : Sandra Purba

Date Issued : 13 Oktober 2016

Time Limit : 13 Oktober 2016

NC Grade : MAJOR

Date of Closing : 11 November 2016

Standard Ref. & Requirement

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:

c. Complete and up to date procedures covering the implementation of all the elements in these requirements;

The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site procedures for the implementation of this standard.

Non-Conformance Description & Evidence observed:

Identification & Product search capabilities SOP NO.BGA-SOP-SSM-LO-405.1-RO approved date October 5, 2016. However Certification Holder has not been able to show evidence that the role of key personnel have been trained and have sufficient understanding of the implementation of the SOP.

For example, The operator of the scales and the Head of Administration Section KNDM can not demonstrate implementation of the SOP.

Root Cause Analysis:

During the socialization, operators of weigh-bridge and Head of Adm of KNDM was not present	
Corrective Action: Re-socialization to the Section Head and weighbridge operator and perform a refresh for the other related staff. The company has submitted the corrective action evidence in the form of the minutes of the training of supply chain requirements (separation of administrative RSPO FFB and non-RSPO dated October 27, 2016. Participant as much as 7 people in KNDM), October 25, 2016 (12 participants in SJYE), October 12, 2016 (18 participants), October 26, 2016 (5 participant in STHE).	
Preventive Action: Evaluates through the RSPO sustainability periodic meetings for the PT GKG and GKS	
Assessor Evaluation and Conclusion: Based on the root cause, corrective action and preventive action were provided through E-Mail, auditor team assesses that the nonconformity no.:2016.10 were met. Implementation of the fulfillment of this mismatch will be re-verified during the next assessment (ASA-2). Nonconformity No. 2016.10 otherwise fulfilled.	
Verified by	Sandra Purba

NCR No.	: 2016.11	Issued by	: Sandra Purba
Date Issued	: 13 Oktober 2016	Time Limit	: 13 December 2016
NC Grade	: MAJOR	Date of Closing	: 8 December 2016
Standard Ref. & Requirement	: E.3.2 The site shall have documented procedures for receiving and processing certified and non-certified FFBs		
Non-Conformance Description & Evidence observed:			
KDNM has procedures receipt and processing of FFB and SOP Identification & Capabilities Product Search, but based on interviews and observations during the process of admission FFB at Palm Oil Mill is known that the separation of recording FFB between certified and non-certified when the reception has not been performed.			
The whole key personnel whose role has been trained and have sufficient understanding of the implementation of the SOP.			
The recording accounting of separation RSPO FFB certified and RSPO FFB Non-certified not available			
Root Cause Analysis:			
Due to the lack of understanding of weigh-clerck and KNDM Staff related with the FFB certified and non-certified separation according to SOP identification and traceability of product, and has not carried out periodic monitoring to monitor the effectiveness of the implementation of the FFB separation.			
Corrective Action:			
Socializing / training to employees of FFB reception and related staff in KNDM. IOM issued related to the separation of FFB and periodic evaluation.			
11 November 2016:			

- The company has submitted the corrective action evidence in the form of the minutes of the training of supply chain requirements (separation of administrative RSPO FFB and non-RSPO dated October 27, 2016. Participant as much as 7 people in KNDM), October 25, 2016 (12 participants in SJYE), October 12, 2016 (18 participants), October 26, 2016 (5 participant in STHE).
- Perusahaan menunjukkan IOM Estate Controller No 098/EC-Wil6/X/2016 tanggal 13 Oktober 2016 tentang komitmen pemisahan FFB RSPO dan Non-RSPO dan program training serta monitoring kegiatan supply chain, namun belum tersedia bukti perhitungan dan pemisahan pencatatan antara FFB Certified dan Non Certified yang dihasilkan dan diterima di POM

8 Dec 2016

Kendawangan POM shows the documents of calculation and recording of a separation between FFB Certified and Non-Certified generated and received in POM from the period of September 2015 until October 2016

Preventive Action:

Create and implementing the training programs and conduct periodic evaluations made by the assistant sustainability and the real controller related with:

- Training on supply chain procedures each semester (October 2016 and April 2017)
- Supervision on daily and monthly by the responsible officer.

Assessor Evaluation and Conclusion:
8 December 2016:

Based on the root cause, corrective action and preventive action were provided through E-Mail, auditor team assesses that the nonconformity no.:2016.11 were met. Implementation of the fulfillment of this mismatch will be re-verified during the next assessment (ASA-2). Nonconformity No. 2016.11 otherwise fulfilled.

Verified by : Sandra Purba

NCR No.	: 2016.12	Issued by	: Sandra Purba
Date Issued	: 13 Oktober 2016	Time Limit	: 13 December 2016
NC Grade	: MAJOR	Date of Closing	: 13 December 2016
Standard Ref. & Requirement	: E.4.1 The site shall verify and document the volumes of certified and non-certified FFBs received.		
Non-Conformance Description & Evidence observed:			
KNDM have not been able to show evidence that it has been verified and documented the FFB volume of certified and not certified Accepted			
Root Cause Analysis:			
Due to the lack of understanding of weigh-clerck and KNDM Staff related with the FFB certified and non-certified separation according to SOP identification and traceability of product, and has not carried out periodic monitoring to monitor the effectiveness of the implementation of the FFB separation.			
Corrective Action:			
Socializing / training to employees of FFB reception and related staff in KNDM. Issuing the IOM on the separation FFB as well as periodic evaluation			
8 December 2016:			
• Shows the documents of Office Intern Memo No.098 / EC-Wil6 / X / 2016 dated 13 October 2016 from the			

Estate Controller to the Estate Manager and Mill Manager of Region 6, regarding to commitment of FFB Separation of RSPO and non-RSPO in the PT GKG and PT GKS.

- The company has submitted the corrective action evidence in the form of the minutes of the training of supply chain requirements (separation of administrative RSPO FFB and non-RSPO dated October 27, 2016. Participant as much as 7 people in KNDM), October 25, 2016 (12 participants in SJYE), October 12, 2016 (18 participants), October 26, 2016 (5 participant in STHE).
- Kendawangan POM shows the documents of calculation and recording of a separation between FFB Certified and Non-Certified generated and received in POM from the period of September 2015 until October 2016

13 December 2016:

Unit certification documents has shown corrective action evidence, include:

- Minutes of separation of FFB (certified and not certified) transport receipts (SPB) for STHE on 1 November 2016, has been included with photo documentation of the document separation
- Samples of FFB transport receipts (SPB) and the weigh-tickets from certified and uncertified sources received by the factory and verified by authorized personnel (Weighbridge Clerck, Assistant Division, Division Transport Clerck):
 - Transport receipt of the FFB RSPO certified from MSJE number 13171F041-MSJE Div 04, dated December 9, 2016 which is marked with the RSPO seal/stamp.
 - Transport receipt of the FFB RSPO certified from STHE number 13691W0316-STHE Div 03, dated December 11, 2016 which is marked with the RSPO seal / stamp
 - Transport receipt of the FFB un-certified from STHE number 18681W0216-STHE Div 02, dated December 11, 2016 without any sign of certified

Preventive Action:

Create and implementing the training programs and conduct periodic evaluations made by the assistant sustainability and the real controller related with:

- Training on supply chain procedures each semester (October 2016 and April 2017)
- Supervision on daily and monthly by the responsible officer.

