

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

**[ ✓ ] Initial Certification**

Name of Management : Bukit Makmur Palm Oil Mill – PT Karya Makmur Bahagia, subsidiary of  
Organisation : Bumitama Agri Limited  
Plantation Name : Bukit Makmur Estate and Bukit Kecubung Estate  
Location : Sungai Hanya Village, Antang Kalang Sub-District, Kotawaringin Timur  
District, Kalimantan Tengah Province, Indonesia  
Certificate Code : **MUTU-RSPO/140**  
Date of Certificate Issue : 27 December 2019      Date of License Issue : 27 December 2019  
Date of Certificate Expiry : 26 December 2024      Date of License Expiry : 26 December 2020

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
IC	08 to 12 July 2019	Moh Arif Yusni (Lead Auditor), Arif Faisal Simatupang, Radytio Puspanjana and Yudhi Yuniarto Tallutondok	Ganapathy Ramasamy	Ardiansyah

Assessment	Approved by MUTUAGUNG LESTARI on:
IC	27 December 2019

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Figure 1. Location Map of PT Karya Makmur Bahagia

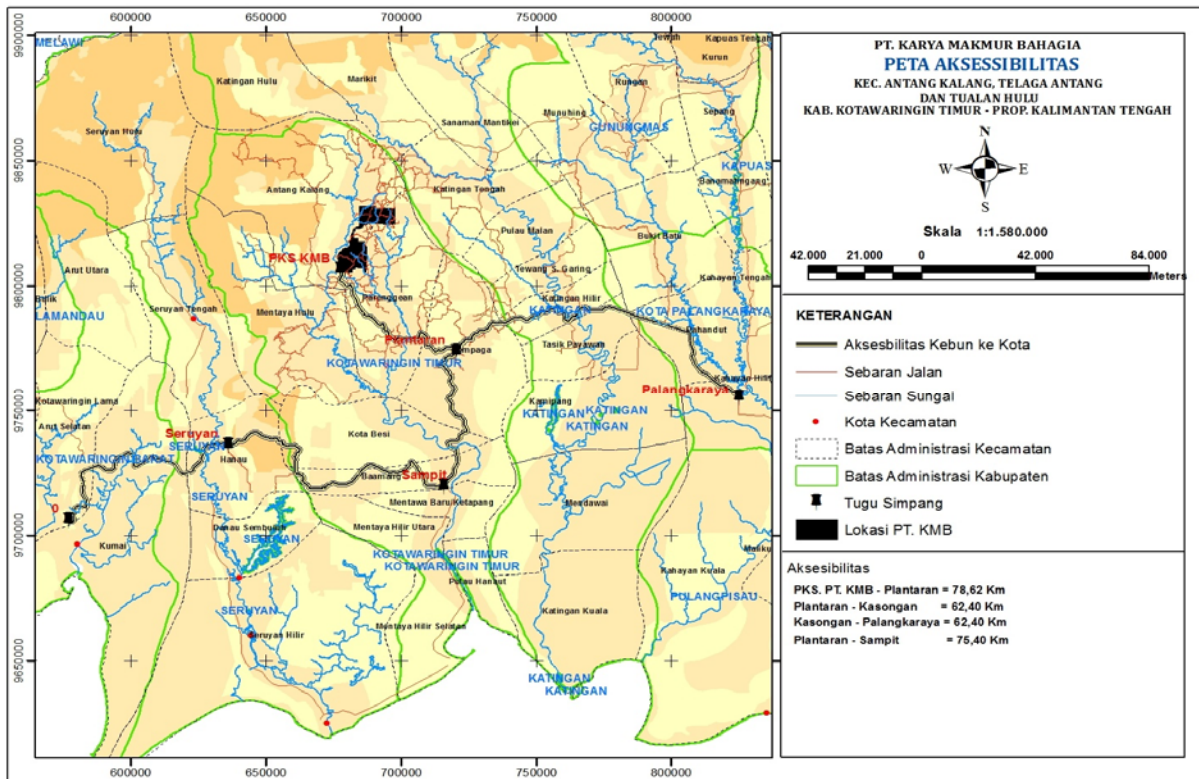
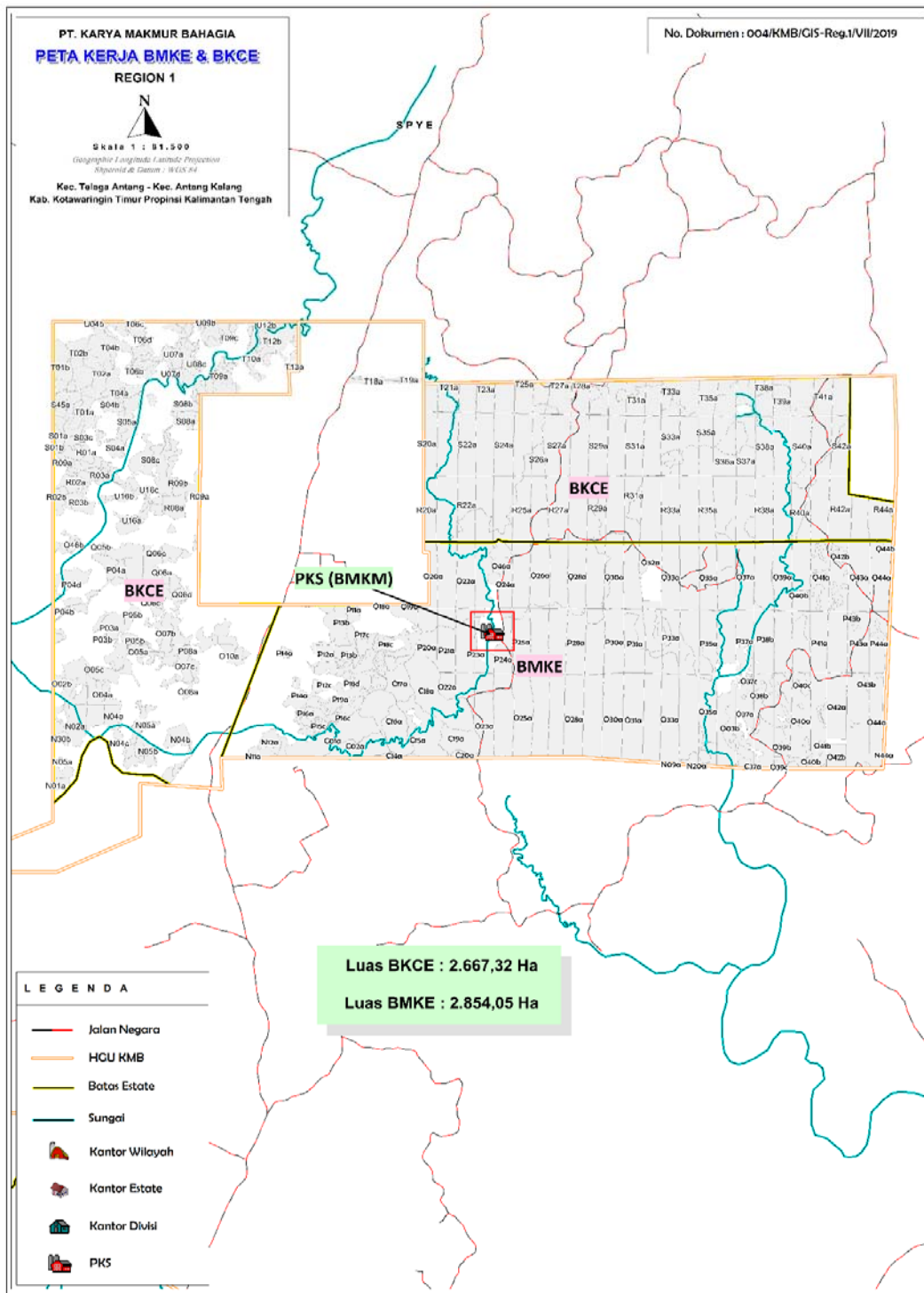


Figure 2. Operational Map of Bukit Makmur Estate and Bukit Kecubung Estate



**Abbreviations Used**

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

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

<b>1.0</b>	<b>SCOPE of the CERTIFICATION ASSESSMENT</b>		
<b>1.1</b>	<b>Assessment Standard Used</b>	<ul style="list-style-type: none"> <li>• Indonesian Nasional Interpretasi Prinsip dan Kriteria RSPO 2013 Untuk Indonesia Juli 2016, approved RSPO Governors 30 September 2016.</li> <li>• RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 revised on 14 June 2017 (Module D / E for CPO Mill)</li> <li>• RSPO Certification System for Principles and Criteria, 14 June 2017</li> </ul>	
<b>1.2</b>	<b>Organisation Information</b>		
1.2.1	Organisation name listed in the certificate	PT Karya Makmur Bahagia subsidiary of Bumitama Agri Limited	
1.2.2	Contact person	Lim Sian Choo	
1.2.3	Organisation address and site address	<ul style="list-style-type: none"> <li>• RSPO registered company: Jl. Melawai Raya No. 10 Kebayoran Baru Jakarta Selatan 12160 Indonesia .</li> <li>• Liaison Office: Jl. Melawai Raya No. 10 Kebayoran Baru Jakarta Selatan 12160 Indonesia.</li> </ul>	
1.2.4	Telephone	(62-21) 727 98418	
1.2.5	Fax	(62-21) 727 98665	
1.2.6	E-mail	<a href="mailto:lim.sian.choo@bumitama.com">lim.sian.choo@bumitama.com</a>	
1.2.7	Web page address	<a href="http://www.bumitama-agri.com">www.bumitama-agri.com</a>	
1.2.8	Management Representative who completed the application for certification	Lim Sian Choo (Head of CSR and Corporate Sustainability)	
1.2.9	Registered as RSPO member	1-0043-07-000-00 – 08 October 2007	
<b>1.3</b>	<b>Type of Assessment</b>		
1.3.1	Scope of Assessment and Number of Management Unit	<b>Palm Oil Mill and Supply Base</b> Bukit Makmur Mill, Bukit Makmur Estate, and Bukit Kecubung Estate	
1.3.2	Type of certificate	Single	
<b>1.4</b>	<b>Locations of Mill and Plantation</b>		
1.4.1	Location of Mill		
	<b>Name of Mill</b>	<b>Location</b>	<b>Coordinate</b>
			<b>Latitude</b> <b>Longitude</b>
	Bukit Makmur Mill	Sungai Hanya Village, Antang Kalang Sub-District, Kotawaringin Timur District, Kalimantan Tengah Province, Indonesia.	S 01° 34' 04"      E 112° 43' 16"
1.4.2	Location of Certification Scope of Supply Base		
	<b>Name of Supply Base</b>	<b>Location</b>	<b>Coordinate</b>

		Latitude	Longitude																																																																			
Bukit Makmur Estate (BMKE)	Sungai Hanya Village, Antang Kalang Sub-District, Kotawaringin Timur District, Kalimantan Tengah Province, Indonesia.	S 01° 34' 23"	E 112° 45' 15"																																																																			
Bukit Kecubung Estate (BKCE)	Waringin Agung Village, Antang Kalang Sub-District, Kotawaringin Timur District, Kalimantan Tengah Province, Indonesia.	S 01° 33' 22"	E 112° 43' 00"																																																																			
<b>1.5 Description of Area Statement</b>																																																																						
1.5.1	Tenure																																																																					
	• State HGU	15,056.31*	Ha																																																																			
	• Community	-	Ha																																																																			
	*The HGU was titled to PT Karya Makmur Bahagia, consist of Bukit Makmur Estate (3,173.28 ha), Bukit Kecubung Estate (3,393.51 ha), Gunung Makmur Estate (3,832.07 ha), Bukit Daman Estate (1,697.72 ha), and Sungai Mentaya Estate (2,959.74 ha). However, the scope of certification of Bukit Makmur POM consist of Bukit Makmur Estate and Bukit Kecubung Estate only, covers 6,566.79 ha.																																																																					
1.5.2	<b>Area Statement</b>																																																																					
	Total area	6,566.79	Ha																																																																			
	Planted area	5,533.04	Ha																																																																			
	• Mature area	5,533.04	Ha																																																																			
	• Immature area	-	Ha																																																																			
	Mill, emplacement, office	430.70	Ha																																																																			
	HCV, riparian, buffer zone	338.58	Ha																																																																			
	Occupation	264.47	Ha																																																																			
<b>1.6 Planting Year and Cycles</b>																																																																						
1.6.1	Age profile of planting year																																																																					
	<table> <tr> <th rowspan="2">Planting Year</th><th colspan="3">Hectarage (Ha)</th></tr> <tr> <th>Bukit Makmur Estate</th><th>Bukit Kecubung Estate</th><th>Total</th></tr> <tr><td>2000</td><td>75.00</td><td>-</td><td>75.00</td></tr> <tr><td>2001</td><td>2.14</td><td>-</td><td>2.14</td></tr> <tr><td>2002</td><td>109.24</td><td>-</td><td>109.24</td></tr> <tr><td>2005</td><td>1.00</td><td>10.55</td><td>11.55</td></tr> <tr><td>2006</td><td>180.51</td><td>115.54</td><td>296.05</td></tr> <tr><td>2007</td><td>1,603.08</td><td>1,039.60</td><td>2,642.68</td></tr> <tr><td>2008</td><td>514.09</td><td>588.95</td><td>1,103.04</td></tr> <tr><td>2009</td><td>137.17</td><td>79.88</td><td>217.05</td></tr> <tr><td>2010</td><td>17.49</td><td>132.53</td><td>150.02</td></tr> <tr><td>2011</td><td>120.13</td><td>425.61</td><td>545.74</td></tr> <tr><td>2012</td><td>78.52</td><td>209.38</td><td>287.90</td></tr> <tr><td>2013</td><td>13.19</td><td>79.44</td><td>92.63</td></tr> <tr><td><b>Sub Total Mature</b></td><td><b>2,851.56</b></td><td><b>2,681.48</b></td><td><b>5,533.04</b></td></tr> <tr><td><b>Sub Total Immature</b></td><td>-</td><td>-</td><td>-</td></tr> <tr><td><b>TOTAL</b></td><td><b>2,851.56</b></td><td><b>2,681.48</b></td><td><b>5,533.04</b></td></tr> </table>			Planting Year	Hectarage (Ha)			Bukit Makmur Estate	Bukit Kecubung Estate	Total	2000	75.00	-	75.00	2001	2.14	-	2.14	2002	109.24	-	109.24	2005	1.00	10.55	11.55	2006	180.51	115.54	296.05	2007	1,603.08	1,039.60	2,642.68	2008	514.09	588.95	1,103.04	2009	137.17	79.88	217.05	2010	17.49	132.53	150.02	2011	120.13	425.61	545.74	2012	78.52	209.38	287.90	2013	13.19	79.44	92.63	<b>Sub Total Mature</b>	<b>2,851.56</b>	<b>2,681.48</b>	<b>5,533.04</b>	<b>Sub Total Immature</b>	-	-	-	<b>TOTAL</b>	<b>2,851.56</b>	<b>2,681.48</b>	<b>5,533.04</b>
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<b>TOTAL</b>	<b>2,851.56</b>	<b>2,681.48</b>	<b>5,533.04</b>																																																																			

1.6.2	New Planting area after January 2010			983.66 Ha			
1.6.3	Planting Cycle			1 <sup>st</sup> Cycle			
1.7	Description of Mill and Supply Base						
1.7.1	Description of Mill						
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel	
				Out put (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)
	Bukit Makmur Mill	60	201,566.13	47,609.92	23.62	9,332.51	4.63
*Production data source from July 2018 to June 2019							
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)	%
	Bukit Makmur Estate	3,173.28	2,851.56	53,703.97	18.83	53,703.97	100
	Bukit Kecubung Estate	3,393.51	2,681.48	45,773.01	17.07	45,773.01	100
	TOTAL	6,566.79	5,533.04	99,476.98	17.97	99,476.98	100
*Production data source from July 2018 to June 2019							
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)		
	GMKE	PT KMB	-	3,832.07	13,059.58		
	BDME	PT KMB	-	1,697.72	838.41		
	SMNE	PT KMB	-	2,959.74	1,823.29		
	MAGE	PT KMB (Plasma)	236	1,779.16	49,412.69		
	SPYE	PT KMB (Plasma)	66	760.18	19,760.39		
	SMNE	PT TTL	-	-	158.55		
	BAGE	PT TTL (Plasma)	567	-	463.77		
	SMRE	PT TTL	-	-	106.85		
	BHJE	PT TTL (Plasma)	500	-	16,465.62		
TOTAL					102,089.15		
*Production data source from July 2018 to June 2019							
1.7.4	Product categories			FFB, CPO, PK			
1.8	Tonnage of Product						
1.8.1	Past Annual Claim Certified Product			Last Year Projected Certified Volume (MT)		Last Year Actual Certified Volume (mm yy to mm yy) (MT)	
	FFB Processed			-		-	
	CPO Production			-		-	
	Palm Kernel (PK) Production			-		-	
1.8.2	Product selling						
	Type of selling product			Actual selling product for for last year (MT)			

	CSPO sold as RSPO certified product							-
	CSPK sold as RSPO certified product							-
	CSPO sold under other scheme							-
	CSPK sold under other scheme							-
	CSPO sold as conventional							-
	CSPK sold as conventional							-
1.8.3	Estimate of Certified FFB Claim							
	Name of Estate		Total Area (Ha)	Planted Area (Ha)		FFB (tonnes/year)		Yield (tonnes/ha/year)
	Bukit Makmur Estate		3,173.28	2,851.56		57,463		20.15
	Bukit Kecubung Estate		3,393.51	2,681.48		48,977		18.26
	TOTAL		6,566.79	5,533.04		106,440		19.24
*Projected FFB production for 27 December 2019 – 26 December 2020								
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 (%)	
	Bukit Makmur Mill	60	106,440	25,230	23.70	5,000	4.70	MB
*Projected CSPO and CSPK production for 27 December 2019 – 26 December 2020								
1.9	Other Certifications							
	-			-				
1.10	Time Bound Plan							
1.10.1	Time Bound Plan for Other Management Units							
	Management Unit		Estate (Supply Base)	Time Bound Plan	Location	Status		
	MILL	Time Bound Plan						
	Pundu Nabatindo (PT Windu Nabatindo Lestari)	2014	Pundu Nabatindo	2014	KotawaringinTimur Regency Kalimantan Tengah	Certified		
			Koperasi Harapan Abadi	2020		-		
			Kelompok Tani Tenera (Independent Smallholders)	2018	Katingan Regency, Kalimantan Tengah	Certified		
			PT Fajar Bumi Nabati (FBI)	2019		-		
			PT Gemilang Subur Maju (GSM)	2019	Kotawaringin Timur Regency Kalimantan Tengah	-		
	Katari Agro (PT Windu Nabatindo Lestari)	2016	Pelantaran Agro Estate	2016	Kotawaringin Timur Regency, Kalimantan Tengah	Certified		
			Katari Agro Estate					
			Pantai Mas Estate					
	Gunung Makmur (PT Karya Makmur)	2014	Gunung Makmur	2014	Kotawaringin Timur Regency, Kalimantan Tengah	Certified		
			Sungai Mentaya					
			Bukit Daman					

Bahagia)		KUD Mekar Jaya	2019		ST-2 Audit (June 2019)
		KUD Sekar Tani	2019		ST-2 Audit (June 2019)
		KUD Lestari	2019		ST-2 Audit (June 2019)
		KUD Marga Rahayu	2019		ST-2 Audit (June 2019)
		KUD Usaha Bersama	2019		ST-2 Audit (June 2019)
		KUD Tani Santoso	2019		ST-2 Audit (June 2019)
		PT Tanah Tani Lestari	2020		NPP Audit (2018)
		Koperasi Hapakat (PT TTL)	2020		-
		Koperasi Rika Bersatu (PT TTL)	2020		-
		Koperasi Usaha Bersama (PT TTL)	2020		-
		Koperasi Eka Kaharap (PT TTL)	2020		-
		Koperasi Berkat Usaha Bersama (PT TTL)	2020		-
		Koperasi Bina Tani (PT TTL)	2020		-
		Kelompok Tani Karya Bersama (Independent Smallholders)	2020		-
Bukit Makmur (PT Karya Makmur Bahagia)	2019	Bukit Makmur	2014	Kotawaringin Timur Regency, Kalimantan Tengah	Previous on GMKM certification scope
		Bukit Kecubung	2014		Previous on GMKM certification scope
		Sungai Puring (PT Langgeng Makmur Sejahtera)	2020		No NPP have got sanction
		Koperasi Telawang Bersatu	2020		-
		Koperasi Hinje Ate	2020		-
		Koperasi Eka Kaharap (PT LMS)	2020		-
Kotawaringin (PT Bumitama Gunajaya Abadi)	2019	Sepantaian	2019	Kotawaringin Barat Regency, Kalimantan Tengah	No NPP have got sanction
		Danau Merah			
		Kotawaringin			
		Tonam Raya			
Lamandau Mill (PT Bumitama Gunajaya Abadi)	2020	(PT Bumitama Gunajaya Abadi)	2020	Lamandau Regency, Kalimantan Tengah	-
		Kumai Hilir Estate (PT Andalan Sukses Makmur)	2020	Kotawaringin Barat Regency, Kalimantan Tengah	NPP Was Complete
		PT Investa Karya Bhakti	2020	Lamandau Regency, Kalimantan Tengah	NPP Was Complete
		Koperasi Kompak Maju Bersama	2020	Lamandau Regency, Kalimantan Tengah	-

		Koperasi Mitra Bahaum	2020	Lamandau Regency, Kalimantan Tengah	-
		Koperasi Tanjung Biru	2020	Lamandau Regency, Kalimantan Tengah	-
		Koperasi Seberang Jaya Sejati	2020	Lamandau Regency, Kalimantan Tengah	-
		Koperasi Pulai Sejahtera	2020	Kotawaringin Barat Regency, Kalimantan Tengah	-
Kendawangan Mill (PT. Gunajaya Karya Gemilang)	2016	Mekar Utama	2016	Ketapang Regency, Kalimantan Barat	Certified 2015
		Kendawangan			
		Banjar Sari			
		Seriam Jaya			
		Membuluh Jaya			
	2019	Koperasi Serba Usaha Bersama	2019	Ketapang Regency, Kalimantan Barat	-
		Koperasi Binasari			
		Koperasi Serba Usaha Karya Bersama			
		Koperasi Binasari			
		Koperasi Perkebunan Fajar Mandiri			
		Koperasi Rimba Sari			
SukaDamai (PT Rohul Sawit Industri)	2019	PT Masuba Citra Mandiri – 1,567.07 Ha	2019	Rokan Hulu Regency, Riau	Certified 2019
		PT Masuba Citra Mandiri – 326.04 Ha the area which suspect into liability mechanism	2020	Rokan Hulu Regency, Riau	-
		Koperasi Karya Melayu Sejati	2019	Rokan Hulu Regency, Riau	-
Pembangunan Raya Mill (PT Agro Sejahtera Mandiri)	2019	Pembangunan Raya	2019	Ketapang Regency, Kalimantan Barat	Certified 2019
		Bengkuang Raya	2019		
		Belaban Raya	2019		
		KopBun Agro Seriam Mandiri	2019		
		Teluk Rengit (PT Gunajay Harapan Lestari)	2020	Ketapang Regency, Kalimantan Barat	-
		Belaban – 768.72 Ha the area which suspect into liability mechanism	2020	Ketapang Regency, Kalimantan Barat	-
		Koperasi Bawal Sejahtera Mandiri	2020	Ketapang Regency, Kalimantan Barat	-
Sungai Rasau Mill (PT Karya Bakti Agro Sejahtera)	2020	Marau Raya	2020	Ketapang Regency, Kalimantan Barat	ST-1 (2014)
		KUD Rangkong Bertuah	2020	Ketapang Regency, Kalimantan Barat	-
		KUD Rasau Tiga Bersama	2020	Ketapang Regency, Kalimantan Barat	-
		PT Agriplus	2021	Ketapang Regency, Kalimantan Barat	-
Selucing Mill (PT. Windu Nabatindo)	2020	Serawak Damai (PT Windu Nabatindo Sejahtera)	2020	Central Kalimantan	Have not obtained the HGU

	Abadi)					
	Sungai Cempaga Mill (PT. Windu Nabatindo Abadi)	2020	PT. Windu Nabatindo Abadi	2020	Central Kalimantan	No NPP have got sanction
			PT Nabatindo Karya Utama	2020	Central Kalimantan	NPP was complete
			KSU Sehati Pundu	2020	Central Kalimantan	-
			Koperasi Koling Hapakat	2020	Central Kalimantan	-
	Bukit Tunggul Jaya Mill (PT Ladang Sawit Mas)	2020	PT Ladang Sawit Mas	2020	Ketapang Regency, West Kalimantan	NPP
			KopBun Bukit Tunggul Sejahtera	2020		-
			KopBun Mitra Perjalanan Permai	2020		-
			PT Lestari Gemilang Intisawit	2020		NPP was complete
			Koperasi Kayong Sekayuk	2020		
			Koperasi Mitra Sejati	2020		-
			PT Ago Manunggal Sawitindo	2020		NPP was complete
			PT Nabati Agro Subur	2020		-
			PT Sejahtera Sawit Lestari	2020		-
			PT Karya Makmur Langgeng	2020		NPP was complete
			PT Gemilang Makmur Subur	2021		NPP on Process
			Koperasi Istana Pawan Mandiri	2021		-
			Koperasi Rungau Sejahtera	2021		-
			PT Dmai Agro Sejahtera	2021		NPP on Process
	Bukit Belaban Mill (PT Sentosa Prima Agro) **Replanting from Acquisition	2021	PT Sentosa Prima Agro	2021	Ketapang Regency, West Kalimantan	-
			PT Raya Sawit Manunggal	2021		-
PT Wahana Hijau Indah			2021	-		
PT Hungarindo Persada			2022	-		
1.10.2	Progress of Associated Smallholders and Outgrowers for Certifiable Standard					
	Initial assessment of smallholders Bukit Kecubung Estate (KUD Waringin Jaya), Mulya Agung Estate (KUD Sekar Tani dan KUD Marga Rahayu), Sungai Penyahuan Estate (KUD Usaha Bersama) were conducted together with re-certification assessment.					

<b>2.0</b>	<b>ASSESSMENT PROCESS</b>
<b>2.1</b>	<b>Assessment Team</b>
<b>IC</b>	<p>1. <b>Moh Arif Yusni (Lead Auditor)</b>. Indonesian citizen. Bachelor of Agriculture, majoring in Plant Protection. Has experience as an operational staff at a private oil palm plantation company in Indonesia on 2010 to 2012. Has attended several trainings, i.e.: ISO 19011, ISO 9001; ISO 14001, SA 8000, RSPO lead auditor, ISPO lead auditor, OHS expert, OHS auditor based on National Government No. 50/2012, SCCS, etc. Has conducting ISPO, RSPO and MSPO audit as an auditor and lead auditor with expertise on best management practices for estate and mill, legality, worker welfare, safety, social, environment, conservation, transparency, long term economic management plan and supply chain for palm oil mill aspects. <b>In this audit, he was assessing the aspects of worker welfare and OHS.</b></p> <p>2. <b>Arif Faisal Simatupang (Auditor)</b>. Bachelor of Agriculture, from Department of Agriculture Agronomy, Faculty of Agriculture, University of Gadjah Mada. He has successfully completed an RSPO endorsed P&amp;C Lead Auditor Training, RSPO SCCS endorsed Lead Auditor Training, Indonesian Sustainable Palm Oil (ISPO) Lead Auditor Training, Management System Certification ISO 9001-2008 Lead Auditor Training, Environmental Management System ISO 14001 Lead Auditor Training, ISO 17021 and ISO 17065 Awareness Training, Management of High Conservation Value (HCV) Training, Social Accountability SA 8000 Training. He has four years of working experience as a Field Assistant on oil palm plantation company in Indonesia. Since 2014, he works as an auditor of RSPO and ISPO in the aspects of legal, social, best management practices of mill and estate, OHS, employment, and environmental. <b>In this audit, he was assessing the aspects of legality, social and SCCS.</b></p> <p>3. <b>Radytio Puspanjana (Auditor)</b>. Indonesian Citizen. Bachelor of agriculture, majoring in Soil Science. Agriculture Faculty. He was working as honorarium Officer at the Riau Province Plantation Agency in the division of huge estate for 1 year. The participated trainings are Survey and Mapping (GIS) Training which was held by National GMT, ISPO auditor training, ISO 9001/2008 auditor training, ISO 14001/2004 auditor training, IHT Geospatial Information System, IHT High Conservation Value, IHT Environmental Impact Assessment, IHT Green House Gas and RSPO Lead Auditor Course by Checkmark Training. Since 2015 has been following many audit as auditor base on Best Management Practice and Environment. <b>In this audit, he was assessing the aspects of environmental.</b></p> <p>4. <b>Yudhi Yuniarto Tallutondok (Auditor)</b>. Indonesian citizen, Bachelor of Fisheries, Padjadjaran University. Have experience of working over three years since 2013 as plantation operations staff in private palm oil plantation company in Indonesia. Training have been followed including Auditor of Indonesian Sustainable Palm Oil (ISPO), Lead Auditor of Roundtable on Sustainable Palm Oil (RSPO), Lead Auditor of ISO 9001:2015, ISO 14001:2015, ISO 22000:2009, ISO 19011:2011, Social Accountability 8000, Basic Management Development Program Agronomy, Fire Anticipation on Land and Forest, Potential Mapping and Conflict Resolution in Production Forests, Awareness ISO 17021 and ISO 17065. Has participated in audit activities for the ISPO and RSPO scheme since 2017 for agronomy, OHS, worker welfare and social. <b>In this audit, he was assessing the aspects of best management practices and transparency.</b></p>
<b>2.2</b>	<b>Assessment Methodology, Assessment Process and Locations of Assessment</b>
<b>2.2.1</b>	<b>Figure of person days to implement assessment</b>
<b>IC</b>	<p>Number of auditors : 4 auditor</p> <p>Number of days for <b>IC</b> at site : 5 days</p> <p>Number of working days for <b>IC</b> at site : 20 Working days</p>
<b>2.2.2</b>	<b>Assessment Process</b>
<b>IC</b>	<p>Bukit Makmur Estate and Bukit Kecubung Estate previously has been certified under scope of Gunung Makmur POM with Certificate No. MUTU-RSPO/045.</p> <p>The assessment was conducted by measuring the sufficiency of consistency implementation done by the PT Karya Makmur Bahagia against requirements of Indonesian National Interpretation of RSPO Principles and Criteria 2013 by INA-NITF revised in July 2016 (Endorsed by the RSPO Board of Governors meeting on 30<sup>th</sup> 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 revised on 14 June 2017 (Module E for CPO Mill).</p>

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

Auditor team have travel from the airport to the site for about 5 hours then conducted opening meeting as arrived. Document verification was conducted by centralized at office. The documents were being provided well by management unit. Communication at the site in a good condition beside that the company has provided wifi line.

Some nonconformities and opportunities for improvement of the results of **IC** delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase **ASA-1**.

Auditors at this **IC** assessment observed the improvement of the findings from this initial assessment. All the information obtained been recorded in Check List of PT Mutuagung Lestari (MUTU) and part of **IC**.

The assessment program please find Appendix 2.

## 2.2.3 Locations of Assessment

**IC**

Number of units in this certification activity is two estates namely Bukit Makmur Estate and Bukit Kecubung Estate, which supply the raw material (FFB) to one palm oil mill, namely Bukit Makmur Mill.

The number of Estates sampled are two (all) Estate, namely Bukit Makmur Estate and Bukit Kecubung Estate. For POM, each audit activity must be assessed according to the Certification System.

The locations visited are presented as follows:

### Bukit Makmur POM

- **Security Post.** Observation and interview related FFB receiving and inspection.
- **Weighbridge Station.** Observation and interview related FFB receiving, SCCS, recording mechanism of certified and uncertified FFB.
- **WTP.** Observations and interviews related to water management, recording of water use, health checks, PPE and waste management.
- **WWTP.** Field observations related to Ban to entry to WWTP, run off, testing of effluent.
- **Mill drainage,** observation and interview related mill drainage and POME.
- **Reservoir.** Observation about water source management for processing.
- **Scheduled waste storage.** Interview with officer, observation about Storage condition, safety aspect, scheduled waste monitoring and management and MSDS
- **Central storage** interview with officer, observation about warehouse condition, safety aspect, worker welfare, emergency preparedness and procedure
- **Solid Chemical Storage,** interview with officer, observation about warehouse condition, safety aspect, worker welfare, emergency preparedness and procedure
- **Liquid Chemical Storage,** interview with officer, observation about warehouse condition, safety aspect, worker welfare, emergency preparedness and procedure
- **Workshop,** interview with officer, observation about warehouse condition, safety aspect, worker welfare, emergency preparedness and procedure
- **Mill drainage,** observation and interview related mill drainage
- **Hydrant No 01.** Simulation and observation related emergency preparedness
- **Grading Station.** Observation and interview with grading officer about how grading sampling, EFB criteria, EFB handling that do not pass the grading and PPE used.
- **Sterilizer Station.** Observations and interviews with officer related PPE in use and day-to-day duties and understanding of emergency response situations.
- **Pressing Station.** Observations and interviews with officer related PP in use and day-to-day duties and understanding of emergency response situations.
- **Boiler Station.** interview with officers about the training that has been followed, routine medical check-up, and

PPE that must be used.

- **Engine Room.** Observations and interviews with officers regarding health checks, completeness of first aid box contents, and PPE used.

#### Bukit Makmur Estate

- **HGU poles and land demarcation No. BT 099 (block 025 A) & No. BT 098 (block 029 A).** Observation of aspect of land demarcation and maintenance of HGU pole, and land dispute potency.
- **HCV 4.1 Meraya River Riparian Area, Block 035 B.** Observation the implementation of management in HCV of riparian area.
- **Monitoring Wells block P 025.** Observations related to the implementation water management and water quality.
- **Land application Block Q 25.** Observation about flat bed condition, indications of spillage or overflow of liquid waste, and interviews with workers related to tasks, responsibilities and aspects of employment.
- **Central storage** interview with officer, observation about warehouse condition, safety aspect, worker welfare, emergency preparedness and procedure
- **Fertilizer storage,** Observation related to management of agrochemical material and waste, MSDS, emergency response facilities and the types of fertilizer used.
- **Diesel Tank.** Observation of OHS, environment aspect, emergency response and fire facilities.
- **Pesticide storage,** Observation related to management of oil and agrochemical material and waste, MSDS, emergency response facilities and the types of pesticides used.
- **Housing Complex Division 3 & 4.** Observation and interview with residents about housing facilities, domestic waste management, and complaint mechanism.
- **Creche.** Observation and interview with worker related labor aspect and OHS
- **Clinic.** Observation related medical facilities
- **Land fill Block O44.** Observation related domestic waste management
- **Security Post.** Observation related worker welfare
- **Workshop.** Observations and interviews related to wages and overtime, waste management activities, OHS implementations and health inspections.
- **BHS (BGA Harvesting System).** Observation related OHS and harvesting tools
- **Generator (Electricity).** Observation for waste management, and interviews related to workers facility, electricity, domestic waste, sources offresh water, socialization of company policy and complaint mechanism.
- **Circle and Path Spraying, Block Q33, Division II.** Interview with spraying worker related to handling on pesticide, PPE, chemical prohibition area, and medical check-up.
- **Manuring, Block P33, Division IV.** Observation and interview with manuring worker related manuring dosage, application in the field, management on ex fertilizer sack, PPE, medical check-up, chemical prohibition area, and handling of hazardous material.
- **Harvesting, Block N11. Division III.** Observation and interview with harvester and picker related FFB criteria, wages, PPE, and labour union.