Assessor Evaluation and Conclusion:
13 December 2016:

Based on the root cause, corrective action and preventive action were provided through E-Mail, auditor team assesses that the nonconformity no.:2016.12 were met. Implementation of the fulfillment of this mismatch will be re-verified during the next assessment (ASA-2). Nonconformity No. 2016.12 otherwise fulfilled.

Verified by : **Sandra Purba**

NCR No.	2016.13	Issued by	Sandra Purba
Date Issued	13 Oktober 2016	Time Limit	13 December 2016
NC Grade	MAJOR	Date of Closing	13 December 2016
Standard Ref. & Requirement	E.5.1 a. The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a three-monthly basis. b. All volumes of palm oil and palm kernel oil that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO. c. The site can only deliver Mass Balance sales from a positive stock. Positive stock can include product ordered for delivery within three months. However, a site is allowed to		

	sell short.(ie product can be sold before it is in stock.)
Non-Conformance Description & Evidence observed: CH has not been able to show evidence that it has been doing recording and balancing FFB certified receipt and shipment of CPO and PK in a three-monthly basis, within a period of a certificate.	
Root Cause Analysis: Has conducted training related to SOP Identification and traceability of the product to the staff of KNDM and Mill Manager of KNDM, but not yet implemented in the workplace.	
Corrective Action: 8 December 2016: Kendawangan POM has shown documents calculation and recording of a separation between FFB Certified and Non-Certified received and processed in the factory since the period of September 2015 until October 2016.	
13 December 2016: Unit certification documents has shown corrective action evidence, include: <ul style="list-style-type: none"> Minutes of separation of FFB (certified and not certified) transport receipts (SPB) for STHE on 1 November 2016, has been included with photo documentation of the document separation Samples of FFB transport receipts (SPB) and the weigh-tickets from certified and uncertified sources received by the factory and verified by authorized personnel (Weighbridge Clerck, Assistant Division, Division Transport Clerck): <ul style="list-style-type: none"> Transport receipt of the FFB RSPO certified from MSJE number 13171F041-MSJE Div 04, dated December 9, 2016 which is marked with the RSPO seal/stamp. Transport receipt of the FFB RSPO certified from STHE number 13691W0316-STHE Div 03, dated December 11, 2016 which is marked with the RSPO seal / stamp Transport receipt of the FFB un-certified from STHE number 18681W0216-STHE Div 02, dated December 11, 2016 without any sign of certified 	
Preventive Action: December 8, 2016: <ol style="list-style-type: none"> Implementation of the training program of the SOP identification and traceability of products Improving the control function of the system (SOP) has been implemented. 	
Assessor Evaluation and Conclusion: 13 December 2016: Based on the root cause, corrective action and preventive action that has been shown, the team of auditors concluded that the nonconformity No. : 2016.13 has been met. Implementation of the fulfillment of this nonconformity will be re-verified during the next assessment (ASA-2). Nonconformity No. 2016.13 otherwise fulfilled.	
Verified by	: Sandra Purba

NCR No.	: 2016.14	Issued by	: Octo HPN ainggolan
Date Issued	: 13 Oktober 2016	Time Limit	: Surveillance-02
NC Grade	: Minor	Date of Closing	: 09 October 2017
Standard Ref. & Requirement	: RSPO's Rules of Partial Certification under section 4.2.4 as per the approved "RSPO Certification Systems 2007" document		

Non-Conformance Description & Evidence observed:

Insufficient records to demonstrate that the internal audit has took place for all its subsidiaries. **This is raised as minor non-compliance.**

Root Cause Analysis:

The partial certification still in progress assessment for all subsidiaries

Corrective Action:

Complete the necessary documents related to Partial Certification

Preventive Action:

Immediate conduct audit every year if there is a new company related to the fulfillment of criteria in Partial Certification

Assessor Evaluation and Conclusion:

Verification on October 09, 2017:

The Company has shown Partial Certification audit report of BGA group and has been verified by the auditor on June 02, 2017. Based on the above explanation, the non-conformity No. 2016.14 has been fulfilled but will be observed on the next assessments about LUCA review and progress to obtain legality of land throughout the subsidiaries of BGA company

Verified by : **Muhammad Rinaldi**

3.5.2 Identification of Findings, Corrective Actions and Observations at ASA-2 Assessment

NCR No.	:	2017.01	Issued by	:	Muhammad Rinaldi
Date Issued	:	13 October 2017	Time Limit	:	12 December 2017
NC Grade	:	MAJOR	Date of Closing	:	04 December 2017
Standard Ref. & Requirement	:	2.2.1 Documents showing legal ownership or lease, history of land tenure ownership/control, and the actual legal use of the land shall be available			
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> Based on field observation and document review of field map, it is known that there are areas outside from land use tittle, including the Kendawangan Metro, Emplacement/ Offices of BSRE, STHE and housing complex of Div 1 & 2 MUTE. This indicates that the area does not yet have legal land ownership documents.					
Root Cause Analysis <i>(filled by organization audited):</i> 1. Lack of control related to the documentation of permit in accordance with SOP of Document Control by PIC PAD region 2. Manager PAD that responsible person who understands the process of handling HGB when the audit process is unable to attend (a very important family needs)					
Correction <i>(filled by organization audited):</i> 1. Re-socialization related to SOP of Document Control through RSPO improvement meeting 2. Conducting permits in areas not covered by HGU 3. Identify areas that need HGB					
Corrective Action <i>(filled by organization audited):</i> 1. Conduct monitoring and evaluation through internal audit activities as well as RSPO meetings programmed every month followed by all staff of the Region 2. Appoints PAD staff under PAD Manager to back up the document management history Identification of areas by GIS region with PAD and then joint evaluation at RSPO improvement meeting					
Assessor Evaluation and Conclusion <i>(filled by auditor):</i> 29 November 2017 The Company shows progress to get of land use tittle for the area in Metro Kendawangan, Emplacement/office of STHE and housing employees of Div 1 & 2 MUTE based on a letter from the Director of PT.GKG to the National Land Agency of West Kalimantan Province on June 14, 2016 and was received on 17 June 2016. However, it has not shown progress to get land use tittle in the BSRE emplasment area and needs to re-identify the root of the problem and its preventive measures.					
04 December 2017 The Company shows progress to get of land use tittle for the area at Emplacement/office of Banjar Sari Estate, based on a letter from the Director of PT.GKS to the National Land Agency of West Kalimantan Province on June 14, 2016 and was received on June 17, 2016. In addition, there is a HGB Management Map that explains that there are 6 point areas are in the progress to get the HGB, among others: Housing Division MUTE area of 5.09 Ha; Office & Housing STHE of 18.13 Ha; Housing Division of STHE area of 2.42 Ha; Housing KNDE Division of 6.57 Ha; Mill & Metro housing area of 98.65 Ha and BSRE Office & housing covering 13.54 Ha.					