#### Bukit Kecubung Estate

- **Spraying Weed, Division III, Block S29.** Observation and interview to the workers related the spraying procedure, OHS, hazardous waste handling, spraying on HCV area, and employment.
- **Fertilization, Division II, Block S20.** Observation and interview to the workers related the fertilization procedure, OHS, hazardous waste handling, fertilization on HCV area, and employment.
- **HGU poles and land demarcation No. BT 074 (block 034 A) & No. BT 073 (block 037 A).** Observation of aspect of land demarcation and maintenance of HGU pole, and land dispute potency.
- **Workshop.** Observations and interviews with workers related to the management and implementation of health safety, and social worker.
- **Body shower of spraying team and mixing area (BMS & BSS).** Observation the conditions body shower room and PPE handling.
- **Land fill Block S36.** Observations related to the implementation procedures of domestic waste bins and disposal site is about 5 kilometers from the settlement.
- **Housing Complex Division 3.** Field observations and interviews related to workers facility, electricity, domestic waste, sources of fresh water and socialization of company policy.
- **Generator room & pump room, Housing complex Division 3.** Observation and interview with clerk related to

	<p>generator system, engine capacity, and possible occurrence of spills to environment, PPE dan Health safety and labor management.</p> <p>- <b>Hazardous waste temporary warehouse.</b> Field observations related to the fulfillment of the attributes health and safety, recording, and the implementation of compliance requirements hazardous waste temporary warehouse.</p> <p><b>Stakeholders consultation:</b></p> <ul style="list-style-type: none"> <li>- Plantation Agency Regency of Kotawaringin Timur</li> <li>- Land Office Regency of Kotawaringin Timur</li> <li>- Environmental Agency Regency of Kotawaringin Timur</li> <li>- Manpower Agency Regency of Kotawaringin Timur</li> <li>- Public Figure of Waringin Agung Village</li> <li>- Public Figure of Hanya Village</li> <li>- Previous Land Owner of Hanya Village</li> <li>- Village Head of Bhakti Karya</li> <li>- Head of Plasma Cooperative of Waringin Jaya</li> <li>- Head of Plasma Cooperative of Usaha Bersama</li> <li>- Head of Plasma Cooperative of Sekartani</li> <li>- Head of Plasma Cooperative of Marga Rahayu</li> <li>- Gender Committee</li> <li>- Bipartit of PT KMB</li> <li>- Sawit Watch</li> <li>- WWF</li> <li>- AMAN</li> <li>- Walhi</li> </ul>
<b>2.3</b>	<b>Stakeholder Consultation and Stakeholders Contacted</b>
<b>2.3.1</b>	<b>Summary of stakeholder consultation process.</b>
<b>IC</b>	<p>Consultation of stakeholders for PT Karya Makmur Bahagia was held by:</p> <ol style="list-style-type: none"> <li>1. Public announcement in RSPO website and Mutucertification website on 03 June 2019.</li> <li>2. Public consultation meeting with government institution on 08 July 2019.</li> <li>3. Public consultation meeting with communities including previous land owner on 9 and 11 July 2019.</li> <li>4. Public consultation meeting with internal stakeholders and contractor 10 July 2019.</li> <li>5. Public consultation with email to NGO on 21 June 2019.</li> </ol> <p>Public consultation meeting with internal stakeholders were doing by direct interview in office of company, meanwhile direct interview of public consultation with local stakeholders conducted by visits to villages. Numbers of input from stakeholders consultation were clarified by PT Karya Makmur Bahagia.</p>
<b>2.3.2</b>	<b>Stakeholder contacted</b>
	<b>Please find appendix 1</b>
<b>2.4</b>	<b>Determining Next Assessment</b>
	The next visit ( <b>ASA-1</b> ) will be conducted 8 – 12 months after the issuance of Certificate.

### 3.0 ASSESSMENT FINDINGS

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

Mutuagung Lestari has conducted an assessment of Bukit Makmur POM – PT Karya Makmur Bahagia, subsidiary of Bumitama Agri Limited operation consisting of one (1) mill and two (2) oil palm estates.

During the assessment, there were six (6) Nonconformities were assigned against Major Compliance Indicators and 5 (five) nonconformities were assigned against Minor Compliance Indicators.

Further explanation of the non-conformities raised and corrective actions taken by the company are provided in section 3.5. The company has already prepared and implemented the corrective actions that had been reviewed and accepted by Auditors in form of documentation evidences e.g. document record and photographic. Those corrective actions taken that consist of six (6) Major non-conformities and five (5) Minor non-conformities shall be verified during next assessment.

Mutuagung Lestari found that Bukit Makmur POM – PT Karya Makmur Bahagia, subsidiary of Bumitama Agri Limited complied with the requirements of RSPO Principles & Criteria and National Interpretation, RSPO Principles and Criteria (P&C) for Sustainable Palm Oil Production, Republic of Indonesia - RSPO INA-NIWG, May 2008.

Therefore, Mutuagung Lestari Recommends RSPO Certification of compliance is issued.

Ref Std.	VERIFICATION RESULT of MUTU-Certification	
<b>PRINCIPLE #1 COMMITMENT TO TRANSPARENCY</b>		
<b>1.1</b>	<b>Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.</b>	
<b>1.1.1</b>	<p>The latest of stakeholder list on 2019 sighted during audit, the document informs type/group, name, institution, address and contact number. The stakeholder consist of : government institution, supplier/contractor, NGO and communities leader / village leader.</p> <p>List of publicly accessible document was describes in SOP Transparency and Mechanism which has been covering the documents listed in IND1.2's requirement. According to the company's SOP, information can be accessed through verbal (by phone), direct visit and writing (email and letter). The requests of information that requiring head of department approval will be responded to a maximum of 1 month, otherwise approval will be required for a maximum of 1 week. Confirmed during public consultation to communities, local contractor and relevant institution, the SOP and mechanism has been understood well.</p> <p>Based on document verification results and interviews with management obtained information that the company has not reported some mandatory report to relevant agencies, for example reporting liquid waste management in the first quarter of 2019 to the Environmental Agency of Kotawaringin Timur Regency, as stipulated in the Decree of the Minister of Environment No. 28 of 2003. <b>Based on that's explanation raised non conformity No 2019.01 with Minor Category</b></p>	
<b>1.1.2</b>	<p>The entire request of information (verbal and written) is recorded and kept in the logbook which is available in all units both of estates and mill, there was no request for information, but recorded several incoming letters which were entirely the proposals of aid that has been responded by the company.</p> <p>Based on interviews with government agencies, local communities, local contractors and internal stakeholder known that the company has responded to every information request as long as each request is submitted in accordance with the procedure and the requested type of information is publicly available information.</p>	

Minor 1.1.1	Status: Non Conformity No 2019.01 with Minor category	
<b>1.2</b>		
<b>Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.</b>		
<b>1.2.1</b>		
List of publicly accessible document was describes in SOP of request of information and response. SOPs and accessible list of documents are informed through notice boards in the mill and estates office. All such documents and information are available in the respective offices of each unit.		
Based on interviews with government agencies, local communities, local contractors and internal stakeholder, it is known that the company has carried out socialization related procedures for requesting information and has determined the person responsible for responding to information requests. Each party also knows the types of general information that can be accessed. Further explained that public documents that can be accessed are specific documents from each operational unit.		
	Status: Comply	
<b>1.3</b>		
<b>Growers and millers commit to ethical conduct in all business operations and transactions.</b>		
Code of conduct describes in document no.: BGA-COC-HC-333.1-R0 written in Bahasa, including integrity code and ethical code in all operations and transactions including business ethics, work ethics and firm commitment in particular matters (conflict of interests, political activities, gifts / souvenirs, commissions and bribery prohibitions. These commitment has been listed in the contract letter of supplier/contractor and has been informed to workers during morning roll-call. Based on interviews with local contractors told that the job offer was fair and there was no indication of bribery and other conflicting practices.		
	Status: Comply	
<b>PRINCIPLE #2 COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS</b>		
<b>2.1</b>		
<b>There is compliance with all applicable local, national and ratified international laws and regulations.</b>		
<b>2.1.1</b>		
The Company has implemented law and regulation compliance for some operational aspects, for example:		
<ul style="list-style-type: none"> <li>- Has been implements the requirement of environment aspect such as EIA management and monitoring in routinely (refer to criteria 5.1).</li> <li>- Has been manage the hazardous waste and domestic waste in accordance with applicable regulation (refer to criteria 5.3).</li> <li>- Land preparation without burning and has the infrastructure in fire anticipation, according to <i>Permentan</i> Number. 26 of 2007 section 15. (refer to criteria 5.5).</li> </ul>		
<b>Best Practices.</b>		
<ul style="list-style-type: none"> <li>- The company has all of its pesticide registered under the 2016 national list of agriculture and forestry pesticide.</li> <li>- The company does not use any restricted or prohibited pesticide.</li> <li>- All pesticide applicators have been trained properly and use PPE while conduct spraying activity.</li> <li>- Medical surveillance have been conducted twice a year for pesticide operator.</li> </ul>		
<b>OHS and Environmental</b>		
<ul style="list-style-type: none"> <li>- Based on document verifications and interview with company doctor it's known if the company conducted medical examination for workers who engage with chemicals twice a year. The medical examinations including physical, cholinesterase and spirometry. The last medical examination conducted in February 2019. Based on documentes verification and interview with company doctors its known if all workers are in health and fit condition to works, Result of interview with several spraying workers in Division III, Block S29 Bukit Kecubung Estate and Block Q33, Division II Bukit Makmur estate, obtained information if medical checkup has been carry out periodically to all workers and the result is informed by company to workers. Result of interview its known if all the workers is fit to work and there is no indications of skin disease or itches due to chemical activity</li> <li>- The Company has conducted emission and ambient air quality measurements as well as fixed source noise such as noise and vibration every 6 months as stated in the RKL / RPL implementation report of 2nd semester of 2018</li> </ul>		

and 1st semester of 2019. All test parameters conducted by the company is still in accordance with the applicable quality standards.

- The company has an Emergency Response Team which is responsible for preventing and controlling fires. The firefighting team is ensured to have the ability to handle emergency conditions, have been trained and routinely simulations for emergency situation, such as fire extinguishing and earthquake anticipation. These simulation has been done on March 30, 2019 at the Bukit Makmur Estate Employee Hall. In addition, the CH also has an OHS Expert, responsible for the emergency situation in each unit.
- Boiler man, electricians, chargemen, were has been authorized/licensed by Ministry of Labor.

### **2.1.2**

To ensure compliance to regulations, company has policy that explain personnel who have responsibility to conduct regulatory internal audit, to update the regulation and law, identification and inventory, evaluation and monitoring Information of regulation from national, provincial and district regulatory bodies, and renewal of any changes to prevailing laws and regulations and monitoring of expired regulations/licenses.

A list of regulatory identifications ranging from Laws, Government Regulations, Presidential Decrees, Ministerial Regulations, Ministerial Decrees, Regional Regulations, and the ratification of the ILO. Internal audits have been conducted continuously and are documented and reviewed in the management review activities conducted on June 2019.

### **2.1.3**

Based on the results of the document review, it is known that there are some jobs submitted to third parties, for example:

- Work Agreement Letter No. 001-PRWT / KMBL-BMKE / LKL / 01/2019 for the empty bunch application in Bukit Makmur Estate.
- Work Agreement Letter No. 005-PRW / KMBL-BKCE / LOCAL / I / 2019 for the empty bunch application in Bukit Kecubung Estate.

In this regard, the company has not been able to demonstrate mechanisms to ensure compliance with the law as stipulated in the RSPO Principles and Criteria, related to:

- Proof of payment of minimum wages.
- Health and employment insurance.
- Implementation of OSH aspects

**Based on that's explanation raised non conformity No 2019.02 with Minor Category**

### **2.1.4**

The company has a list of legal requirements contained in the List of Legal and Regulatory Provisions and Regulations which include:

- Regulations related to occupational safety and health with document number LAW-KMB-001 dated May 31, 2019 with 46 regulations.
- Regulations related to Environmental with document number LAW-KMB-002 dated May 30, 2019 with 77 regulations.
- Regulations related to Plantation-related regulations with document number LAW-KMB-003 dated May 30, 2019 with 34 regulations.
- Labor-related regulations with document number LAW-KMB-004 dated July 4, 2019 with a number of regulations of 50.

However, based on the document verification known that there are still regulations that have not been included in the list of company regulations, for example but not limited to:

- Regulation of the Manpower Minister No. 12 of 2015 concerning OHS Electricity in the Workplace.
- Regulation of the Manpower Minister No. 6 of 2016 concerning Feast Allowance.
- Regulation of the Manpower Minister No. 37 of 2016 concerning OHS Pressure Vessels and Storage Tanks.
- Regulation of the Manpower Minister No. 38 of 2016 concerning The Field of Power and Production Equipment
- Regulation of the Manpower Minister No. 1 of 2017 concerning structure and scale of wage.
- Regulation of the Manpower Minister No. 15 of 2018 concerning Minimum Wages.

- Regulation of the Environment Minister No. P.8 / MENLHK / SETJEN / KUM.I / 3/2018 concerning Fixed Procedure for Field Checking Hotspots Information and / or Forest and Land Fire Information.
- Regulation of the Environment Minister No. P.9 / MENLHK / SETJEN / KUM.I / 3/2018 concerning Technical Criteria for Preparedness and Emergency Status of Forest and Land Fires.
- Regulation of the Environment Minister No. P.21 / MENLHK / SETJEN / KUM.I / 7/2018 concerning Amendment to *PermenLHK* No 5 of 2014 concerning Wastewater Quality Standards.
- Regulation of the Manpower Minister No. 4 of 2019 concerning Obligatory Procedures for Reporting Employment in the Network.

**Based on that's explanation raised non conformity No 2019.03 with Minor Category**

Minor 2.1.3	<b>Status: Non conformity No.2019.02 with Minor category</b>
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Minor 2.1.4	<b>Status: Non conformity No.2019.03 with Minor category</b>
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## 2.2

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

### 2.2.1

Certificate holder has Land Use Title (HGU) No. 19 dated 22<sup>nd</sup> October 2001 for 15,056.31 Ha that has released by National Land Agency of Kotawaringin Timur Regency. This HGU located in Rantau Tampang Village, Kotawaringin Timur Regency, Kalimantan Tengah Province. This HGU valid until 22<sup>nd</sup> October 2036. Based on HGU maps, all over area demarcated by 104 boundary poles. The CH also has plantation business permit (IUP) covered  $\pm$  15.056,31 Ha dated 4 August 2006.

However the certification scope is Bukit Makmur Mill and it supply bases, that are Bukit Makmur Estate and Bukit Kecubung Estate covered an area of 6,566.79 ha.

### 2.2.2

Data from the inventory of boundary pole, indicates that the total number of boundary poles are 104, installed 82 poles, and not installed 15 poles. The HGU stones monitoring conducted in semesterly basis. Based on observation of HGU stones and land demarcation in Bukit Makmur Estate (HGU stones No. BT 099 Block 025 A & No. BT 098 Block 029A) and Bukit Kecubung Estate (No. BT 074 Block 034 A & No. BT 073 Block 037 A) it was clearly the sighted poles are in well maintained and appropriate with coordinate points. Based on the map review, management interviews and field observations, the un-installed boundary poles are in area that can't be compensated by certificate holder, so that the land is still controlled by the community.

### 2.2.3, 2.2.4, and 2.2.5

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

There has been documentation on land disputes such as:

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

### 2.2.6

According to the procedure of land dispute handling (SOP No. BGA-SOP-KMB 25-RO) that has approved by top management, conflict resolution must has to do with soft approach such as discussion and negotiation. Based on negotiation document that shown, all land dispute case always involve the local government. Through the public consultation with representative's villagers, previous land owners, sighted that there was no coercion approach by the company to handling

land dispute cases so far. All compensation implemented by mutual agreement. The representative of local community on negotiation process was Village Heads. The appointment of community representative was available and shared to all parties.

**Status: Comply**

### 2.3

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

#### 2.3.1 and 2.3.2

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

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

#### 2.3.3 and 2.3.4

Based on interview with surrounded community and previous land owners, known that the land compensation process has been conducted in a participatory manner to the parties without coercion. The land compensation agreement is made in the Indonesian language, understood by the parties, and known by the village government.

**Status: Comply**

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

### 3.1

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

#### 3.1.1 and 3.1.2

Certificate Holder shows the Long Term Business Plan for PT Karya Makmur Bahagia for the period of 2017 – 2021 which was approved by the Head Plantation Operation which explained the budget for seed use, FFB production, OER, Production Costs, Estimated CPO Prices, Revenues, Replanting programs, and CPO production. There are planned operational costs for the Mills as follows:

- Forecast mill intake, (FFB), processing cost, Admin cost, Training cost, Environment cost, Health cost, Transport cost, etc.
- The cost of managing the environment has also been allocated for the manufacture, installation and maintenance of OHS and non-OHS announcement boards, the cost of laboratory analysis, and waste to outside parties.
- Projection of production in the next 5 years.

Based on verification of documents and interviews with management revealed that the company would not carry out replanting in the near future. Based on the long-term plan, a new replanting will be carried out in 2021. The actual age of the oldest plants at the time of the audit is 20 years while in the replanting procedure it is stated that the planting cycle is 25 years.

**Status: Comply**

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

### 4.1

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

#### 4.1.1

The company has procedures for oil palm cultivation and palm oil processing which are available in Indonesian. Oil palm cultivation procedures include land clearing, water and soil conservation, integrated pest management, plant upkeep, harvesting and transportation whereas for palm oil processing procedures include FFB receipts, FFB grading, FFB processing, and CPO quality sampling. These procedures explain about the management of mill effluent including monitoring

and how to work safely. The company also has a risk identification document that regulates the use of PPE in every activity including the management of mill effluent.

Based on interviews with management revealed that a copy of the procedure was in each unit. When the audit activity takes place, the company can show the entire procedure to the auditor.

Based on field observations and interviews with employees in estate and mill revealed that each employee understood their respective working procedures, for example harvester at Bukit Makmur Estate and Bukit Kecubung Estate can explain the criteria for fresh fruit bunches, cutting and arranging fronds, preparation of FFB at the fruit collecting point. While for mill employees in the engine room section can explain monitoring and checking tools and functions of generators and turbines, employees can also explain the time of use between turbines and generators.

#### **4.1.2 and 4.1.3**

The company has an Internal Audit SOP that explains the work procedures which form the basis for Estate, Mill, and contractors that refer to the principles of sustainability.

The results of interviews with management known that the implementation of internal audits is conducted annually on a regular basis covering the implementation of all estate and mill procedures, administration of bank cash and trade payables, inventory, wage and personnel administration, vehicle assets, heavy equipment, machinery and follow-up previous internal audit reports.

When the audit activity takes place, the company can show the results of the internal audit document carried out on June 2019 in each Estate by the Plantation Monitoring Unit. The company has taken corrective action on internal audit findings and was declared fulfilled by the Quality Management Department.