Based on the above explanation, this **Non-conformance** has been fulfilled but will be observed further when the next assessment related to the progress to get the HGB

Verified by	:	Muhammad Rinaldi
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NCR No.	:	2017.02	Issued by	:	Muhammad Rinaldi
Date Issued	:	13 October 2017	Time Limit	:	12 December 2017
NC Grade	:	MAJOR	Date of Closing	:	08 December 2017
Standard Ref. & Requirement	:	2.2.2 Legal boundaries are demonstrated clearly and maintained.			
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> Based on field observation, it is known that there is no clear restriction between scheme smallholders area and own estate such as BSRE Block H16, MUTE block D06 & C06 and KNDE block I20.					
Root Cause Analysis <i>(filled by organization audited):</i> 1. Lack of knowledge due to turnover of GIS staff (new staff) The estate has been focused on installing the existing HGU main line					
Correction <i>(filled by organization audited):</i> 1. Installation of HGU boundary pole and boundary painting certified and non certified area to facilitate the separation of FFB Socialization and training related to RSPO especially the principles of 2.2.2					
Corrective Action <i>(filled by organization audited):</i> 1. Conducted monthly meetings on a regular basis to monitor and ensure the installation and painting program of boundary pole Conducting training and refresh training every year for all operational and support staff (including GIS)					
Assessor Evaluation and Conclusion <i>(filled by auditor):</i> 04 December 2017 The Company showed the Minutes of Meeting in November 2017 relating to the Boundary Marking between the Own Plantation and the Plasma Plantation by marking the trees. For the own area is given a blue mark while for the plasma area is given a white mark. The company also shows the Agenda of Meeting and Monitoring of Sustainability Activities Year 2018 which in it explains that monitoring and maintenance of boundary mark for year 2018 done every month. However, there is no evidence of socialization / training related to RSPO indicator 2.2.2 Based on the above explanation, this Nonconformity is not fulfilled yet.					
08 December 2017 The company showed evidence of socialization / training related to Legal Boundary Discussion dated 23 October 2017 to assistant and manager for all the Estate in PT GKG-GKS. The training explains the delineation of the boundary between the own estate and plasma estate, the boundary marking of the area by coloring and the mounting or marking program. Based on the above explanation, this Non-conformity has been fulfilled but will be re-observed in the next assessment for check the implementation.					
Verified by	:	Muhammad Rinaldi			

NCR No.	:	2017.03	Issued by	:	Haikal Ramadhan Kharismansyah
Date Issued	:	13 October 2017	Time Limit	:	12 December 2017
NC Grade	:	MAJOR	Date of Closing	:	24 November 2017
Standard Ref. & Requirement	:	4.5.1 Implementation plans for Integrated Pest Management (IPM) should be monitored			
Non-Conformance Description & Evidence observed (filled by auditor): The company show the data of plant pest census and detection that recapitulated monthly but hasn't explained the control measures planned. Based on HPT census on July 2017 known block F11 Mekar Itama and G40 Sungai Tapah Estate suffered ny heavy rat attack (>5%) but the company has not been able tho show any evaluation and follow-up of those observation					
Root Cause Analysis (filled by organization audited): 1. Lack of documents control from HPT officer 2. Lack of knowledge of HPT officer related to analysis and evaluation of data of detection and control result.					
Correction (filled by organization audited): 1. Follow-up of the results of observation & evaluation of early detection data. 2. Improving Administration System where HPT officer by Creating Special Files Storage Document of Pest Census and Evaluation of Pest Control Result.					
Corrective Action (filled by organization audited): Conduct training and simulations to the HPT officer on document control and data analysis, and will be scheduled to refresh the training annually					
Assessor Evaluation and Conclusion (filled by auditor): <u>Observasi on 24 November 2017</u> The Company shows Inter Office Memo No 53/IOM/Dy COO-BGA/IX/2017 dated September 25, 2017 regarding the Job Desc of HPT Officer. The IOM contents are about the obligation of HPT's Officer to report daily & periodic to the Area Controller and forwarded to the Research Dept. The existence and competence of the HPT oficer must be escorted by the EDS department and assisted by 3 to 5 employees on EWS for the entire area. There is a Simulation of Pest and Disease conducted in November 2017 to provide a refresher of competence to HPT officer and census personnel on pest species, census system, attack level analysis, and documentation of census results in special files. As a follow-up to the results of the rat census on July, the company demonstrated a monitoring document for rodenticide application that informed divisions, blocks, cropping years, palm oil quantities, Rotation 1 (date of application, number of rodenticide, and percentage of rodenticide eaten). The document has fully informed which blocks are in the process of rat controlling. The data of rotation 2 states that the eaten rodenticide has been less than 20% so the rodenticide distribution can be stopped. The results of the rat census continued in August and September 2017 showed a rat attack rate below 5%. RSC region					

6 states that control of rate with campaign baiting does not need to be resumed.