#### **4.1.4**

The CH has a BGA-SOP-SM-803.1-R0 Third Party Fresh Fruit Bunch document dated June 1, 2014. The FFB supplied to mill can be seen on this report in part 1.7 Description of Mill and Supply Base. The CH also conducts an External FBB Audit by the IAD (Internal Audit Department) team to ensure SOP implementation in the field.

<b>Status: Comply</b>
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## **4.2**

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

#### **4.2.1; 4.2.2 and 4.2.3**

The company has a fertilizer procedure that explains the fertilizer recommendations must be made based on the results of analysis of leaf and soil samples. Based on the company's palm oil cultivation guidelines, it is explained that leaf sampling and analysis are carried out once a year and soil sampling is carried out every five years.

During the audit activity the company shows the following documents on the results of soil and leaf analysis:

- Soil analysis was carried out in 2018 at Analytical Laboratory Research Pundu. Test parameters include moisture content, cadmium, lead, oil content, exchange cation, calcium, magnesium, iron, manganese, aluminum, potassium, cation exchange capacity, and base saturation.
- Leaf analysis was carried out in 2018 at Analytical Laboratory Research Pundu for 68 leaf samples. Test parameters include N, P, K, Mg, Ca, B, Cu, and Zn.

Based on the results of leaf samples analysis in 2018, the company issued 2019 fertilizer recommendations for example Bukit Kecubung Estate as follows: NPK 13 with a plan of 491.06 tons; and Dolomite 469.32 tons.

During the audit activity the company can show fertilization monitoring that explains the application dosage, application tonnage, and fertilizer use/tons FFB, for example: Bukit Kecubung Estate realization of fertilization in to date June 2019 for Super Dolomite with the number 469.32 tons; and NPK13 with the number 491.04 tons.

#### **4.2.4.**

The company shows the waste utilization document with the following details:

1. Liquid Waste.	
Treatment of wastewater in WWTP is carried out efficiently and do not dispose into rivers; according with the quality standards of liquid waste poured on empty bunches and make leachate reservoirs.	
2. Empty Bunch	
The company use factory solid waste as organic fertilizer such as empty bunch. During the audit, the company showed empty bunch application documents for the January-November period. From the document it is known that up to now the company has applied 1,056 tons for empty bunch.	
3. Fiber and shell are used as boiler fuel.	
<b>Status: Comply</b>	
<b>4.3 Practices minimize and control erosion and degradation of soils.</b>	
<b>4.3.1</b>	
The company has a semi-detailed land survey documents with a scale of 1: 225,000. The document equipped with legend soil map units, roads, rivers, cities, estate boundary and division boundary. The map describes the marginal area identified is a >12% slope area of 2,089.01 Ha.	
<b>4.3.2</b>	
The company has a management strategy for planting in slope areas contained in the Procedures for Oil Palm Cultivation (BGA-SOP-CCS-113). The document describes the management area on sloping area, among others: conservation terrace (for slopes 0 - 2°), terrace with a width of 4 meters (for slopes of 6° - 12°), terrace with a width of 3 – 3.5 meters (for slopes of 20° - 25°), planting cover crops and empty fruit bunch applications.	
Field observations at the Bukit Makmur Estate and Bukit Kecubung Estate sloping areas revealed that the company had carried out soil conservation by making a terrace and planting a legume cover crop (LCC). While for the Lowland area, the company had carried out water management well by making a collection drain line, main drain and drain block.	
<b>4.3.3</b>	
The company shows the realization of mechanical road maintenance in the form of Road Maintenance Maps for the period 2019. The document explains the progress of road hardener and mechanical road maintenance. Based on the results of field observations at Bukit Makmur Estate and Bukit Kecubung Estate known that the company has made improvements for roads and bridges to facilitate the transportation of FFB.	
<b>4.3.4 and 4.3.5</b>	
The company has a 2002 Environmental Impact Analysis document and a Soil Type Map prepared by the GIS and Research team dated April 4, 2017. From the document known that the type of soil contained in the PT KMB operational area are Dystrudepts, Haplohumods, Local Alluvium, Paleudhults, Plinthudults, Quartzpsamments, and Udifluvents so that there are no peat soils in the company's operational area.	
<b>4.3.6</b>	
Strategies for fragile and other problem soils are included in the semi-detailed soil survey report. The report describes the level of land suitability along with the actions that need to be taken to raise the level of land suitability. Based on the report it is known that the limiting factors in land in the company's operational areas are slope area and a lowland area.	
Some recommended strategies include:	
<ul style="list-style-type: none"> <li>• Making terrace and planting LCC.</li> <li>• Increasing the organic content of the soil through recycling nutrients, namely the application of EFB, laying the frond in the joint and between the staples.</li> <li>• Carry out fertilization based on the results of leaf and soil analysis that is carried out regularly.</li> <li>• Water management settings, and making drain blocks.</li> </ul>	
Based on field observations in Block Q33 Bukit Makmur Estate and Block S29 Bukit Kecubung Estate are known to implement soil conservation including selective spraying (allowing nephrolepis to grow), preparation of fronds on the edge of the terrace, and making contour terraces in areas with certain slopes.	
<b>Status: Comply</b>	

**4.4**
**Practices maintain the quality and availability of surface and ground water.**
**4.4.1 and 4.4.2**

The company has developed water management plan referring environment document (Amdal). 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. Management of water use efficiency, the mill has monitoring routinely its water use for FFB process.

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

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

During the field observation to riparian of Meraya River Riparian Area, Block 035 B (BMKE) known riparian area is maintained, there is no indication of spraying to the river bank. The company also has installed the signboard of ban to disrupt the riparian in strategic location, sighted that the company has set the sampling point and there is planting of local plant species.

Base on EIA report Semester 2 2018 such as water testing on October 29 2018, it was informed that the company activity has not affect is already the standard required (PP No. 82/2001 Class 2). The result BOD of surface water for on upstream penyahuan river is 2.30 Mg/l and downstream penyahuan river is 3.00 Mg/l with threshold is 3.00 Mg/l. Domestic housing complex well water testing analysis shows that all parameters are less that the detection limit indicated by Minister of Health Regulation (*Permenkes*) Number. 416 1990.

**4.4.3**

POME are processed first in the WWTP pond and Based on the waste pond layout, BMKM Mill has 12 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.

Permit of effluent utilities was accordance decree regent Number No.: 660/437/DLH-Ek.SDA/VI/2017 May 13 December 2015, valid for five years. The POME quality and river quality test result by accredited laboratory shows that the effluent quality especially BOD, TSS, pH and COD has fulfil the standard required Law of Minister of Environment. Base on field visit in BMKM, no indication over flow effluent in WWTP, flow meter was well functioned and there is no issues from stakeholders related to land application. Based on the results of the document review, known delivery of the POME testing results report by laboratory always delay, Opportunity for Improvement (**OFI**).

**4.4.4**

The company has recorded its actual water use. The average water use per ton FFB for period of January – May 2019 is 1.13 m3/ton FFB from budget 1.20 m3/ton FFB.

<b>Status: Comply</b>	
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**4.5**
**Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques.**
**4.5.1 and 4.5.2**

The company has an integrated pest management procedure that explains how to control pests in biology, chemistry and manually. In addition, the company also has a Cultivation Guidebook which also explains related to Pest and Disease control. In the book, an early warning system is explained, for example, periodic detection for leaf eater caterpillar and rat censuses are done every months.

The company is committed to implementing integrated pest management (IPM), this is demonstrated by utilizing beneficial plants and natural predators. In this case, the company shows documents related to planting and maintenance of beneficial plants for the period of 2018-2019

The interview with the management revealed that the company routinely conducted training for IPM employees, for example IPM training conducted on March 23, 2019 at the Bukit Kecubung Estate Office and was attended by 9 employees. Documentation, material and attendance lists are available during the audit activity.

During the audit activity, the company shows pest monitoring documents period of June 2019 for each Estate. Based on document verification, it was found that there were no pests that exceeded the threshold.

Based on field observations in the Bukit Makmur Estate and Bukit Kecubung Estate known that each estate has planted a beneficial plant as a form of implementation of integrated pest management (IPM).

<b>Status: Comply</b>
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#### 4.6

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

##### 4.6.1; 4.6.2 and 4.6.5

The company shown justifications that the pesticides used were registered in Pesticide Commission, Ministry of Agriculture, based on verification in [pestisida.id](http://pestisida.id) website. The pesticide usage has been set in procedure of weed control No. BGAAGRKS-PTKS-PGL and SOP of Pest Control with document number BGAAGRKS-PTKS-PHT. That SOP was approved by the top management (Director) on January 4, 2011. The SOP explain about managing hazardous material, hazardous waste and procedure for weed, pests and diseases control. In the procedure, it is explained about the use of PPE for employees and management of used pesticide containers.

Based on interviews with management revealed that to avoid the development of resistance, the company used a rotation spraying system and use different types of pesticides in each rotation. During the audit, the company showed a chemical justification document for the period of 2019 at Bukit Kecubung Estate and Bukit Makmur Estate by identifying trade names, active ingredients, active ingredients, LD50, WHO classification, Type, shape, character, application method, function and justification.

The company also has a pesticide use program contained in the annual budget document, while the realization is reported in the Estate Manager's monthly report. The document explains the trademark and active ingredients of pesticides, target weeds, dosages per hectare, monthly use of materials and recapitulation, and the extent of application.

The company has procedures related to the safe use of pesticides that are listed in the procedures for controlling weeds and pests, e.g: for the application of pesticides selectively, not in the direction of the wind, spray width of 2 meters and not spraying in the riverbank area. In addition there are also procedures for managing pesticides that explain the management of pesticides from the beginning of coming to the warehouse, application to the field, until returning the used containers back to the warehouse.

Based on field observation spraying circle and path (Block Q33 Division 2 Bukit Makmur Estate and Block S29 Division 3 Bukit Kecubung Estate), known that the workers used personal protective equipment (PPE) has been provided accordance in MSDS and HIRAC, such as boots, apron, rubber gloves, mask, and safety goggles. The workers already known the pesticide used and it's target species. In every Estate available certain facilities for cleaning up after work, as well as PPE storage.

##### 4.6.3

The company has an integrated pest management plan listed in the division's work document and document pest control activity plan consisting of detection and identification of pests, rat census, census of leaf eater caterpillar, application of chemical rat control and planting of beneficial plants (*Turnera subulata* and *Antigonon leptopus*).

##### 4.6.4

The company has Internal Agriculture & Technical No. 016 / IOM / RSC / I / 2015 dated May 9, 2015 concerning Herbicide

Recommendations. The internal memo explain the pesticides that classified WHO 1A and 1B are no longer used in controlling weeds.

The company shows the Pesticide List document in the 2019 Classification that identifies trademarks, active ingredients, LD 50 (mg / kg), WHO classification and product classification. Based on field observation in the Bukit Kecubung Estate; and Bukit Makmur Estate chemical storage it is known if the pesticides that storage are in accordance with the inventory records and there's no pesticides with active ingredients paraquat dichloride or pesticides that classified WHO 1A and 1B.

The results of the pesticide use document study show that the company no longer use pesticides made from Paraquat dichloride from 2017, and by the data shown that the use of pesticide has been declined over years.

Based on field observations and interviews with pesticide applicators in Bukit Kecubung Estate; and Bukit Makmur Estate obtained information that spraying activities used pesticides with active ingredient with Glyphosate.

#### **4.6.6**

The storage of all pesticide has been in accordance with Indonesian recognized best practices, that was stipulated in Labor Minister Regulation No. 3 of 1986 regarding OHS requirements in pesticides management and Government Regulation No. 74 of 2001 regarding management of chemical materials. Based on field observation of agrochemical storage in every Estate, it was known that agrochemical was stored in specific agrochemical storage that was in accordance with the regulation, such as build in concrete walls and separated from other activities, has OHS sign and MSDS that understood by operator, has PPE, exhaust fan, fire extinguisher, and in clean condition with no spills.

All pesticide containers were properly disposed and handled responsibly in accordance with Indonesian recognized best practices, that was stipulated in Government Law No. 101 of 2014 regarding management of hazardous waste, then arranged in company's SOP of No. BGAAGRKS-SOP-14/ BGAAGRKS-PTKS-PPS dated 27<sup>th</sup> May 2011). 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. Based on the results of field visits in pesticide warehouses and hazardous waste temporary warehouse known the pesticide warehouse is managed properly, provided oil trap, enough air ducts and isolated so that there is no potential of pesticide to exposure outside the warehouse. Pesticide waste are classified as hazardous waste is also stored in the hazardous waste temporary warehouse which is monitored well and then collected to the licensed collectors.

#### **4.6.7**

The company already has pesticide application work instructions that are listed in the procedure for weed control and pest control. The instructions include the sprayer used must be clean, good and not leaking to avoid the danger of poisoning in plants, no spraying when it will rain, spray direction should not be opposite to wind direction.

Based on field observations and interviews with pesticide applicators on Bukit Kecubung Estate and Bukit Makmur Estate are known as follows:

- Employees have understood work procedures that are safe in using chemicals such as spraying techniques, target weeds for each pesticide, use of PPE and actions taken when poisoning occurs.
- Regular employees get direction from supervisor before work and also get regular internal training by the company.
- The company provides facilities for storing work tools and PPE as well as places for bathing employees when completing the application of pesticides.
- Employees bring food from home, the company in this case provides clean water and soap to clean hands before eating and the location of the place to eat must be different from the location of the application of pesticides.
- The company provides PPE for each employee free of charge and if broken will be given a replacement PPE with the provision of returning the broken PPE.
- Supervisors always carry a first aid kit that will be used as first aid when there is a work accident. The results of checking are known that the contents of the first aid kit are complete and ready to use.

#### **4.6.8**

Based on the document verification, field observations, and management interviews, known that the company did not apply the application of pesticides through the air.

#### 4.6.9

The company shows training documents to employees and scheme smallholder related to the use and handling of pesticides as follows:

- Safe spray technique and integrated pest management training held on 6 March 2019 located at Bukit Kecubung Estate. The training was attended by 34 pesticides applicator. During the audit activities, training materials, attendance lists and training documentation are available.
- Safe spray technique and integrated pest management training held on 12 April 2019 located at Bukit Makmur Estate. The training was attended by 20 pesticides applicator. During the audit activities, training materials, attendance lists and training documentation are available.

Based on the results of interviews with spray workers at Bukit Makmur Estate and Bukit Kecubung Estate known that the workers have received regular training to handle pesticides, spraying techniques, and socialization and morning briefings relating to spraying activities from Foreman or Assistants.

#### 4.6.10

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

The record management Hazardous Waste, included in reporting management hazardous waste quarterly period April to June 2019 to environment agency. The training and socialization to spraying workers, about ex pesticide container disposal. All discarded containers of chemicals generated by BKCE and BMKE, placed in hazardous waste warehouse.

Based on interview with Pesticide Applicator the Block S29 division III and hazardous waste officer in BCKE, they understand the mechanism well.

#### 4.6.11

Based on document verifications and interview with company doctor it's known if the company conducted medical examination for workers who engage with chemicals twice a year. The medical examinations including physical, cholinesterase and spirometry. The last medical examination conducted in February 2019. Based on documents verification and interview with company doctors its known if all workers are in health and fit condition to works, Result of interview with several spraying workers in Division III, Block S29 Bukit Kecubung Estate and Block Q33, Division II Bukit Makmur estate, obtained information if medical checkup has been carry out periodically to all workers and the result is informed by company to workers. Result of interview its known if all the workers is fit to work and there is no indications of skin disease or itches due to chemical activity

#### 4.6.12

The company has a policy on equal opportunities and treatments in employment, freedom of association, age requirements for workers and protection for female workers. In the policy it was stated about company policies to protect the reproductive rights of female workers by not employing female workers who are pregnant or breastfeeding in activities related to chemicals. in the policy also explained that every female employee who uses chemicals must take a monthly pregnancy test at the central clinic.

Based on field observations at Division III, Block S29 Bukit Kecubung Estate and Block Q33, Division II Bukit Makmur estate it was found that workers understood the procedures for checking the pregnancy of female employees and the prohibition for pregnant and breastfeeding women to work related to chemicals. In addition, there were no pesticide operators who were pregnant or breastfeeding during the audit.

Status: Comply

#### 4.7

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

**4.7.1**

The Company's commitment to prevent workplace accident and unhealthy workplace to all employs, guest and contractor, explained in the document of Occupational Health and Safety Policy on June 2013. The policy explains that all worker have to obey, maintain, and implement the OHS in workplace. OHS committee is formed for monitoring the OHS implementation in workplace. The policy written in Bahasa and displayed in each units of estates and mill.

Field visit and interview in mill and estate revealed that the CH has had the occupational health and safety programs as follows Socialization with personnel, Granting and utilization of PPE in estate and mill based on risk analysis and Periodic medical examination, particularly for high risk personnel. The management unit has had procedure in term of OHS such as SOP of OHS, SOP of regular medical checkup, etc. however, based on field observation and interview with management units its known there is several issues related OHS aspect that's not yet implemented and monitored the effectively as follows:

- Store Office in mill located in same building with liquid chemical storage
- Food material (rice) placed in general storage with hazardous material
- There are no proper emergency facilities in hazardous waste storage in the mill (body or eyes shower)
- Emergency respond facility in hazardous storage doesn't work
- There is no second containment in liquid chemical storage
- There is no OHS signboard in chemical storage in mill and estate

**Based on that's explanation raised non conformity No 2019.04 with Major Category**

**4.7.2**

Noise testing has been carried out by the company listed in the identification document and plan for managing sources of emissions and pollution. Noise comes from Palm Oil Mill production machines, it managed by maintenance of production machinery, noise level monitoring, procurement of PPE to employees, and audiometry test. Based on Environment Report Semesters II Period 2018, noise levels still below on threshold level. Based on onterview, there was no complaint of illness caused by haigh noise level.

The management unit has had the training plan for workers exposed to high noise levels such as training of procedure, socialization of HIRARC and safety briefing before work. The company can show the training program as follows:

- Risk Management Training on May 2019
- Advance Engine Training (OHS and Environment on Palm Oil Mill (Every Month)

The company has held a risk analysis for entire operational activities for estates and mills, related to both occupational safety and health. The document informs about the type of activity, type of work, source/event, impact, existing controls, the level of probability, severity and risk level. The results of the risk assessment have been informed to the employees in accordance with the job. Based on interviews with estate and mill workers obtained information that the employee has known the potential of dangers that arise on the job. The results of the field visit at the mill, it is known that there are several risk control that not implemented, for example:

- Found mill workers that work in high area and workshop do not use adequate PPE (body harness, helm, face shield, apron, etc.)
- Found mill workers using PPE that not suitable for use (already broken)

**Based on that's explanation raised non conformity No 2019.05 with Major Category**

**4.7.3**

Based on field observations it's known if permanent workers have been using PPE in accordance with risk analysis and specified hazard identification, for example, the sprayer using personal protective equipment in accordance with specified hazard identification and risk analysis like Apron, google, hand clove and safety shoes. In addition, interview with spraying personnel and Harvester in both estates revealed that company would substitute or replace the PPE if there is a damaged or broken on the old one, but for there is several risk control that not implemented and monitoring regarding PPE used, and it became nonconformity on indicator 4.7.2

The results of field visits, interviews with workers and document verification it's known that workers have been given training in safe work practices. This was evidenced when the employee can demonstrate how to work correctly and appropriately in accordance with the procedures. Results of interviews with employees also obtained information that each morning roll call (before work) is always informed/socialized steps of safe work.

#### 4.7.4

The Company has established the structure for guiding committee for occupational health and safety in each management unit and this committee has received approval from the Ministry of Manpower and Transmigration in Kotawaringin Timur Regency. Moreover, the document's verification revealed that the management unit has delivered a guiding committee for occupational health and safety reports periodically every three months to Manpower and Transmigration Agency. Guiding committee for occupational health and safety's report covers the entire occupational health and safety activities, such as: guiding committee for occupational health and safety/recommendation, investigation result overwork accident, recapitulation on work accident, guiding committee for occupational health and safety's report, medical examination for personnel, minutes of guiding committee for occupational health and safety's monthly meeting.. The CH has also identified and monitor Operators/Officers which required to have a certificate and/or license. The CH has also able to shows a monthly meeting of OHS Committee records presented in the Minutes Meeting and P2K3 documents.

#### 4.7.5

The Company has procedures related to the handling of emergencies and accident investigation in SOP Emergency Response (KMB-SUST-SOP-23) dated 25 September 2015

Certificate Holder has a procedure for emergency response, for example Procedure of First Aid, Procedure of Handling Accidents and Work Diseases and Procedure of Emergency Preparedness. Based on field visit, company has pointed the evacuation path and concentration point in order to smooth the evacuation process in emergency situation. The evacuation path is available in office and mill and has been completed with map and other *signboards*.

At the time of the field visits it is known that in the mill, warehouse, workshop and division offices have supplied First Aid box which monitored regularly. As for the operational activities in the field supervisors have been equipped with First Aid bag. Related to the completeness of the contents of the first aid box, the company needs to make sure again related to its contents because based on the results of the field visit there are several first aid boxes whose contents are still incomplete (OFI). The results of the interviews obtained information that supervisors have received First Aid training and have understood the stages of first aid in case of work accidents in the field, For example, when a worker is exposed to tree's thorns, the first step to take is to clean the injury and perform first aid emergency, then the supervisor must take the worker to the estate's policlinic for further treatment.

#### 4.7.6

The management unit provided accident insurance for personnel based on the applicable regulation. The insurance such as manpower insurance is paid monthly to national social insurance for manpower/ BPJS. Meanwhile, for medical insurance, the CH has registered its entire personnel in manpower medical insurance/ BPJS. Based on an interview with some personnel, it is known that the entire personnel has been registered in manpower medical insurance/ BPJS. Based on the interview with the workers, it was explained that the workers already have the insurance accident insurance card in the form of national social security (BPJS *Ketenagakerjaan*).

In addition, based on the results of interviews with FFB transport contractor workers, it is known that workers have been provided with health insurance facilities. In addition, workers also explained that if get an emergency/accident, contractor workers were also permitted to receive treatment at the PT KMB Polyclinic. The certain hazardous location, as well as the foreman has been equipped with first aid kit, however several first aid kit content was not sufficient or uncontrolled. This things become opportunity for improvement to management. **OFI**

#### 4.7.7

Certificate Holders has consistently monitoring work accidents that fully explained about the months of the incident, the number of cases, the location of the accident, type of accident, the results, work hours lost, causes, follow-up, results, using the Lost Time Accident metric. Monitoring of work accidents performed every month and reported to the relevant agencies in conjunction together with regular reports of Guiding Committee of Occupational Safety & Health.

Major 4.7.1	<b>Status: Non conformity No 2019.04 with Major Category</b>	
Major 4.7.2	<b>Status: Non conformity No 2019.05 with Major Category</b>	

#### 4.8

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

**4.8.1 & 4.8.2**

- The company has Inter Office Memo No. 020 / IOM-C / BCU-BGA / V / 2018 dated 21 May 2018 regarding the approval of in-house training for mandatory certification.
- The 2019 Community Partnership work program includes also socialization and training programs for plasma.
- Company has had training program for worker in the period of 2019. The training is targeted for all workers, including staff, permanent workers, and contractor's 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 2019 has documented in minutes of meeting, list of attendees, and activity photos.

Company has showed the documentation of training whether it is internal or external training. For example

- Socialization of the commitment to implement the RSPO on February 20, 2019 at the Cooperative Office.
- Socialization of the plasma work plan for 2019 to 2020 on March 20 2019.
- Training of firefighters at PT KMB on February 20, 2019 was attended by 90 participants in the soccer field and PT KMB sports hall in collaboration with the Manggala Agni Team in the Operational Area of Kotawaringin Timur Regency.
- PPE usage and First Aid Kit Training, MSD introduction, HIRAC BMKM January 28 2019.

Documentation of training is recorded in form of list of attendees, minutes of meeting, and activity photos. Based on interview with workers in BKCE, BMKE and BMKM, they have received several training from company such as best management practice, OHS, first aid training, and socialization of company policies and procedures.

Training records for each worker in the training monitoring document, for example training records for foremen of sprayers received training: leadership training & agronomy techniques for spraying activities on 4 April 2019.

**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 have the environmental documents, such as:

- EIA document, legalized by Environmental Impact Management Agency, Kotawaringin Timur District No. 25/Komisi-Kotim/VIII/02 on August 9<sup>th</sup> 2002 for 17,500 hectare of estate and POM with 40 ton per hour capacity. EIA Analysis is conducted by Environment Research Institute of Palangkaraya University.
- Environmental management and monitoring effort document, legalized by Kotawaringin Timur District No: 188.45/299/Huk-BLH/2013 on 26<sup>th</sup> June 2013 in term of permit for POM construction of Bukit Makmur Mill and its supporting installation with capacity of 90 Ton of FFB / hour in Sungai Hanya Village, Telaga Antang Subdistrict, Kotawaringin Timur District.

**5.1.2 & 5.1.3**

The company has conducted environmental management based on documents of Environmental Management Plan / Environmental Monitoring Plan of 2013, such as potential increase of noise, river water quality, the increase rate of soil erosion, potency of land fire, biodiversity, income increase and community perception. Record of implementation of Environmental Management describe in RKL-RPL implementation report semester 2 year 2018 and has been reported to environment agency Kotawaringin Timur March 1 2019.

Implementation of environmental monitoring was described in RKL-RPL implementation report. Based on the RKL-RPL implementation report of semester 2 of 2018 known there isn't negative impact caused by company, such as the result of mill effluent quality testing that conducted periodically has been accordance with the standard qualities set by the government. Interview with environmental agency of Kotawaringin Timur show that CH has been submit the RKL-RPL implementation report every six month and there isn't negative impact caused by CH.

**Status: Comply**

## 5.2

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

### 5.2.1, 5.2.2

HCV identification was performed in 2012 for scope of 17,500 Ha (in accordance with the company's location permit) by the RSPO approved assessors, assessment are done using the HCV toolkit 2008. Based on the review of HCV report for PT KMB not found any of HCV which rare and threatened ecosystem, which can be significantly affected by estate and mill operational activities, there are species of flora and fauna which protected under PP No. 7 of 1999, CITES and IUCN. The Company has fixed the HCV area to be managed as much as 514.52 Ha for scope of PT KMB, however for Bukit Makmur Estate and Bukit Kecubung Estate, the HCV area covers 338.58 ha. Species RTE found for example: Owa (*Hylobates agilis*), Kelempiau (*hylobates muelleri*), Pangolin (*Manis javanica*) and Bird pergam (*Ducula pickeringii*).

The company has set the HCV management plan for the period of 2019, including explaining the management actions and the period of implementation, for example: During field observation to riparian of Meraya River in BKCE seen that HCV signboard is installed and there is no indication of disturbance to HCV area. The implementation of HCV management has been in accordance with the management plan.

As well the enrichment activities are sighted in riparian of Hanya river and Meraya river in BKME with total planted amount of ketapang and trembesi 1,534 trees. the company also has appointed a trained HCV personnel in each estate. Flora and fauna inventory are done routinely every month, for example period Jan - Jun 2019 on BKCE and BMKE.

### 5.2.3, 5.2.4, 5.2.5

The company has issued an internal office memo on February 2014 related to the protection policy of HCV area in each estate include the sanction for workers who is hunt, capture, injuries, kill, sell the RTE species. The CH has been carry out the management and monitoring activities based on predetermined standards and technical guidelines. The saction and policy has been socialized through the poster, which based on Law No. 5 of 1990 article 21 on whoever captures, injures, kills, keeps, owns and sells RTE, are threatened 5 years imprisonment and a fine of one hundred million rupiah. The requirements relating to protection of protected species accordance with law government number 7 year 1999 related flora & fauna protected species. The enhancement and result of the HCV / RTE monitoring review for next HCV program. The review of the 2018 program, it will become a HCV program in 2019, for example Repairing HCV signboard September 2018 has not been fully completed and has been programmed in September 2019.

Based on interviews with employees and the communities during public consultation is known that they are aware of the policy. No employees were found who kept animals during observation to workers line-site.

Inventory of flora and fauna was done routinely every month, for example period January - June 2019 in BKCE and BMKE found 3 species of fauna (*Amaurornis phoenichurus*, *Elanus caeruleus*, *Streptopelia chinensis*) and flora (*Exodophorus aridus*, *Cyperus rotundus*, *Mimosapudica*, *Moses textiles*). There is no HCV set aside area.

Status: Comply

## 5.3

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

### 5.3.1

PT KMB has identified its waste and pollution source and developed waste and pollution management plan in 2019. 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, generator 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 result of inventory in BMKM and Estate such as spray activities produce waste, such as former pesticide container placed in hazardous waste warehouse, preparation and maintenance block mark, such as former paint cans, placed in hazardous waste warehouse, plastic waste fertilizer, placed in hazardous waste warehouse. And then in Kendawangan POM such as activities in the loading ramp, used sacks lose fruit placed in landfill, in WTP, Waste resulting is ex chemical container

placed in hazardous waste warehouse.

The company has permitted hazardous waste storage by Decree of Environmental Agency No 660/493/DLH-Ek.SDA/VII/2017 issued on 25<sup>th</sup> July 2017 and valid for 5 years. There is hazardous waste handling mechanism from the hazardous source in estate and mill to the permitted hazardous waste. Record management hazardous waste, included in reporting management hazardous waste quarter period April to June 2019 addressed to environment agency. The training and socialization to spraying workers, about ex pesticide container disposal is available. The company has employees in charge of hazardous storage is trained, especially the warehouse clerk. Base on observation and interview on hazardous waste storage warehouse clerk has demonstrated safety management practices and appropriated procedures on hazardous storage. The company has agreement with permitted third party to transport and dispose hazardous waste and the last hazardous waste handling over was valid until March 23, 2020.

However, based on field visit it is known:

- Used oil drums were used as floats for submersible pumps in WWTP and pipe buoys in BMKM reservoirs.
- Oil-contaminated spill kits have not been managed optimally on BMKM oil warehouse.
- There is the use of used pesticide jerry cans (*Penta-up*) as a storage place for melting fertilizer in fertilizer regional warehouse.

The implementation hazardous waste management hasn't accordance with hazardous waste management plan (SOP KMB-SUST-SOP-15 August 5, 2015). **Based on that's explanation raised non conformity No 2019.06 with Major Category**

### 5.3.3

Base on field visits in the boiler station any a fiber and shell is used as fuel. Remaining fiber shell and placed so did not result in pollution and potential fire.

From processing operations in mill also produce waste in the form of air emissions from the boiler chimney activity, and generators, as well as the noise emanating from the operational turbines, generators, polishing drum rotation, nut creeker. The company measuring the air quality and noise on a regular basis, emission testing on semester 2 2018. The results of the emission test parameter generator with NO<sub>2</sub>, SO<sub>2</sub>, CO, particulate, opacity, and flow rate in accordance with the quality standards established at Regulation Of Environmental Ministry No. 21 of 2008.

Management POME done in WWTP before disposal land application accordance permit Kotawaringin Timur regency number No.: 660/437/DLH-Ek.SDA/VI/2017 May 31 2017 and valid for 5 years. WWTP is equipped with aerobic and anaerobic Pond, so that does not exceed the quality standards. CH also has testing POME quality every month, accordance Minister Decree environmental agency number 28/2003.

Based on field visit it is known if The company has not been able to show management implementation to avoid and reduce pollution has been implemented thoroughly in the scope of operations

- EFB burned on Block Q25 BMKE
- Domestic waste burned on front of BMKM

Related to this the company has not been able to show that documented waste management plans to avoid and reduce pollution have been implemented thoroughly in the scope of operations. **Based on that's explanation raised non conformity No 2019.07 with Minor Category**

However the hazardous management procedures has been in accordance with Government Regulation No. 101 of 2014 related hazardous waste handling, despite the implementation need to be improved.

<b>Major 5.3.2</b>	<b>Status: Non-conformity No 2019.06 with major category</b>
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<b>Minor 5.3.3</b>	<b>Status: Non conformity No 2019.07 with Minor Category</b>
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## 5.4

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

The Company already maximizing the use of renewable energy (fiber & shell) as boiler fuel. For example use of shells and fiber in January to June 2019 was 145,362 ton, which produces 3,634,025 kWh of electricity from turbine. Renewable energy use per ton of palm product in the mill is 13.50 kwh / ton CPO. Result Direct fossil fuel used is 0.13 kWh/ ton CPO.

<b>Status: Comply</b>
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**5.5**

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

**5.5.1 & 5.5.2**

The document of BGAAGRKS-PTKS-PLH, dated May 27 2011, 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, generator 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 odor 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 periodically per 6 months has been testing the sources of emissions and pollutants, as indicated by the test results semester 1 year 2018 with test results that are below the threshold. Based on field interviews obtained information that CH has a fertilization work plan based on recommendations from recommendations. In addition, CH also has a wash facility for spraying equipment. Monitoring emission sources of pollution, including greenhouse gas emissions listed in SOP Greenhouse Gas Inventory no. BGA-SOP-CCS-1107 year 2012. There is monitoring of noise levels in Housing complex, in front of office, and in Mill. The noise level in Mill is 69.7 d BA. The evaluation of the noise level is to monitor the worker for using PPE in high noise level area.

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 fueled 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 rehabilitation, 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, odor 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. Increased emissions due to replanting and fertilizer activities in 2018.

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**

Base on document verification, CH has been done calculations emission with RSPO Palm GHG Calculator Version 3.0.1 with data input correctly. Calculation option applied CH is November 2005 cut off LUC.

**Summary of Net GHG Emissions period January – December 2018 i.e. :**

Emissions per product	tCO <sub>2</sub> e/tProduct	Extraction	%	Production	ton/year
CPO	1.17	OER	20.97	FFB Processed	327450.17
PK	1.17	KER	4.26	CPO Produced	68678.8

Land Use	ha
OP planted area	21146.77
OP Planted on peat	0
Conservation (forested)	919

**Summary of Field Emissions and Sinks**

	Own Crop		Group		3 <sup>rd</sup> Party		Total	
	tCO <sub>2</sub> e	tCO <sub>2</sub> e/ha	tCO <sub>2</sub> e	tCO <sub>2</sub> e/ha	tCO <sub>2</sub> e	tCO <sub>2</sub> e/ha	tCO <sub>2</sub> e	tCO <sub>2</sub> e/ha
<b>Emissions</b>								
Land conversion	61294.85	8.52	35833.75	8.02	13207.32	8.87	-	-
*CO <sub>2</sub> emissions from fertilizer	8113.27	1.13	7795.86	1.74	2513.32	1.69	-	-
**N <sub>2</sub> O emissions	7576.23	0.91	5520.58	1.24	1859.37	1.25	-	-
Fuel consumption	1454.5	0.2	1892.52	0.42	678.74	0.46	-	-
Peat Oxidation	0	0	0	0	0	0	-	-
<b>Sinks</b>								
Crop sequestration	-6371.74	-9.36	-4825.35	-9.36	13937.47	-9.36	-	-
Conservation Sequestration	-2443.78	-0.34	0	0	0	0	-	-
<b>Total</b>	<b>8623.32999</b>	<b>1.06</b>	<b>9217.36</b>	<b>2.06</b>	<b>13808.2</b>	<b>2.91</b>	<b>-</b>	<b>-</b>

**Summary of Mill Emissions and Credits**

	tCO <sub>2</sub> e	tCO <sub>2</sub> e/tFFB
<b>Emissions</b>		
POME	64185.78	0.2
Fuel Consumption	759.73	0
Grid Electricity Utilisation	0	0
<b>Credits</b>		
Export of Grid Electricity	-5.87	0
Sales of PKS	0	0
Sales of EFB	0	0
<b>Total</b>	<b>64393.64</b>	<b>0.2</b>