In accordance with the SOP, the rat's control threshold is 5%. Campaign baiting activities are performed if the attack level is above the control threshold. The campaign method looks at how many baits are eaten when 100% is distributed. If the next rotation of the feed is less than 20%, control is considered successful and no feeding is required. Routine census remains to be done

Based on the above explanation, this **Non-conformity has been fulfilled**

Verified by	:	Haikal Ramadhan Kharismansyah
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NCR No.	: 2017.04	Issued by	: Yohanes Hardian			
Date Issued	: 13 October 2017	Time Limit	: 12 December 2017			
NC Grade	: Major	Date of Closing	: 29 November 2017			
Standard Ref. & Requirement	: 5.1.1 Environment impact assessment document shall be available					
Non-Conformance Description & Evidence observed (filled by auditor): Based on field observation in Kendawangan Mill it is known that there is EFB waste management using incinerator and based on DPLH document study results it is known that EFB is used as fertilizer in the field. This indicates that the company has not yet undertaken an environmental impact assessment on the management of EFB by using incinerator.						
Root Cause Analysis (filled by organization audited): Lack of knowledge from the mill officer and PAD of environmental documents (DPLH) of PT GKG and GKS						
Correction (filled by organization audited): <ul style="list-style-type: none"> Showing that Environmental Document of PT GKG-GKS (DPLH) has been discussing about incinerator Conducting socialization and discussion related to environmental impact assessment of management and ash application to mill staff and all unit managers in accordance with DPLH documents PT GKG and GKS 						
Corrective Action (filled by organization audited): Conducting environmental impact evaluation and reporting to related party (Agency / Environment Agency) every semester (6 months) by sustainability region PT GKG and GKS by involving operational party (mill and estate) in the activity.						
Assessor Evaluation and Conclusion (filled by auditor): Verification on 29 November 2017 The Company has demonstrated that the use of incinerators for the management of Empty Bunch has been discussed in the DPLH document on page II-46 of the solid and ash waste sub-section in explaining that the empty bunch ash from incinerator are used to raise the pH of wastes in the neutralization pond and to replace the potassium fertilizer. In addition, the company has shown evidence of socialization DPLH document on October 17, 2017 related to the empty bunch waste management in accordance with environmental documents. The Company has completed the root cause, corrective action, and preventive actions so that the non-conformity has been fulfilled, but will be re-observed with the Environmental Agency of Ketapang District in the next assessment						
Verified by	: Yohanes Hardian					

NCR No.	: 2017.05	Issued by	: Yohanes Hardian
Date Issued	: 13 Oktober 2017	Time Limit	: ASA-3
NC Grade	: Minor	Date of Closing	: 02 Januari 2018
Standard Ref. & Requirement	5.3.3 A document waste management plan to avoid or reduce pollution and its implementation shall be available		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> Based on the results of field visits in Kendawangan Mill it is known that there is EFB management using incinerator, but the company has not been able to show the SOP of EFB management using incinerator.			
Root Cause Analysis <i>(filled by organization audited):</i> Incenerator Working Instruction/SOP is in the process of approval stage (evaluation & finalization) by some related parties both from operational technical side (from mill operational side) and from environment and safety side (from sustainability)			
Correction <i>(filled by organization audited):</i> 1. Completion of Incenerator Working Instruction 2. Conduct socialization and discussion related to environmental impact assessment of management and application of EFB ash to mill staff and all unit managers			
Corrective Action <i>(filled by organization audited):</i> Monitored and evaluated the implementation of Incenerator Working Instruction			
Assessor Evaluation and Conclusion <i>(filled by auditor):</i> 27 December 2017 The Company has shown EFB Incenerator Working Instruction (No. GKG-IK-KNDM-01 dated December 22, 2017) describing in relation to the equipment and PPE used for operations, preparatory procedures to the stages of Incenerator operation, EFB ash storage and cleaning of Incenerator and storage area. However, there is no evidence that the Working Instruction has been socialized to the workers who operate the Incenerator. Based on the explanation, this Noncompliance is not fulfilled.			
02 January 2018 The Company showed the Socialization of EFB Incenerator Working Instruction to 15 operators on December 28, 2017. Based on the explanation, this Non-conformity is stated Fulfilled			
Verified by	: Muhammad Rinaldi		

NCR No.	:	2017.06	Issued by	:	Muhammad Rinaldi
Date Issued	:	13 October 2017	Time Limit	:	12 December 2017
NC Grade	:	MAJOR	Date of Closing	:	08 December 2017
Standard Ref. & Requirement	:	8.1.1 Growers and millers regularly monitor and review their activities, and develop and implement action plans that allow demonstrable continual improvement in key operations.			
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> Based on non-conformities identified at ASA-1 on 2016, the Auditor team considers that there is a recurrent non-conformities when ASA-2 as a result of the incomplete implementation of continuous improvement. Such non-conformities are: <ul style="list-style-type: none">Indicator 2.2.2 related to territorial boundariesIndicator 4.5.1 related to IPM implementationIndicator E.4.1 related to certified and non-certified FFB separation documentationIndicator E.5.1 related to recording and balancing of certified FFB receipts and delivery of CPO and PK on a quarterly basis, within one certificate period					
Root Cause Analysis <i>(filled by organization audited):</i> 1. Lack of knowledge from PIC / responsible person due to change of position and new PIC cause implementation not in accordance with expected standard 2. The absence of monitoring / inspection mechanisms to ensure that the implementation of the RSPO standard, especially the NCR in the previous audit, has been carried out consistently					
Correction <i>(filled by organization audited):</i> A. Commitment letter from the highest management level of PT GKG and GKS to the lowest management related to NCR improvement is done thoroughly to the root cause and to ensure no recurrence of the findings in the next assessment B. Corrective Action 1. Indicator 2.2.2 relates to territorial boundaries <ul style="list-style-type: none">Conducting fixing / stapling ground to separate own estate area and plasma (non certificate) 2. Indicator 4.5.1 related to IPM implementation <ul style="list-style-type: none">Follow-up of observation & evaluation of early detection dataImproving Administration System where IPM Officer Creating Special Files Storage Data Document of Pest Census and Evaluation of Pest Control Result. 3. Indicator E.4.1 relates to documentation of certified and non-certified FFB separations <ul style="list-style-type: none">Conduct socialization and training to relevant PIC regarding certified and non certified production data recording mechanism in accordance with RSPO-SCCS 4. Indicator E.5.1 relates to recording and balancing of certified FFB receipts and delivery of CPO and PK on a quarterly basis, within one certificate period <ul style="list-style-type: none">Conduct socialization and training to the relevant PIC regarding recording and balancing of production data of FFB, CPO and Kernel certified on a quarterly basisEvaluate the results of the data to ensure that the shipping and sale of certified products do not exceed the positive stock					
Corrective Action <i>(filled by organization audited):</i>					

1. Develop a program to conduct socialization, training and refresh training periodically every year for the responsible / PIC RSPO in the unit until the unit manager
2. Develop a monitoring / inspection program conducted by sustainability region and internal unit to ensure the improvement is done thoroughly and the implementation is done consistently

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

29 November 2017

The Company showed evidence of socialization related to the implementation of RSPO conducted on November 9, 2017 to Estate Manager, Sustainability Administration, Production Administration and RSPO till Section Head.

The Company shows the Letter dated November 28, 2017 which explains the commitment to fulfillment of RSPO indicator which has been signed by all Manager of PT GKG and PT GKS.

The Company also shows the Agenda of Meeting and Monitoring of Sustainability Activities of 2018, but on the agenda does not explain clearly when the internal audit is done and has not shown improvement for all recurring nonconformities.