**Palm oil Mill Effluent (POME) Treatment**

Divert to compost	0
Divert to anaerobic digestion	100

**POME Diverted to Anaerobic Digestion:**

Divert to anaerobic pond	100
Divert to methane capture (flaring)	0

Divert to methane capture (electricity generation)	0
<b>Emissions from Palm Kernel Crusher</b>	
<b>Emissions Source</b>	<b>tCO<sub>2</sub>e</b>
PK from own mill	16313.48
PK from other sources	0
Fuel consumption	0
Total crusher emissions	0
<b>Status: Comply</b>	
<b>PRINCIPLE #6 Responsible consideration of employees and of individuals and communities affected by growers and mills</b>	
<b>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.</b>	
<p><b>6.1.1; 6.1.2.</b>          The certificate holder has document of Social Impact Assessment was described social impact of plantation and mill operation. The SIA was done on 2012 collaboration with Faculty of Forestry, Bogor Institute Plantation. The company also has carried out Re-Social Impact Assessment activities on 7 – 19 December 2018 with scope of PT KMB including GMKM, GMKE, SMNE, BDME, BHJE, BAGE; BMKM, BKCE, BMKE, MAGE.</p> <p>The assessment were carried out in a participatory manner involving 20 villages: Rantau Katang, Tumbang Mangkup, Luwuk Kowan, Rantau Tampang, Tumbang Bajanei, Tumbang Boloi, Agung Mulya, Beringin Agung, Gunung Makmur, Tanjung Jorong, Waringin Agung, Tumbang Sangai, Bhakti Karya, Sungai Hanya, Wonosari, Tanjung Harapan, Bukit Makmur &amp; Buana Mustika Village. And also involving estates &amp; mills managements and workers.</p> <p>Based on interview with stakeholders from Tumbang Mangkub Village, Rantau Tampang Village, Wonosari Village, Agung Mulya Village, Beringin Agung Village, and Tumbang Sepayang Village sighted that all issue has identified during re-assessment SIA by the company and consultant on December 2018.</p> <p><b>6.1.3</b>          Based on draft summary report of Social Impact Re-Assessment there are several internal and external issues, such as:</p> <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p><b>External Issues:</b></p> <ul style="list-style-type: none"> <li>- Information of permit border in accordance to village administration border.</li> <li>- Job opportunities.</li> <li>- Environment.</li> <li>- Health.</li> <li>- Education.</li> <li>- Population.</li> <li>- Land dispute.</li> <li>- Plasma cooperative problems.</li> <li>- Constraints to CSR program.</li> <li>- Positive and negative impacts.</li> </ul> </div> <div style="width: 45%;"> <p><b>Internal Issues:</b></p> <ul style="list-style-type: none"> <li>- Improved the housing conditions.</li> <li>- Water quality from water reservoirs.</li> <li>- Domestic waste management.</li> <li>- Availability of clinics in mills.</li> <li>- Health insurance registration.</li> <li>- Complaint from workers regarding to BPJS employment transfer procedure.</li> <li>- Drugs distributions mechanism.</li> <li>- Repairing of ambulance conditions and number of ambulance.</li> <li>- Complaints regarding to incentives or bonuses.</li> <li>- School bus conditions, schedule of shuttle bus, and availability of school buses.</li> <li>- Number of student in one study group.</li> <li>- Drainage condition around of education complex.</li> <li>- The ratio of babysitter and children on the daycare.</li> <li>- Complaints regarding to incentive of babysitter on the daycare.</li> <li>- Availability of landfill facilities.</li> </ul> </div> </div>	

- Improving the soft skill of babysitter on the daycare.
- Availability of work tools replacement.
- Controlling work tool usage and store.
- Accelerating the availability of health facilities, especially around of mills.

Related to the issues found, based on the Re-Social Impact Assessment, the company has not been able to show a plan for managing and monitoring social impacts to avoid or reduce negative impacts and increase documented positive impacts with a clear timeline, accompanied by the person responsible. **Based on that's explanation raised non conformity No 2019.08 with Major Category**

#### 6.1.4

The social impact management and monitoring plan will be reviewed on 2020, two years after the issuance of Social Impact Assessment of 2018.

#### 6.1.5

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

Major 6.1.3	Status: non conformity No 2019.08 with Major Category
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### 6.2

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

#### 6.2.1 and 6.2.2

The latest of stakeholder list (updated on Dec 2018) sighted during audit, informs type/group, name, institution, address and contact number, as much as 166 parties was listed consist of : government institution, supplier/contractor, NGO and communities leader / village leader.

The procedure and mechanism for consultation and communication describes in procedure no.: SOP-KMB-KOM-01, issued on August 29, 2013 covers all internal and external communication activities related to OHSE and RSPO. Based on interviews with local communities and interviews with labor union stated that the communication mechanism has been known, the responsible PIC is CSR Staff. External information and communications are responded to by the max 15 days after receipt, all communications recorded in the communication logbook, stored and reviewed every 6 months. The document retention refers to the record control procedure.

#### 6.2.3

Based on logbook communications and consultations with stakeholders, sighted that only the request for aid was delivered by the surrounding villages, which has been addressed by the company through the CSR program.

Status: Comply
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### 6.3

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

#### 6.3.1

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

Based on interview with worker in BMKM, BMKE, and BKCE, it is known that workers understand how to deliver their complaint if any. Also, Based on interview with representative of Village Head of Bhakti Karya and Waringin Agung Village, it is known that they understand the mechanism to deliver their complaint if any.

### 6.3.2

All of complaints recording in the logbook of complaint, the logbook has been inform responses and action plans/implementation of the corrective action. Based on document verification, there's five complaint from workers and has been handled by company. Based on interview to the workers, known that some complaints submitted verbally but have not been recorded on note, this become Opportunity for Improvement. (OFI).

Status: Comply

### 6.4

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

#### 6.4.1, 6.4.2, 6.4.3

The certificate holder has document of land acquisition procedure (SOP-PAD-001) in term of the procedure of land and crops compensation. Based on interview with Village Head of Waringin Agung, Bhakti Karya, as well as previous land owners from Hanya Village, known that the land compensation agreement is made in the Indonesian language, understood by the parties, and known by the village government. The procedure was understand by the related party and has been disseminated.

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

Status: Comply

### 6.5

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

#### 6.5.1

Based on document verifications, interviews with workers and management also public consultations with relevant institutions obtained information if employs wages payment conducted under the terms of Kalimantan Tengah Governor Decree No. 51 the year 2018 dated 21 November 2018 about Minimum Sectorial Wage. Based on an interview with the employee in the mill, estate, Worker Union, Gender Committee known that the company has paid the employees wage in accordance with applicable regulation, payment of wages has been held in accordance with the mechanism mentioned in employment contracts and Collective Labor Agreement. Moreover, the resulting interview with the contractor also revealed that they received a salary no less than government regulation's amount. Based on overtime record at Mill, the calculation of overtime has been met the applicable regulation, procedure, and Collective Labor Agreement

Based on an interview with harvester obtained information wage calculation based on harvesting quota, harvesting area and work hours (7 hours a day). For example when low crop season and the workers not obtained the harvesting quota that determined, the workers should finish the harvesting area or work for 7 (seven) hours a day. Meanwhile, interview with harvester it's known in common day they can obtain harvesting quota after 5 (five hours) and if there is an excess from quota they get the incentive. Based on that's explanation team auditor considers there is no violating to the wage regulations and forced to work for the harvester. However, based on interview and documents verification in Creche on BMKE and BKCE it's known there is nonconformity related the calculation regarding overtime calculation for crèche workers, where the workers work more than 7 hours a day and 40 hours a week and based on overtime calculation the workers get paid only one hour a day with the nominal 1/173 monthly wages. Meanwhile based on Manpower decree no 102 the year 2004 about overtime and overtime calculation values, in article 11 mentioned:

- a.1 for every first hour overtime the calculation value is 1.5 (one and a half) time for one hour overtime
- a.2 for the next overtime the calculation value is 2 (two) for one hour overtime

**Based on that's explanation raised nonconformity No 2019.09 with Major Category**

#### 6.5.2

Based on documents verifications and interview with managements there are several type of worker in PT KMB are

permanent workers and contractor's workers. Each type of worker has its own work agreements in accordance with the duties and responsibilities. The company can show the collective work agreement for workers, company regulations for permanent workers, direct contract for contract workers and work agreement for contractors.

The employment contract, company regulations and work agreements is in a language under stable, written in bahasa and the copies are available for both parties, (the workers and company). Based on the interview with employees is known that the employee has had a copy of the labor agreement and has understood the agreement.

### 6.5.3

The Company provides facilities and infrastructure for personnel welfare, such as housing, polyclinic, clean water, sports yard, education facilities, worship venue, and access to electricity. Based on the interview with employees mentioned that the infrastructures provided by the company have been adequate and feasible. Based on the results of a field visit to the housing of BMKE employees, it is known that the drainage ditch is inadequate (shallow) and domestic waste is found that is not placed in its place (dumped into the drainage). Meanwhile, in the company's domestic waste management procedures (No. Doc: KMB-SUST-SOP-47) wherein clause, 7.3.1 explains "All employees and workers who are in housing, offices and other work facilities are required to dispose of waste in trash cans that have been provided. **Based on that's explanation raised non conformity No 2019.10 with Minor Category.** Other than that the water testing of Mei – June can not be shown, because of the lateness of sample taking from the laboratorium, this become opportunity of improvement to the company to ensure the due date of sample taking. **OFI**

Hasil Pengujian mei - juni belum di sajikan, dikarenakan keterlambatan pengambilan sampel pihak labor yg mengirim hasil ujinya ke kebun. **OFI**

### 6.5.4

Company facilitates all workers to access adequate food supply by establishing market during the payment day. Moreover, there are some markets in surrounding villages. Personnel have an issue to access good food with reasonable price. Based on field visit and interview with personnel, company does not prohibited personnel to be a vendor, like selling staple food. Subsequently, there is no difficulty to access food.

Major 6.5.1	<b>Status: Non Conformity No 2019.09 with Major Category</b>	
Minor 6.5.3	<b>Status: Non Conformity No 2019.10 with Minor Category</b>	

## 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

The company's policy that gives the freedom of workers described in the Documents Sustainability Policy, that mentioned Respect for Workplace Human Rights: Recognition of International Labor Organization (ILO) core conventions and the United Nations (UN) Universal Declaration on Human Rights, including a ban on forced and child labor, elimination of discrimination, provision of fair wages and working hours, and respect for freedom of association. Provision of a healthy and safe working environment, ethical conduct and efforts to eliminate corruption. Furthermore, there are Employee responsibility policies, November 2015 that described the respect and appreciate the right of every worker to form or join trade unions in accordance with Act No. 21 of 2000.

Documents verification and interviews with workers and management it's known if there is no worker union in PT KMB but the company is formed Bipartite Cooperation Institution and has been reported to the relevant agencies, as a forum for the settlement of the existing industrial relations and related to the compliance with the applicable regulations.

The company has shown records related to the Bipartite Meeting, which took place in April 2019 at Gunung Makmur Estate, with discussions including the determination of the newest bipartite members and preparation of new management. Based on interview with the workers party, known that there was no intervention from management party related the determination of bipartit member.

Based on the results of interviews with the Bipartite Cooperative Agency it is known that the role of Bipartite is also included

in witnesses in the payment of employee separation, pensions, BPJS claims, etc.

**Status: Comply**

## 6.7

### Children are not employed or exploited.

#### 6.7.1

Policy related no child labor mentioned in the Documents Sustainability Policy, that mentioned Respect for Workplace Human Rights: Recognition of International Labor Organization (ILO) core conventions and the United Nations (UN) Universal Declaration on Human Rights, including a ban on forced and child labor, elimination of discrimination, provision of fair wages and working hours, and respect for freedom of association. Provision of a healthy and safe working environment, ethical conduct and efforts to eliminate corruption. Furthermore, there are Employee responsibility policy, November 2015 that explains:

- Protect women workers from sexual harassment, violence, and rights related to human reproduction.
- Not employing children under the age of 18, in accordance with Law No. 13 of 2003 concerning Manpower, as well as Law No. 1 of 2000 concerning the ratification of ILO Convention No. 182

List of personnel is available in each estate and mill unit, which is completed with information like personnel identity number, name, personnel' status, position, date of birth, hiring date gender, ethnicity. Based on the document's review, it's known that there is no personnel under 18 years old. Moreover, based on an interview with a worker in estate and mill, they know the minimum age to work in the CH. Based on field observation in the estate, auditors did not sight any harvester accompanied by their wives or children. Moreover, an interview with personnel revealed that there is no personnel under 18 years old and personnel understand the minimum age for recruitment in CH.

**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,

PT KMB has had a policy of equal opportunity and treatment in employment, which is contained in the Documents Sustainability Policy, that mentioned Respect for Workplace Human Rights: Recognition of International Labor Organization (ILO) core conventions and the United Nations (UN) Universal Declaration on Human Rights, including a ban on forced and child labor, elimination of discrimination, provision of fair wages and working hours, and respect for freedom of association. Provision of a healthy and safe working environment, ethical conduct and efforts to eliminate corruption.

Based on observation on employee list documents and interviews with employees, it is revealed that the hired employees have diverse educational, ethnic and religious backgrounds. Interview with village representative revealed that the company opens work opportunities for local communities (in mill and estate). This can be considered a positive impact on the company's existence for local communities. There is no complaint related to discrimination from local communities. The results of interviews with workers, bipartite, gender committees, cooperative managers are known that in the recruitment process there are several requirements that must be met, such as identity cards, CVs, family cards, health examination results, etc. In addition, workers are also given training related to their job description to improve the skills/expertise of workers. So that workers who are appointed or recruited already have the expertise/ability in accordance with the job description.

#### 6.8.2; 6.8.3

Document verification and interview with management employee's recruitment are based on company requirements without considering ethnic, religious, racial and class backgrounds. All prospective employees have rights for employment opportunities according to their educational background and company requirement. Moreover, the result of an interview with employees also reveals that there is no indication of discrimination against employees. Company is able to demonstrate evaluation of work performance assessment form of contract employee in which the assessed aspects include Discipline, work quality, work quantity and etc.

**Status: Comply**

## 6.9

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

**6.9.1; 6.9.2 ; 6.9.3**

The company has a responsibility policy for workers which was endorsed in November 2015 by Regional Head I. The policy explains relating to protecting female workers from sexual harassment, acts of violence, and rights related to human reproduction. Based on interviews with women workers at PT KMB, it is known that they understand about the policy and the reproductive rights for women workers. The company has established a gender committee in each unit as an organization to manage the complaints of women workers in the event of sexual harassment and violations of reproductive rights.

The Company has established a gender committee in each unit as an organization to manage the complaints of women workers in the event of sexual harassment and violations of reproductive rights. Interviews with the management of gender committee shows that they already know the duties and responsibilities as the socialization about the complaints mechanism, the socialization of sexual harassment, etc. The administrator of gender committee also stated that the company guarantees the anonymity of the reporting and the revealer of the case.

The interview result with the Gender Committee of informs that there is no case of sexual harassment reported to Gender Committee. The routine gender committee activity is socialization on sexual harassment and submission mechanism if there is a sexual harassment.

The interview result with women worker in each estate its known if the worker has understood the existence of gender committee and the policy regarding women right protection. The administrator of gender committee also stated that the company guarantees the anonymity of the reporting and the revealer of the case.

<b>Status: Comply</b>
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**6.10**
**Growers and mills deal fairly and transparently with smallholders and other local businesses.**
**6.10.1**

FFB pricing from smallholders was following Government Prices that set by Kalimantan Tengah Governor. While FFB pricing from independent FFB suppliers was refers to government be considerate OER and KER quality from the Mill. The information regarding to FFB prices can access real time from the government website, circular memorandum, whatsapp message from Commercial Department staff etc. According to interview with cooperation boards (Waringin Jaya, Usaha Bersama, Sekartani, and Marga Rahayu), they always invited by the company to following FFB pricing meeting with other company and government every month.

**6.10.2**

The cooperation boards said that there was no complaint related to the FFB sales report which submitted to the cooperative every two months. The company has describe the tonnage of FFB production per year in each month, FFB purchase price (from Plantation Agency) per year planted in every month.

**6.10.3**

There were complaints about the basis of the agreement on the existence of a company bailout debt with a certain nominal (investment stage and production stage bailout) that must be borne by the cooperative after the bank credit is paid off, as well as complaints about the details of the time and purpose of using the bailout fund. The bailout debt was submitted to the Cooperative Management based on the Minutes of the Socialization of the Cooperative Management Responsibility Report on January 17 and 18 2018.

The company showed a socialization of revenue sharing in June 2018, which had discussed that the bailout was used for payment of proceeds if minus due to low prices, or other things. This topic has been included in NCR 2019.08 in indicator 6.1.3 related to social impact management plans related to plasma schemes.

**6.10.4**

Based on public consultation with cooperatives boards and local contractor, known that the payment has been paid in accordance with the agreement.

<b>Status: Comply</b>
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**6.11**
**Growers and millers contribute to local sustainable development wherever appropriate.**
**6.11.1.**

The certificate holder has CSR program in accordance to deliberations development plan of Village and Sub District in year of 2019. Based on interview with surrounded community CSR program has been prepared in participation maner, through the participation of Certificate Holder in Village or Sub-District Development Meeting (Called MUSREMBANG). The Certificate Holder shown the evidence of attendance list of participation on MUSREMBANG of 2018. The CSR program year 2019 are local business development program, education program, environment program, health program, social-culture program, and publication program. In addition the certificate holder have several agreement with local contractor for FFB transport on estate unit, operational upkeep in estate and agreement with independent FFB suppliers. The company has opportunity for improvement related there was some community leader that has not been involved in CSR program arrangement. **OFI.**

**6.11.2.**

The PT Karya Makmur Bahagia overall has been implemented of smallholder program with full manage system (5 cooperative) and independent FFB suppliers (35 members). Overall of plantation manage was handle by the company and the cooperation unit as representation of the community was monitored all operational activities and earn the report from the company. The certificate holder was providing palm seed for independent smallholders and giving consultation about best management practices, as well as give training for smallholder member. It has been verified based on consultation with the cooperation board of Waringin Jaya, Usaha Bersama, Sekartani, and Marga Rahayu.

<b>Status: Comply</b>
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**6.12**

**No forms of forced or trafficked labour are used.**

**6.12.1, 6.12.2 and 6.12.3.**

PT KMB has had a policy of no forced labor, which is contained in the Documents Sustainability Policy, that mentioned Respect for Workplace Human Rights: Recognition of International Labor Organization (ILO) core conventions and the United Nations (UN) Universal Declaration on Human Rights, including a ban on forced and child labor, elimination of discrimination, provision of fair wages and working hours, and respect for freedom of association. Provision of a healthy and safe working environment, ethical conduct and efforts to eliminate corruption.