04 December, 2017

The Company shows the Internal Audit Sustainability Program of 2018 for PT GKG-GKS including the implementation of internal audit of RSPO, ISPO, PROPER, and SMK3. The internal audit of the RSPO will be conducted in March 2018 and August 2018. However, it has not shown any improvement for all recurring non-compliance and to show internal audit evidence conducted in 2017.

Based on the above explanation, this Nonconformity is not fulfilled yet.

08 December 2017

The Company presented Internal Audit results in 2017 conducted in May and August 2017. The Company has also shown all evidence of improvements for recurring nonconformities. Based on the above explanation, **Non-conformity has been fulfilled.**

Verified by : **Muhammad Rinaldi**

NCR No.	:	2017.07	Issued by	:	Muhammad Rinaldi																																																			
Date Issued	:	13 October 2017	Time Limit	:	12 December 2017																																																			
NC Grade	:	MAJOR	Date of Closing	:	08 December 2017																																																			
Standard Ref. & Requirement	:	E.4.1 The site shall verify and document the volumes of certified and non-certified FFBs received.																																																						
Non-Conformance Description & Evidence observed (filled by auditor): KNDM has not been able to show proof that it has verified and documented the volume of certified and non-certified FFB received during the certificate period. It is shown that the recapitulation of FFB from MUTE, STHE and BSRE is not separated between own estate (certified) and plasma (not certified).																																																								
Root Cause Analysis (filled by organization audited): Lack of knowledge from the unit because there is a change of person in charge (PIC) for RSPO in charge of recording certified and non certified production data and officers who do recapitulation causing the length of recapitulation of certified and non certified RSPO production data every month																																																								
Correction (filled by organization audited): Socialization and re-train to PIC about certified and non certified production data recording mechanism in accordance with RSPO-SCCS																																																								
Corrective Action (filled by organization audited): 1. Conducting training to related PICs and scheduled to refresh training annually 2. Conducting review and monitoring of production data every month in monthly RSPO meeting																																																								
Assessor Evaluation and Conclusion (filled by auditor): 29 November 2017 The Company showed evidence of socialization related to SCCS conducted on 09 November 2017 to Estate Manager, Sustainability Administration, Production Administration and RSPO till Section Head. The Company shows RSPO and Non RSPO FFB Data. In the document describes the FFB receive on POM has been separated of certified and non-certified. Based on the data it is known: Certified and non-certified FFB received period of December 2016 to October 2017																																																								
		<table border="1"> <thead> <tr> <th rowspan="2">Period</th><th colspan="3">FFB Receive (Ton)</th></tr> <tr> <th>Certified</th><th>Non-Certified</th><th>Total</th></tr> </thead> <tbody> <tr><td>December 2016</td><td>15,254.95</td><td>11,948.29</td><td>27,203.24</td></tr> <tr><td>January 2017</td><td>10,439.57</td><td>12,347.36</td><td>22,786.92</td></tr> <tr><td>February 2017</td><td>11,129.81</td><td>12,454.86</td><td>23,584.67</td></tr> <tr><td>March 2017</td><td>10,840.90</td><td>12,700.89</td><td>23,541.79</td></tr> <tr><td>April 2017</td><td>10,967.15</td><td>13,594.47</td><td>24,561.62</td></tr> <tr><td>May 2017</td><td>9,931.90</td><td>10,291.62</td><td>20,223.52</td></tr> <tr><td>June 2017</td><td>8,155.59</td><td>9,731.59</td><td>17,887.18</td></tr> <tr><td>July 2017</td><td>9,770.93</td><td>10,742.98</td><td>20,513.90</td></tr> <tr><td>August 2017</td><td>10,418.02</td><td>11,769.86</td><td>22,187.88</td></tr> <tr><td>September 2017</td><td>9,424.68</td><td>8,786.06</td><td>18,210.74</td></tr> <tr><td>October 2017</td><td>7,884.76</td><td>5,503.41</td><td>13,388.17</td></tr> </tbody> </table>				Period	FFB Receive (Ton)			Certified	Non-Certified	Total	December 2016	15,254.95	11,948.29	27,203.24	January 2017	10,439.57	12,347.36	22,786.92	February 2017	11,129.81	12,454.86	23,584.67	March 2017	10,840.90	12,700.89	23,541.79	April 2017	10,967.15	13,594.47	24,561.62	May 2017	9,931.90	10,291.62	20,223.52	June 2017	8,155.59	9,731.59	17,887.18	July 2017	9,770.93	10,742.98	20,513.90	August 2017	10,418.02	11,769.86	22,187.88	September 2017	9,424.68	8,786.06	18,210.74	October 2017	7,884.76	5,503.41	13,388.17
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Total	114,218.25	119,871.39	234,089.64
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However, the company has not been able to show evidence of the separation mechanism of FFB in areas within 1 block of certified and non-certificated areas (plasma).

04 December 2017

The Company showed the Minutes of Meeting in November 2017 relating to the Boundary Marking between the own estate and the Plasma estate by marking the trees. For the own area is given a blue mark while for the plasma area is given a white mark.

In addition, the company shows a FFB Delivery Letter on certified areas (own estate) and non-certified areas (plasma estates). Differences are made on RSPO certified tags/stamps. However, the company just shown the FFB Delivery Letter in different block. The company must show the Delivery Letter and / or FFB recapitulation of separation of FFB especially in areas where within 1 block there are own estate (certificate) and plasma area (non-certificate).

Based on the above explanation, this Nonconformity is not fulfilled yet.

08 December 2017

The Company shows the FFB Delivery Letter from the area within 1 block of the Own Area (certificate) and plasma area (non-certificate), for example on MUTE block G10a & G10b dated October 23, 2017, STHE I19a block dated November 4th and KNDE on block H40a dated 05 December 2017. Delivery Letter from certified areas is distinguished by the RSPO Mixed stamp.

The Company has identified areas that are not certified. For areas not yet certified in KNDE, MUTE and STHE belong to the Kelompok Tani Bersama (KT Sawit Bersama). This is recorded in Certified and Non-certified FFB Separation Document of PT GKG & GKS.

The data separation mechanism of FFB is done by separating FFB delivery letter of Certified and Non certified by weighbridge officer. Then RSPO clerk conducting the recapitulation data and verified by EHS & Commercial assistant every month.

Based on the explanation, the Non-conformity has been fulfilled and will be observed at the next assessment.