Based on document review, field observation, and interviews with workers and stakeholders, auditors did not see any harvester accompanied by their wife or children and any indication of forced labor. There is no threat against family members. Based on document verifications and field observations in spraying & harvesting activities at Estate and Mill operations activities, there were no forms of forced or trafficked labor are used. Besides that, there are no foreign workers who work at PT KMB.

<b>Status: Comply</b>
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**6.13**

**Growers and millers respect human rights**

**6.13.1**

The Company has a human rights policy contained in the Documents Sustainability Policy, that mentioned Respect for Workplace Human Rights: Recognition of International Labor Organization (ILO) core conventions and the United Nations (UN) Universal Declaration on Human Rights, including a ban on forced and child labor, elimination of discrimination, provision of fair wages and working hours, and respect for freedom of association. Provision of a healthy and safe working environment, ethical conduct and efforts to eliminate corruption.

The policy has been communicated to internal and external stakeholders. The policy is communicated to all employees through the morning briefing. Based on interviews with workers Until the audit carried out there is no report about cases of human rights violations. Until the audit activities carried out there have been no incidents of human rights violations that occurred in the company's scope

<b>Status: Comply</b>
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**PRINCIPLE #7 Responsible development of new plantings**
**7.1**

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

**7.1.1, 7.1.2, 7.1.3**

Based on NPP documents, it is known that the company's operations (planting has been carried out since 2000 and was completed in 2012). The managed area has had Land Use Title (HGU) for 15,056.31 Ha since 2001. The SEIA has been conducted in entire area as described on the criteria 5.1 and 6.1. Company has conducted RSPO New Planting Procedure (NPP) assessment on 10th December 2013.

**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 and 7.2.2

The company does not develop or expand new areas. The company has conducted semi-detailed land surveys as a basis for land suitability for oil palm cultivation. this has been explained in indicator 4.3.1

**Status: Comply**

## 7.3

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

### 7.3.1, 7.3.2, 7.3.3, 7.3.4, 7.3.6

The Company has carry out the HCV assessments in 2012 by the RSPO approved assessors using the HCV toolkit 2008. Against areas planted since November 2005 without prior HCV assessment, the company has submitted disclosure and LUCA to the RSPO, has been response by RSPO Compensation Executive RSPO (Dillon Sarim) by e-mail to Head Sustainability of BGA on April 25, 2016. It is explained that the LUCA report has been received and declared **Pass**. In addition, the RAC-Plan has also been submit to RSPO however no evidence the RAC-Plan PT KMB has been approved by the RSPO.

Base on communication CB's PT Mutuagung Lestari and RSPO May 27, 2019 informed *"kindly note that there is land liability issue for this certified unit where the compensation plan has yet to be endorsed. Therefore, the certificate for this certified unit cannot be issued upon the completion of the assessment until everything is clear"*. **Based on that's explanation raised non conformity No 2019.11 with Major Category**

**Major 7.3.1 Status: Non-conformity number 2019.11**

## 7.4

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

### 7.4.1 and 7.4.2

Certification units have no expansion and new development of plantation area after November 2005. The current activities are replanting of oil palm crops starting in year 2014.

**Status: Comply**

## 7.5

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

### 7.5.1

The certificate holder did not expand the area. The managed area has had Land Use Title (HGU) for 15,100.24 Ha since 2001. According to the result of document review and field visit, the youngest year of planting was on 2013. Certificate holder has conducted RSPO New Planting Procedure (NPP) assessment on 10th December 2013 for the land clearing post January 1st 2010.

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

**Status: Comply**

## 7.6

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

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

The certificate holder did not expand the area. The managed area has had Land Use Title (HGU) for 15,100.24 ha since 2001. According to the result of document review and field visit, the youngest year of planting was on 2013. Certificate holder has conducted RSPO New Planting Procedure (NPP) assessment on 10th December 2013 for the land clearing post January 1st 2010.

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

**Status: Comply**

**7.7**

**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.**

BGAAGRKS-PTKS-PLH, dated May 27 2011, 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 KMB year 2018. The GHG calculation is calculated using Palm GHG Calculator version 3.0.1 and has been submitted to RSPO. Company has conducted RSPO New Planting Procedure (NPP) assessment on 10th December 2013. The company has finished its planting activity in 2012 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.**

The company has conducted regular review of the activities trough RSPO and operational internal audits, social environmental management and monitoring plan, as well as management review. RSPO Internal Audit conducted on 25 February – 1 March 2019, whereas Management Review conducted on 22 May 2019.

**Environmental aspects**

- Effluent management and monitoring. WWTP pond management, effluent quality test and report it to Kotawaringin Timur Regency, Environment Agency.
- Air quality management and monitoring. Road maintenance, air quality test and report it to Kotawaringin Timur Regency, Environment Agency.
- Ground water management and monitoring. Testing ground water quality and report it to Kotawaringin Timur Regency, Environment Agency.
- Hazardous waste management. Storing hazardous waste at the permitted hazardous waste, managing and monitoring hazardous waste (conducted by Kotawaringin Timur Regency, Environment Agency).

**Social Aspect**

The Certificate Holder shown evidences of contribution to local sustainable development, through develop oil palm scheme smallholder, acceptance of local workers, contractors and local businesses, as well as other contributions contained in CSR programs that are prepared in a participatory manner with the community.

**Status: Comply**



**3.2 Summary of Assessment Report of Supply Chain Requirement**
**3.2.1. General chain of custody requirements for the supply chain**

Clause	Requirement				
<b>5.1</b>	<b>Applicability of the general chain of custody requirements for the supply chain</b>				
5.1.1	<p>The General Chain of Custody requirements of the RSPO Supply Chain Standard shall apply to any organization throughout the supply chain that takes legal ownership and physically handles RSPO Certified Sustainable oil palm products at a location under the control of the organization including outsourced contractors. After the end product manufacturer, there is no further requirement for certification.</p> <p>The whole process of physical handling of certified products from FFB to CPO / PK is conducted solely by BMKM. Will be verified in ASA-1, currently the mill not yet certified.</p>				
	<b>Status: Comply</b>				
5.1.2	<p>Traders and distributors require a license obtained from RSPO Secretariat to sell RSPO certified product but do not themselves require certification. When selling RSPO certified products, a licensed trader and/or distributor shall pass on the certification number of the product manufacturer and the applicable supply chain model.</p> <p>The unit is palm oil mill, not a trader or distributor.</p>				
	<b>Status: Comply</b>				
5.1.3	<p>Either the operator at site level or its parent company seeking certification shall be a member of the RSPO and shall register on the RSPO IT platform.</p> <p>The Mill has registered on the RSPO IT Platform with details as follows:</p> <table border="0"> <tr> <td>Member Name</td><td>PT Karya Makmur Bahagia – Bumitama</td></tr> <tr> <td>Member ID</td><td>RSPO_PO100000 5302</td></tr> </table>	Member Name	PT Karya Makmur Bahagia – Bumitama	Member ID	RSPO_PO100000 5302
Member Name	PT Karya Makmur Bahagia – Bumitama				
Member ID	RSPO_PO100000 5302				
	<b>Status: Comply</b>				
5.1.4	<p>Processing aids do not need to be included within an organization's scope of certification.</p> <p>The mill does not have any processing aid neither material nor equipment.</p>				
	<b>Status: Comply</b>				
<b>5.2</b>	<b>Supply chain model</b>				
5.2.1	<p>The site can only use the same supply chain model as its supplier or go to a less strict system. Declassification/downgrading can only be done in the following order: Identity Preserved -&gt; Segregated -&gt; Mass Balance.</p> <p>The Mill has a plan to apply Mass Balance Supply Chain Model only, the implementation will be observed during ASA 1.</p>				
	<b>Status: Comply</b>				
5.2.2	<p>The site can use one (1) or a combination of supply chain models as audited and certified by the CB.</p> <p>The Mill has a plan to apply Mass Balance Supply Chain Model only, the implementation will be observed during ASA 1.</p>				
	<b>Status: Comply</b>				
<b>5.3</b>	<b>Documented procedures</b>				
5.3.1	<p>The site shall have written procedures and/or work instructions or equivalent to ensure the implementation of all elements of</p>				

**the applicable supply chain model specified.**

The Mill has a procedure for implementing the SCC requirements in the document of Product Identification and Traceability (No. KMB-SUST-SOP-43 Rev 01 dated 24 Nov 2017). In procedures describing rules related to SCC implementation, the personnel involve and responsibilities such as commercial departments, sustainability regions, mill managers and OQC Dept.

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

In clause 7.3 it is explained that the sustainability region is responsible for informing the production of excessive certified products to CB and clause 7.6 mentions that management review is conducted once a year. In the SOP annex there are RSPO team structure of PT KMB and details of duties and responsibilities respectively.

According to the interview with weighbridge operator known that the company has had the procedure to separate FFB that comes from certified or noncertified sources. All of FFB received will be separate in weighbridge system and calculate CPO/PK certified/noncertified product and stamped with certified and noncertified stamp. Administration staff will informed the sum of certified/noncertified product in daily bases, monthly and three monthly bases.

	<b>Status: Comply</b>
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**5.3.2**
**The site shall have a written procedure to conduct annual internal audit**

The procedure of Internal Audit (No. KMB-SUST-SOP-39 dated 28 Oct 2017), the SOP are covering RSPO-SCCS, RSPO P&C, ISPO, ISCC, ISO and OHSAS. In the section of procedure (section 6) mentioned that internal audit are conducted once a year.

	<b>Status: Comply</b>
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**5.4**
**Purchasing and goods in**
**5.4.1**

The receiving site shall ensure that purchases of RSPO certified oil palm products are in compliance and the following minimum information for RSPO certified products is made available by the supplier .

The Mill has not certified yet. The implementation will be observed during ASA 1.

	<b>Status: Comply</b>
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**5.4.2**
**The site shall have a mechanism in place for handling non-conforming oil palm products and/or documents**

Mechanism to handling and control nonconformance product are described in SOP No.: KMB-SUST-SOP-51, regulating among others controlling / handling of raw materials received (FFB), product identification in process, control of final product to be shipped to buyer and controlling/handling the improper document.

	<b>Status: Comply</b>
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**5.5**
**Outsourcing activities**
**5.5.1**

In cases where an operation seeking or holding certification outsources activities to independent third parties (e.g. subcontractors for storage, transport or other outsourced activities), the operation seeking or holding certification shall ensure that the independent third party complies with the requirements of the RSPO Supply Chain Certification Standard. A CPO mill and independent mill cannot outsource processing activities like refining or crushing.

There future certified product will be transported by third parties (CV Surya Mentaya Jaya for CPO transporter and CV

Dhivelado Tunggal Jaya for PK transporter) who have been contracted by Mill through contractual agreements, that covers the willing to be verified by CB during supply chain audit. Those contractors also had given induction training of SCCS dated 15 May 2019.	
	<b>Status: Comply</b>
<b>5.5.2</b> Sites which include outsourcing within the scope of their RSPO Supply Chain certificate shall ensure the following: <ol style="list-style-type: none"> <li>The site has legal ownership of all input material to be included in outsourced processes;</li> <li>The site has an agreement or contract covering the outsourced process with each contractor through a signed and enforceable agreement with the contractor. The onus is on the site to ensure that certification bodies (CBs) have access to the outsourcing contractor or operation if an audit is deemed necessary.</li> <li>The site has a documented control system with explicit procedures for the outsourced process which is communicated to the relevant contractor.</li> <li>The site seeking or holding certification shall furthermore ensure (e.g. through contractual arrangements) that independent third parties engaged provide relevant access for duly accredited CBs to their respective operations, systems, and any and all information, when this is announced in advance</li> </ol>	
In the contractual agreement stated that all product is legally owned by PT KMB, the transporter only responsible for transporting to the destination in stated in delivery document. On the agreement, there are sections was explained that the contractors is willing to be verified by CB during supply chain audit.	
	<b>Status: Comply</b>
<b>5.5.3</b> The site shall record the names and contact details of all contractors used for the processing or physical handling of RSPO certified oil palm products.	
The Mill already records information of the contractors details : <ul style="list-style-type: none"> <li>- CV Surya Mentaya Jaya, located in Karang Tunggal Village, Parenggean, Kotawaringin Timur, Central Kalimantan</li> <li>- CV Dhivelado Tunggal Jaya, address : Jalan Nanas III, No.: 99, Sampit, Kotawaringin Timur, Central Kalimantan</li> </ul>	
	<b>Status: Comply</b>
<b>5.5.4</b> The site shall at its next audit inform its CB of the names and contact details of any new contractor used for the processing or physical handling of RSPO certified oil palm products	
The implementation will be observed during ASA 1.	
	<b>Status:</b>
<b>5.6</b>	<b>Sales and goods out</b>
<b>5.6.1</b> The supplying site shall ensure that the following minimum information for RSPO certified products is made available in document form: The name and address of the buyer	
The Mill has not certified yet. The implementation will be observed during ASA 1.	
	<b>Status: Comply</b>
<b>5.7</b>	<b>Registration of transactions</b>
<b>5.7.1</b> Supply chain actors who: <ul style="list-style-type: none"> <li>• are mills, traders, crushers and refineries; and</li> <li>• take legal ownership and/or physically handle RSPO Certified Sustainable oil palm products that are available in the yield scheme of the RSPO IT Platform (Figure 2 and 3, refer Annex 1) shall register their transaction in the RSPO IT platform and confirm upon receipt where applicable</li> </ul>	
The Mill has registered on the RSPO IT Platform with details as follows:	

Member Name	PT Karya Makmur Bahagia – Bumitama
Member ID	RSPO_PO100000 5302
	<b>Status: Comply</b>
<b>5.7.2</b>	<p>The involved supply chain actors mentioned in 5.7.1 shall do the following actions in the RSPO IT Platform:</p> <ul style="list-style-type: none"> <li>Shipping Announcement / Announcement: When RSPO certified volume is sold as certified, the volumes of products that are in the yield scheme (Figure 2 and 3, refer Annex 1) shall be registered as a Shipping Announcement / Announcement in the RSPO IT Platform. The declaration time to do Shipping announcement / Announcement is based on members' own standard operating procedures.</li> <li>Trace: When RSPO certified volumes are sold as RSPO certified to actors in the supply chain beyond the refinery, the volume shall be traced at least annually. Tracing triggers the generation of a trace document with a unique traceability number. Tracing can be done in a consolidated way at least annually.</li> <li>Remove: RSPO certified volumes sold under other scheme or as conventional, or in case of underproduction, loss or damage shall be removed.</li> <li>Confirm: Acknowledge the purchase of RSPO certified volume by confirming Shipping Announcements / Announcements.</li> </ul>
	The Mill has not certified yet. The implementation will be observed during ASA 1.
	<b>Status: Comply</b>
<b>5.8</b>	<b>Training</b>
<b>5.8.1</b>	<p>The organization shall have a training plan on RSPO Supply Chain Standards requirements, which is subject to on-going review and is supported by records of the training provided to staff</p>
	In the SOP of Product Identification and Traceability explained that SCCS related training is provided to all staff and employees involved. The training program is planned once a year.
	<b>Status: Comply</b>
<b>5.8.2</b>	<p>Appropriate training shall be provided by the organization for personnel carrying out the tasks critical to the effective implementation of the supply chain certification standard requirements. Training shall be specific and relevant to the task(s) performed</p>
	Training of SCCS has been conducted on 15 May 2019. Based on interview with weighbridge operator and other key person, known that the Mill already has preparation to implement the SCCS standart.
	<b>Status: Comply</b>
<b>5.9</b>	<b>Record keeping</b>
<b>5.9.1</b>	<p>The organization shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of these RSPO Supply Chain Certification Standard requirements</p>
	The Mill has not certified yet. The implementation will be observed during ASA 1.
	<b>Status: Comply</b>
<b>5.9.2</b>	<p>Retention times for all records and reports shall be a minimum of two (2) years and shall comply with legal and regulatory requirements and be able to confirm the certified status of raw materials or products held in stock</p>
	The organization has SOP (clause 6.1) were explained that all SCCS records are stored within 5 years. The implementation will be observed during ASA 1.