Verified by	:	Muhammad Rinaldi
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NCR No.	:	2017.08	Issued by	:	Muhammad Rinaldi
Date Issued	:	13 October 2017	Time Limit	:	12 December 2017
NC Grade	:	MAJOR	Date of Closing	:	29 November 2017
Standard Ref. & Requirement	:	E.4.2 The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.			
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> The Company has not shown evidence that the production of FFB, CPO, and PK certified does not exceed from the existing quota of the certificate.					
Root Cause Analysis <i>(filled by organization audited):</i> Lack of knowledge from the PIC Sustainability Mill (KNDM new staff) to inform the Certification Departement that there is an over of production quota of FFB, CPO and Kernel certified					
Correction <i>(filled by organization audited):</i> Certification Department at Jakarta immediately informed that the excess of production quota of FFB, CPO and Kernel certified to the CB					
Corrective Action <i>(filled by organization audited):</i> 1. Conducting RSPO-SCCS training to related PICs and scheduled the refresh training annually 2. Conduct review and monitoring of quarterly production data in monthly RSPO meetings followed by representative units or staff representing and PIC units					
Assessor Evaluation and Conclusion <i>(filled by auditor):</i> 29 November 2017 The Company shows Monitoring of FFB processed, Production and Sales of CPO and PK, from the data it is known that production of certified products from December 2016 - October 2017, among others: <ul style="list-style-type: none"> • FFB: 114,218 Ton → total estimasi di sertifikat 115,645 Ton • CPO: 26,009 Ton → total estimasi di sertifikat 27,755 Ton • PK: 4,975 Ton → total estimasi di sertifikat is 5,782 Ton The Company has informed CB to add production quotas on November 28, 2017. The Company showed evidence of socialization related to SCCS conducted on 09 November 2017 to Estate Manager, Sustainability Administration, Production Administration and RSPO till Section Chief. Based on the explanation, the Non-conformity has been fulfilled and will be observed at the next assessment.					
Verified by	:	Muhammad Rinaldi			

NCR No.	:	2017.09	Issued by	:	Muhammad Rinaldi					
Date Issued	:	13 October 2017	Time Limit	:	12 December 2017					
NC Grade	:	MAJOR	Date of Closing	:	29 November 2017					
Standard Ref. & Requirement	:	E.5.1 a. The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a three-monthly basis. b. All volumes of palm oil and palm kernel oil that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO. c. The site can only deliver Mass Balance sales from a positive stock. Positive stock can include product ordered for delivery within three months. However, a site is allowed to sell short.(ie product can be sold before it is in stock.)								
Non-Conformance Description & Evidence observed (filled by auditor): Kendawangan Mill shows data on the separation of production and sales of certified and non certified CPO and PK but has not been able to show proof that it has recorded and balances the acceptance of FFB certified and delivery of CPO and PK on a quarterly basis, within one certificate period and has not been able to show that the certified products sales are from Positive Stock.										
Root Cause Analysis (filled by organization audited): Lack of knowledge from PIC Sustainability Mill (KNDM new staff) to record and balance data on production of FFB, CPO and Kernel certified and delivery of CPO and Kernel on quarterly basis										
Correction (filled by organization audited): 1. Conduct socialization and training to the relevant PIC regarding the recording and balancing of production data of FFB, CPO and Kernel certified on quarterly basis 2. Evaluate the results of the data to ensure that shipments and sales of certified products do not exceed the positive stock										
Corrective Action (filled by organization audited): 1. Conducting training to PIC by the Region sustainability staff and scheduled to refresh the training annually 2. Conduct review and monitoring of quarterly production data in monthly RSPO meetings followed by all unit managers and PIC units										
Assessor Evaluation and Conclusion (filled by auditor): 29 November 2017 The Company showed evidence of socialization related to SCCS conducted on 09 November 2017 to Estate Manager, Sustainability Administration, Production Administration and RSPO till Section Chief. The company also showed Monitoring of FFB processed, Production and Sales of CPO and PK explaining the FFB processed, CPO production and PK production with the following data:										
Period	FFB		Crude Palm Oil (CPO)				Palm Kerel (PK)			
	FFB RSPO (Ton)	FFB NON RSPO (Ton)	RSPO		Non RSPO		RSPO		Non RSPO	
			Production (Ton)	Selling (ton)	Producti on (Ton)	Selling (ton)	Producti on (Ton)	Selling (ton)	Producti on (Ton)	Selling (ton)
Dec-16	15,255	11,948	3,323	-	2,602	4,594	584		458	300
Jan-17	10,440	12,347	2,461	-	2,910	5,356	437		517	-

Feb-17	11,130	12,455	2,509	-	2,807	4,750	494	600	553	400
Total	36,824	36,751	8,293	-	8,319	14,700	1,515	600	1,528	700
Stok			8,293		(6,381)		915		828	
Mar-17	10,841	12,701	2,567	-	3,008	6,500	507	815.05	594	-
Apr-17	10,967	13,594	2,505	-	3,105	3,484	556	1,499.95	689	-
May-17	9,932	10,292	2,200	-	2,280	4,847	444	1,000	460	-
Total	31,740	36,587	7,272	-	8,393	14,831	1,507	3,315	1,743	-
Stok			15,565		(12,819)		(893)		2,571	
Jun-17	8,156	9,732	1,791	-	2,137	3,914	357	1,400	426	-
Jul-17	9,771	10,743	2,189	-	2,406	4,664	429		472	1,250
Aug-17	10,418	11,770	2,372	-	2,680	4,920	433	100	490	950
Total	28,345	32,244	6,352	-	7,223	13,498	1,219	1,500	1,388	2,200
Stok			21,917		(19,094)		(1,174)		1,759	
Sep-17	9,425	8,786	2,216	-	2,066	4,500	400	-	373	925
Oct-17	7,885	5,503	1,877	-	1,310	1,800	333	-	232	625
Nov - 17			-	-		-				
Total	17,309	14,289	4,093	-	3,376	6,300	733	-	605	1,550
Stok			26,010		(22,018)		(441)		814	

Based on these data is known in March to May 2017 there are sales that result in 3 monthly stock becomes negative. This has been improved by the management by conducting socialization to commercial parties on 05 June 2017 so that in the next month there is no more sales / new contract sales of certified PK products.

Based on the explanation, **the Non-conformity has been fulfilled and will be observed again at the next assessment.**

Verified by : **Muhammad Rinaldi**

3.5.3 Opportunity for Improvement

No	Ref Std	Descriptions
1	2.2.3	Company need to improve documentation of land disputes processes.
2	4.3.4	Ensure the calculation of the peat surface decline has been in accordance with the Regulation of LH No. 7 of 2006 related to biomass damage.
3	4.5.2	Ensure increased competence and understanding of PHT Officer in terms of integrated pest management.
4	4.6.4	Ensure the realization of the introduction program of tyto alba as a natural predator of rats to reduce the use of klerat (WHO pesticide 1A).
5	4.6.6	<ul style="list-style-type: none"> Ensure the placement of chemicals in accordance with the place that has been established company Ensure pesticide package is not used for other purposes either from the company area or from outside the company
6	6.5.2	Ensure company's policy related to Family System implemented consistently (Observation)
7	6.6.1	Socialization about worker union to all worker.
8	7.3.1	PT GKG - GKS has reported disclosure liability obligations and has obtained endorsement by RSPO, Progress of the follow-up progress of liability obligations will be observed during next surveillance
9	Certification System RSPO 4.2.3	Need to re-ensure of all scheme smallholders to get RSPO certificate in next assessment (3 years after mill get certificate)



3.5.4 Noteworthy Positive Components

No	Descriptions
1	Have earned and retained RSPO certificate for 2 years
2	Received an environmental certificate with "BLUE" rank from Environment Agency
3	Established and implemented a partnership of oil palm plantations with communities through cooperatives. 3 cooperatives in partnership with GKG (Bina Sari, Karya Bersama and Usaha Bersama) and 2 cooperatives in partnership with GKS (Fajar Mandiri and Rimba Sari)
4	Has provided adequate educational facilities

3.6 Summary of Arising Issues from Public and Auditor Verification

Public Issues (Institution/ NGO/Community)	Auditor Verification
Ketapang Regency Manpower and Transmigration Service. <ul style="list-style-type: none"> - The Company has reported P2K3 activities on a regular basis, besides that the company has also submitted a Labor Report Report every semester - In Ketapang Regency, the minimum wage for plantation is Rp 2,480,000, - - There is no dispute between the workforce and the company - In laboratory report (WLTK) reporting please include the number of employees participating in health BPJS 	Comply with criterion at 6.3 and 4.7
People's Housing and Resettlement and Environment Department <ul style="list-style-type: none"> - The company already has Land Application permit and Hazardous storage license - In general, legal aspects of the environment are met - There is no environmental issue in the company area - The company has got the blue proper certificate - The Company has reported hazardous waste, Liquid Waste, and monitoring environment Reports regularly 	Comply with criterion at 5.1 , 5.3 and 4.4
Department of Agriculture, Livestock and Plantation <ul style="list-style-type: none"> - The Company has reported the Plantation Business Development Report on a regular basis - The company has a Scheme Smallholder consisting around the community - The Company has an plantation license (IUP) - There are some land area dispute at the company especially in banjarsari village - The Company has assessed the plantation business for PT GKS GKS by result is PT GKG in category class 2 in 2016 and GKG in category class 2 in 2013 - PT GKG has not done the latest assessed the plantation business 	Comply with criterion at 2.2 and 2.3
Interview with Representative of Dusun Batu Gedang, Desa Mekar Utama <ul style="list-style-type: none"> - Communication and consultation with stakeholder is done through CSR Department. They have understood mechanism for communication. - Company has socialized policy about High Conservation Value and Ban on Land Burning. - Company has conducted fire-fighting simulation. - Notice about job vacancy is still lacking - There are no land disputes with the company. If there is a dispute, the village has a dispute resolution procedure and then proceeds to the company 	Auditor has verified related to CSR based on indicator 6.1.1, 6.1.2, 6.1.3, 6.2.3, 6.3.3.
Interview with Representative of Dusun Bangun Sari, Air Merah, dan Selatan, Banjar Sari Village <ul style="list-style-type: none"> - Communication and consultation with stakeholder is done through CSR Department. They have understood mechanism for communication. - Company has socialized policy about High Conservation Value and Ban on Land Burning. - Company has conducted fire-fighting simulation. - Notice about job vacancy is still lacking 	Auditor has verified related to CSR based on indicator 6.1.1, 6.1.2, 6.1.3, 6.2.3, 6.3.3.

Public Issues (Institution/ NGO/Community)	Auditor Verification
<ul style="list-style-type: none"> - There are no land disputes with the company. If there is a dispute, the village has a dispute resolution procedure and then proceeds to the company 	
Interview with Koperasi Usaha Bersama <ul style="list-style-type: none"> - Management of Smallholder scheme is Full Managed. - The development of the plasma plantation has been completed. The first planting year was 2006. - There is an MoU between the cooperative and the company. 	Has been comply with criteria 6.10
Interview with Koperasi Bina Sari <ul style="list-style-type: none"> - Management of Smallholder scheme is Full Managed. - The development of the plasma plantation has been completed. The first planting year was 2006. - There is an MoU between the cooperative and the company. 	Has been comply with criteria 6.10
Interview with Local Contractor of FFB transport <ul style="list-style-type: none"> - Tersedia Surat Perjanjian Kerja Sama antara kontraktor dengan perusahaan. There is work agreement between contractor and company. - Payment of work is done in accordance with the contract and on time. - PPE is provided by contractor 	<p>Auditor has verified related to local development on criteria 6.10 and 6.11.</p> <p>Auditor telah melakukan verifikasi terkait dengan kontraktor</p>
Worker Union <ul style="list-style-type: none"> - There is no temporary worker. All temporary worker has been appointed as daily permanent worker in early year. - Pertemuan serikat pekerja dilakukan satu bulan sekali setelah pembayaran iuran. Worker union meeting is conducted once a month after payments contribution - There is no force to be a member in worker union. The membership is voluntary. - There is no issue related to worker discrimination and child labor. 	Auditor has been verified related to worker welfare aspect on indicator 6.5.1, 6.5.2, 6.6.1, and 6.6.

4.1	Formal Sign-off of Assessment Findings
<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>Signed on behalf of:</p>	
<p>Bumitama Gunajaya Agri Ltd Certification and Compliance Dept. Head</p>	<p>Mutuagung Lestari Lead Auditor</p>
	
<p><u>Diar H Damanik</u> Monday, 11 December 2017</p>	<p><u>Muhammad Rinaldi</u> Monday, 11 December 2017</p>

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

No	Institution/NGO/Community	Address	No. Telp/e-mail	Consultation type	Date	Respond	
						Yes	No
1	Manpower Agency	Ketapang Regency	-	Interview	9 October 2017	✓	
2	Agriculture, Livestock, and Plantation Agency	Ketapang Regency	-	Interview	9 October 2017	✓	
3	Environment Agency	Ketapang Regency	-	Interview	9 October 2017	✓	
4	Representative of Mekar Utama Village	Ketapang Regency	-	Interview	10 October 2017	✓	
5	Representative of Banjarsari Village	Ketapang Regency	-	Interview	10 October 2017	✓	
6	Usaha Bersama Cooperative	Ketapang Regency	-	Interview	10 October 2017	✓	
7	Bina Sari Cooperative	Ketapang Regency	-	Interview	10 October 2017	✓	
8	Local Contractor of FFB Transport	Ketapang Regency	-	Interview	10 October 2017	✓	
9	Worker Union	Ketapang Regency	-	Interview	11 October 2017	✓	
10	Cooperative Employee	Ketapang Regency	-	Interview	11 October 2017	✓	
11	Sungai Tapah Estate - 4 harvesters - 8 spraying workers - 11 manuring workers - 1 mechanic and 1 head of workshop - 1 midwife	Ketapang Regency	-	Interview	11 October 2017	✓	
12	Mekar Utama Estate - 5 harvesters - 3 spraying workers - 1 IPM works - 1 midwife	Ketapang Regency	-	Interview	12 October 2017	✓	
13	Kendawangan Mill - 3 grading worker - 1 engine room operator - 2 boiler operator - 1 mechanic	Ketapang Regency	-	Interview	11 October 2017	✓	
14	AMAN	Jakarta	rumahaman@cbn.net.id	Questionnaire through email	4 October 2017		✓
15	WALHI	Jakarta	informasi@walhi.or.id	Questionnaire through email	4 October 2017		✓
16	International Animal Rescue Indonesia (IARI)	Jakarta	info@internationalanimalrescue.org	Questionnaire through email	4 October 2017		✓
17	Sawit Watch	Jakarta	info@sawitwatch.or.id	Questionnaire through email	4 October 2017		✓

Appendix 2. Assessment Program

DATE		09-14 October 2017	
PLANNED TIM	ACTUAL DURATION	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
Monday, 09 October 2017			
05.30 - 09.00	05.30 - 09.00	Traveling from Jakarta to Ketapang	Auditor Team
09.30 -	09.30 -	Public consultation with Government Agencies in Ketapang District	YHN
09.30 - 12.00	09.30 - 12.00	Traveling from Ketapang to PT GKG-GKS	MRD, HRK, HSS, AAS
14.00 -14.30	14.00 -14.30	Opening Meeting <ul style="list-style-type: none"> Auditee Speech (Introduction of PIC, Profile of Mill and Estates Management Unit) Auditor Team Speech (Introduction, Audit Objective, Audit Scope, Audit Plan Discussion, Determine of Audit Sample, Determine of Field Visit Audit, Transparency and Confidentiality Clarification) 	Auditor Team & MR of PT GKG-GKS
14.40- 17.00	14.40- 17.00	<ul style="list-style-type: none"> Review of Previous Visit Non-conformance (RSPO ASA-1) Document Verification <ul style="list-style-type: none"> Basic Information Time Bound Plan & Partial Certification 	Auditor Team Auditor Team HRK MRD
Tuesday, 10 October 2017			
08.00 – 12.00	08.00 – 12.00	Field Observation to Banjarsari Estate (PT GKS) <ul style="list-style-type: none"> Implementation of Agronomy Aspect (Harvesting & Transportation, Fertilize, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application, fragile soil) & Implementation of Occupational Health & Safety Aspect Implementation of Environmental, Conservation and Waste Management Aspect (Domestic Waste Management, Fire Control Facilities and HCV Area). Implementation of Legal Aspect (Land Ownership, Legal Boundaries), Observation of Workers Facilities (Housing, School, Worship Place, Clinic, etc). Stakeholder Consultation <ul style="list-style-type: none"> Implementation of Social Aspect (Communication and Transparency, Procedure and Mechanism of Complaint and Grievance) Interview with Representative of Mekar Utama, Kendawang, Banjarsari & Seriam Village, gender committee, Worker Union, Worker Cooperatives, Plasma Cooperatives and local contractor FFB transporter of PT.GKS and PT GKG 	HRK,HSS MRD MRD YHN AAS
12.00 – 14.00	12.00 – 14.00	Break	
14.00 – 17.00	14.00 – 17.00	Clarification of Field Observation and interview & Completing of Check List	Auditor Team
Wednesday, 11 October 2017			
08.00 - 12.00	08.00 - 12.00	Field Observation to Sungai Tapah Estate (PT GKG) <ul style="list-style-type: none"> Implementation of Agronomy Aspect (Harvesting & Transportation, Fertilize, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application, fragile soil) & Implementation of Occupational Health & Safety Aspect Implementation of Environmental, Conservation and Waste Management Aspect (Domestic Waste Management, Fire Control Facilities and HCV Area). 	HRK,HSS MRD,YHN

DATE		09-14 October 2017	
PLANNED TIM	ACTUAL DURATION	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
		<ul style="list-style-type: none"> Implementation of Legal Aspect (Land Ownership, Legal Boundaries), Observation of Workers Facilities (Housing, School, Worship Place, Clinic, etc). 	MRD,YHN AAS
12.00 -14.00	12.00 -14.00	Break	
14.00 -17.00	14.00 -17.00	Field Observation to Kendawang POM (PT GKG) <ul style="list-style-type: none"> SCCS Verification Production/Processing, Health & Safety and Worker Rights (Status, Payment Condition, Gender Aspect, etc) Emergency Equipment Check & Emergency Team Interview Hazardous Waste Storage, POME + Land Application Management of Environment (Environment monitoring station & GHG, etc) Clarification of Field Observation and interview & Completing of Check List	Auditor Team
Thursday, 12 October 2017			
08.00-12.00	08.00-12.00	Field Observation to Mekar Utama Estate (PT GKG) <ul style="list-style-type: none"> Implementation of Agronomy Aspect (Harvesting & Transportation, Fertilize, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application, fragile soil) & Implementation of Occupational Health & Safety Aspect Implementation of Environmental, Conservation and Waste Management Aspect (Domestic Waste Management, Fire Control Facilities and HCV Area). Implementation of Legal Aspect (Land Ownership, Legal Boundaries), Observation of Workers Facilities (Housing, School, Worship Place, Clinic, etc). 	HRK,HSS MRD,YHN MRD,YHN AAS
12.00 -14.00	12.00 -14.00	Break	
14.00 -17.00	14.00 -17.00	Clarification of Field Observation and interview & Completing of Check List	Auditor Team
Friday, 13 October 2017			
08.00-12.00	08.00-12.00	Clarification of Field Observation and interview & Completing of Check List	Auditor Team
12.00 -16.00	12.00 -16.00	Preparation of audit conclusion	
16.00 -18.00	16.00 -18.00	Closing meeting	Auditor Team & MR of PT GKG-GKS
19.00 - ...	19.00 - ...	Travel from PT GKG-GKS to Ketapang	Auditor Team
Saturday, 14 October 2017			
07.30 -	07.30 -	Travel from Ketapang to Jakarta	Auditor Team