	<b>Status: Comply</b>								
<b>5.9.3</b>	The organization shall be able to provide the estimate volume of palm oil / palm kernel oil content (separate categories) in the RSPO certified oil palm product and keep an up to date record of the volume purchased (input) and claimed (output) over a period of twelve (12) months.								
	The Mill has estimation of volume of RSPO Certified product for next 12 month :								
	<table> <tr> <th>Product</th><th>Volume (MT)</th></tr> <tr> <td>FFB</td><td>106,440</td></tr> <tr> <td>CPO</td><td>25,230</td></tr> <tr> <td>PK</td><td>5,000</td></tr> </table>	Product	Volume (MT)	FFB	106,440	CPO	25,230	PK	5,000
Product	Volume (MT)								
FFB	106,440								
CPO	25,230								
PK	5,000								
	<b>Status: Comply</b>								
<b>5.10</b>	<b>Conversion factors</b>								
<b>5.10.1</b>	Where applicable a conversion rate shall be applied to provide a reliable estimate for the amount of certified output available from the associated inputs. Organizations may determine and set their own conversion rates which shall be based upon past experience, documented and applied consistently. Guidance on conversion rates is published on the RSPO website ( <a href="http://www.rspo.org">www.rspo.org</a> ); RSPO Rules for Physical Transition of Oleochemicals and its Derivatives. This is relevant for derivatives of Palm Oil and Palm Kernel Oil, as used in the oleochemical and personal care industries								
	Not applicable. The Mill only produce CPO and PK, not its oleochemical and derivatives.								
	<b>Status: Comply</b>								
<b>5.10.2</b>	Conversion rates shall be periodically updated to ensure accuracy against actual performance or industry average if appropriate.								
	Not applicable. The Mill only produce CPO and PK, not its oleochemical and derivatives.								
	<b>Status: Comply</b>								
<b>5.11</b>	<b>Claims</b>								
<b>5.11.1</b>	The site shall only make claims regarding the use of or support of RSPO certified oil palm products that are in compliance with the RSPO Rules on Market Communications and Claims.								
	The Mill has not certified yet. The implementation will be observed during ASA 1.								
	<b>Status: Comply</b>								
<b>5.12</b>	<b>Complaints</b>								
<b>5.12.1</b>	The organization shall have in place and maintain documented procedures for collecting and resolving stakeholder complaints.								
	The mechanism of complaint handling from the stakeholders (buyers / suppliers) are described in SOP of Customer Claim (No. BGA-SOP-SM-805.1-R0), mentioned that any complaints with sales and purchases are accepted by Commercial Head Department, customer claim is forwarded to CL Group Head for appropriate action taking and to related departments.								
	<b>Status: Comply</b>								
<b>5.13</b>	<b>Management review</b>								
<b>5.13.1</b>	The organization is required to hold management reviews annually at planned intervals, appropriate to the scale and nature of the activities undertaken								
	The Mill has not certified yet. The implementation will be observed during ASA 1.								
	<b>Status: Comply</b>								
<b>5.13.2</b>									

<p>The input to management review shall include information on:</p> <ul style="list-style-type: none"> <li>• Results of internal audits covering RSPO Supply Chain Certification Standard.</li> <li>• Customer feedback.</li> <li>• Status of preventive and corrective actions.</li> <li>• Follow-up actions from management reviews.</li> <li>• Changes that could affect the management system.</li> <li>• Recommendations for improvement.</li> </ul>	
<p>The Mill has not certified yet. The implementation will be observed during ASA 1.</p>	
	<p><b>Status: Comply</b></p>
<p>5.13.3</p> <p>The output from the management review shall include any decisions and actions related to:</p> <ul style="list-style-type: none"> <li>• Improvement of the effectiveness of the management system and its processes.</li> <li>• Resource needs.</li> </ul>	
<p>The Mill has not certified yet. The implementation will be observed during ASA 1.</p>	
	<p><b>Status: Comply</b></p>

**3.2.2. Module E – CPO Mills: Mass Balance Requirements**

Clause	Requirement								
<b>E.1</b>	<b>Definition</b>								
<b>E.1.1</b>	<p><b>Certification for CPO mills is necessary to verify the volumes of certified and uncertified FFB entering the mill and volume sales of RSPO certified producers. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. In that scenario, the mill can claim only the volume of oil palm products produced from processing of the certified FFB as MB.</b></p> <p>The Mill has not certified yet. However, the Mill has been recording the planned certified sourced and non certified sourced. The detail can be seen in part '1.7 Description of Mill and Supply Base' of this report.</p>								
	<b>Status: Comply</b>								
<b>E.2</b>	<b>Explanation</b>								
<b>E.2.1</b>	<p><b>The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the CB in the public summary of the P&amp;C certification report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced should then be recorded in each subsequent annual surveillance report.</b></p> <p>The Mill has estimation of volume of RSPO Certified product for next 12 month :</p> <table border="1"> <thead> <tr> <th>Product</th><th>Volume (MT)</th></tr> </thead> <tbody> <tr> <td>FFB</td><td>106,440</td></tr> <tr> <td>CPO</td><td>25,230</td></tr> <tr> <td>PK</td><td>5,000</td></tr> </tbody> </table>	Product	Volume (MT)	FFB	106,440	CPO	25,230	PK	5,000
Product	Volume (MT)								
FFB	106,440								
CPO	25,230								
PK	5,000								
	<b>Status: Comply</b>								
<b>E.2.2</b>	<p><b>The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).</b></p> <p>The Mill has registered on the RSPO IT Platform with details as follows:</p> <table> <tbody> <tr> <td>Member Name</td><td>PT Karya Makmur Bahagia – Bumitama</td></tr> <tr> <td>Member ID</td><td>RSPO_PO1000005302</td></tr> </tbody> </table>	Member Name	PT Karya Makmur Bahagia – Bumitama	Member ID	RSPO_PO1000005302				
Member Name	PT Karya Makmur Bahagia – Bumitama								
Member ID	RSPO_PO1000005302								
	<b>Status: Comply</b>								
<b>E.3</b>	<b>Documented procedures</b>								
<b>E.3.1</b>	<p><b>The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:</b></p> <ol style="list-style-type: none"> <li><b>Complete and up to date procedures covering the implementation of all the elements in these requirements;</b></li> <li><b>The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site procedures for the implementation of this standard.</b></li> </ol> <p>The Mill has a procedure for implementing the SCC requirements in the document of Product Identification and Traceability (No. KMB-SUST-SOP-43 Rev 01 dated 24 Nov 2017). In procedures describing rules related to SCC implementation, the personnel involve and responsibilities such as commercial departments, sustainability regions, mill managers and OQC Dept.</p>								

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

In clause 7.3 it is explained that the sustainability region is responsible for informing the production of excessive certified products to CB and clause 7.6 mentions that management review is conducted once a year. In the SOP annex there are RSPO team structure of PT KMB and details of duties and responsibilities respectively.

According to the interview with weighbridge operator known that the company has had the procedure to separate FFB that comes from certified or noncertified sources. All of FFB received will be separate in weighbridge system and calculate CPO/PK certified/noncertified product and stamped with certified and noncertified stamp. Administration staff will informed the sum of certified/noncertified product in daily bases, monthly and three monthly bases.

	<b>Status: Comply</b>
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### E.3.2

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

The Mill has a procedure for implementing the SCC requirements in the document of Product Identification and Traceability (No. KMB-SUST-SOP-43 Rev 01 dated 24 Nov 2017). In procedures describing rules related to SCC implementation, the personnel involve and responsibilities such as commercial departments, sustainability regions, mill managers and OQC Dept.

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

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	<b>Status: Comply</b>
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### E.4

#### **Purchasing and goods in**

#### E.4.1

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

The Mill has not certified yet. However, the Mill has had documentation system of mass balance recording. It will be verified during ASA 1. However, the company need to ensure the land demarcation aspect of certified and non certified area (OFI).

	<b>Status: Comply</b>
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#### E.4.2

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

The Mill has not certified yet. However, the Mill has had documentation system of mass balance recording. It will be verified during ASA 1.

	<b>Status: Comply</b>
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### E.5

#### **Record keeping**

#### E.5.1

<p>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.</p> <p>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.</p> <p>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.)</p>	<p>The Mill has not certified yet. However, the Mill has had documentation system of mass balance recording. It will be verified during ASA 1.</p>
	<p><b>Status: Comply</b></p>

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

<b>1.</b>	<b>Evidence of permission or approval certificate and trademark from Certification Body which submitted by Client</b>	<b>X or √</b>
IC	The implementation will be verified at ASA 1.	
	<b>Status: Comply</b>	
<b>2.</b>	<b>Implementation of certificate and trademark used by Client comply with size and type (shape) against Guideline of trademark Use</b>	<b>X or √</b>
IC	The implementation will be verified at ASA 1.	
	<b>Status: Comply</b>	
<b>3.</b>	<b>Implementation of Certificate and Trademark is not used on product</b>	<b>X or √</b>
IC	The implementation will be verified at ASA 1.	
	<b>Status: Comply</b>	
<b>4.</b>	<b>Controlling of Certificate and Trademark, including withdrawing inappropriate trademark.</b>	<b>X or √</b>
IC	The implementation will be verified at ASA 1.	
	<b>Status: Comply</b>	

### 3.4 Summary of RSPO Partial Certification.

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

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

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

MUTU Auditor has verified company partial certification and concludes that:

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

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

	<ul style="list-style-type: none"> <li>Any area required to maintain or enhance HCVs in accordance with RSPO criterion 7.3.</li> </ul>	<p><b>PT Andalan Sukses Makmur</b></p> <ul style="list-style-type: none"> <li>LUCA was sent on January 2015 to RSPO</li> <li>Documents RaCP Plan are wait for LUCA approved by RSPO</li> <li>HCV was conducted on October 2013 by Sonokeling Akreditasi Nusantara</li> </ul> <p><b>PT Investa Karya Bhakti</b></p> <ul style="list-style-type: none"> <li>LUCA was sent on 13 June 2016 to RSPO</li> <li>Documents RaCP Plan are wait for LUCA approved by RSPO</li> </ul> <p><b>PT Gunajaya Harapan Lestari</b></p> <ul style="list-style-type: none"> <li>LUCA has not been submitted to RSPO</li> <li>HCV was conducted on October 2012 by Forestry IPB</li> </ul> <p><b>PT Windu Nabatindo Sejahtera</b></p> <ul style="list-style-type: none"> <li>LUCA was sent on 19 June 2016 to RSPO</li> <li>Documents RaCP Plan are wait for LUCA approved by RSPO</li> <li>HCV was conducted on March 2012 by Forestry IPB</li> </ul> <p><b>PT Ladang Sawit Mas</b></p> <ul style="list-style-type: none"> <li>LUCA was sent on 16 July 2014 to RSPO</li> <li>Documents RaCP Plan are wait for LUCA approved by RSPO</li> <li>HCV was conducted on December 2013 by Sonokeling Akreditasi Nusantara</li> </ul> <p><b>PT Lestari Gemilang Intisawit</b></p> <ul style="list-style-type: none"> <li>LUCA was sent on 7 November 2014 to RSPO</li> <li>Documents RaCP Plan are wait for LUCA approved by RSPO</li> <li>HCV was conducted on 2013 by Sonokeling Akreditasi Nusantara</li> </ul> <p><b>PT Agro Manunggal Sawitindo</b></p> <ul style="list-style-type: none"> <li>LUCA was sent on 7 November 2014 to RSPO</li> <li>Documents RaCP Plan are wait for LUCA approved by RSPO</li> <li>HCV was conducted on July 2013 by Sonokeling Akreditasi Nusantara</li> </ul> <p><b>PT Karya Makmur Langgeng</b></p> <ul style="list-style-type: none"> <li>LUCA was sent on January 2015 to RSPO</li> <li>Documents RaCP Plan are wait for LUCA approved by RSPO</li> </ul>
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		<p>- HCV was conducted on July 2013 by Sonokeling Akreditasi Nusantara</p> <p><b>PT Gemilang Makmur Subur</b></p> <p>- HCV was conducted on November 2016 by PT Gagas Dinamika Aksenta.</p> <p><i>Auditor verification</i> 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 <sup>st</sup> 2010 must comply with the RSPO New Plantings Procedure.	<p><b>PT Langgeng Muara Makmur Sejahtera</b>, there is no new planting after January 1<sup>st</sup> 2010.</p> <p><b>PT Andalan Sukses Makmur</b>, NPP was completed for areal 5,630 Ha and publish on March 10th 2016.</p> <p><b>PT Investa Karya Bhakti</b>, NPP was completed for areal 5,700 Ha and publish on October 4th 2016.</p> <p><b>PT Gunajaya Harapan Lestari</b>, there is no new planting after January 1<sup>st</sup> 2010.</p> <p><b>PT Windu Nabatindo Sejahtera</b>, there is no new planting after January 1<sup>st</sup> 2010.</p> <p><i>Auditor verification</i> Based on internal audit, documented time of land clearing and liability disclosure sent to RSPO, there is new planting/land clearing after 1<sup>st</sup> January 2010 for PT Andalan Sukses Makmur and PT Investa Karya Bhakti but NPP has been conducted for these units. Evidence of submission to RSPO is provided and the NPP notification are at RSPO website.</p>
2.1.4	Any Land conflicts are being resolved through a mutually agreed process, e.g. RSPO Grievance procedure or Dispute Settlement Facility, in accordance with RSPO criteria 6.4, 7.5 and 7.6.	<p>There is no land conflicts.</p> <p><i>Auditor verification</i> 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><i>Auditor verification</i></p> <p>There is labour dispute in uncertified unit i.e PT Bumitama Gunajaya Abadi. The dispute has been resolved as we can seen in RSPO website that the status of dispute in closed for monitoring.</p>
2.1.6	Any Legal non-compliance is being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2.	<p><b>PT Langgeng Muara Makmur Sejahtera</b></p> <ul style="list-style-type: none"> <li>Izin Prinsip Arahan Lokasi No. 525.21/660/Ek.SDA/IX/2014 dated 12 September 2014 5,325 Ha</li> <li>Location Permit SK Dictrect Kotawaringin Timur No. 188.45/330/Huk-BPN/2014, 23 September 2014 5,370 Ha</li> <li>Environment Permit No. 660/2140/BLH-Ek.SDA/2015, 19 October 2015 for 5,325 Ha</li> <li>IUP No. 188.45/490/Huk-Ek.SDA/2014, 19 December 2014 4,810.72 Ha</li> <li>SK HGU No. 5/HGU/KEM-ATR/BPN/2017, January 10th 2017.</li> </ul> <p><b>PT Andalan Sukses Makmur</b></p> <ul style="list-style-type: none"> <li>Izin Prinsip Arahan Lokasi SK Dictrect Kotawaringin Barat No.590/105/Pem-XI/2012, November 21 2012 for areal 9,000 Ha.</li> <li>Location Permit SK Dictrect Kotawaringin Barat No.525/68/XII/2012, December 18th 2012 for 9,275 Ha</li> <li>IUP No. 525/45/ek, 06 February 2013</li> <li>HGU on process.</li> </ul> <p><b>PT Investa Karya Bhakti</b></p> <ul style="list-style-type: none"> <li>Izin Prinsip Arahan Lokasi No. 590/09.Pem-II/2014, 3rd February 2014 for areal 14,500 Ha.</li> <li>Location Permit SK Dictrect Kotawaringin Barat No. 525/62/IX/2014, 1st September 2014, 11,746.74 Ha</li> <li>IUP No. 525/014/EK, April 21 2015, 5,700 Ha</li> </ul> <p><b>PT RohulSawitIndustri and PT Masuba Citra Mandiri</b></p> <ul style="list-style-type: none"> <li>HGU on process</li> </ul>

	<ul style="list-style-type: none"> <li>• Panitia B Inti No. 03/RSL/HGU/2015 seluas 1,893.11 Ha</li> <li>• Panitia B Plasma No. 04/RSL/HGU/2015 seluas 938,16 Ha</li> </ul> <p><b>PT Gunajaya Harapan Lestari</b></p> <ul style="list-style-type: none"> <li>• Izin Prinsip Arahan Lokasi No. 525/426/Bappeda-D year of 2007, 08 May 2007 for areal 3,000 Ha.</li> <li>• Location Permit SK District Kendawangan No. 265 year of 2007, 28 June 2007 for 3,000 Ha</li> <li>• Revision Location Permit No. 370 year of 2008, 07 October 2008 for 3,000 Ha</li> <li>• Extension Location Permit No. 415 year of 2010, 27 July 2010 for 3,000 Ha</li> <li>• IUP No. 365/DISBUN-D/2012, August 23rd 2012 for 1,750 Ha</li> <li>• HGU No. 62/HGU/KEM-ATR/BPN/2016, 1,973.45 Ha</li> </ul> <p><b>PT Windu Nabatindo Sejahtera</b></p> <ul style="list-style-type: none"> <li>• Izin Prinsip Arahan Lokasi No. 02.04.28/525.26/463/XI/Ekbang/03, 8th November 2003 for areal 7,000 Ha.</li> <li>• Location Permit SK District Kotawaringin Timur No. 165.460.42, 26 February 2004 for 5,370 Ha</li> <li>• IUP No. 525.26/152/V/Ekbang/2004, 17 May 2004 for 5,370 Ha</li> <li>• Permit Location No. 374.460.42, December 13 2006 for 5,000 Ha (Revision)</li> <li>• IUP No. 525.26/386/V/Ekbang/2007, May 30th 2007 for areal 5,000 Ha (Revision)</li> <li>• Kadastral Map No. 355-15.05-2007, July 6th 2007 for areal 4,998.76 Ha</li> <li>• Surat Permohonan HGU 003/WNS-Dir/VII/2007, July 11th 2007 for areal 5,000 Ha.</li> </ul> <p><b>PT Windu Nabatindo Abadi</b></p> <ul style="list-style-type: none"> <li>• Sertifikat HGU No. 37/HGU/BPN RI/2014 seluas 1,987.8 Ha</li> <li>• Sertifikat HGU No. 48/HGU/KEM-ATR/BPN/2015 tanggal 20 Mei 2015 seluas 5.773 Ha</li> </ul> <p><b>PT Nabatindo Karya Utama</b></p> <ul style="list-style-type: none"> <li>• Sertifikat HGU No. 17/HGU/KEM-ATR/BPN/2016 tanggal 07 April 2016 seluas 3,298.63 Ha</li> </ul>
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		<p>HGU on process for Ladang Sawit Mas, PT Lestari Gemilang Intisawit, PT Agro Manunggal Sawitindo, PT Karya Makmur Langgeng, and PT Gemilang Makmur Subur</p> <p><i>Auditor verification</i> Land legal process is still going on and there is a detail update progress documented by the company for each year.</p>
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### 3.5 Identification of Findings, Corrective Action, Observations, Opportunity for Improvement and Noteworthy Positive Components.

#### 3.5.1. Identification of Findings, Corrective Actions and Observations at IA

<b>NCR No.</b>	<b>:</b>	<b>2019.01</b>	<b>Issued by</b>	<b>:</b>	<b>Yudhi Yuniarto Tallutondok</b>
<b>Date Issued</b>	<b>:</b>	<b>12 July 2019</b>	<b>Time Limit</b>	<b>:</b>	<b>ASA 1</b>
<b>NC Grade</b>	<b>:</b>	<b>Minor</b>	<b>Date of Closing</b>	<b>:</b>	
<b>Standard Ref. &amp; Requirement</b>	<b>:</b>	<b>1.1.1</b> <b>List of information related to criterion 1.2 that can be accessed by relevant stakeholders shall be available</b>			
<b>Evidence observed (filled by auditor):</b> Based on the results of document verification and interviews with management, it was found that the company has not reported all mandatory report to relevant agencies, for example report of liquid waste management in the first quarter of 2019 to the Kotawaringin Timur Environmental Agency, as stipulated in Environmental Minister Regulation No 28 of 2003.					
<b>Non-Conformance Description (filled by auditor):</b> Not all mandatory reports have been submitted to the relevant agencies.					
<b>Root Cause Analysis (filled by organization audited):</b>					
<b>Correction (filled by organization audited):</b>					
<b>Corrective Action (filled by organization audited):</b>					
<b>Assessor Evaluation and Conclusion (filled by auditor):</b>					
<b>Verified by</b>	<b>:</b>				

<b>NCR No.</b>	<b>:</b>	<b>2019.02</b>	<b>Issued by</b>	<b>:</b>	<b>Yudhi Yuniarto Tallutondok</b>
<b>Date Issued</b>	<b>:</b>	<b>12 July 2019</b>	<b>Time Limit</b>	<b>:</b>	<b>ASA 1</b>
<b>NC Grade</b>	<b>:</b>	<b>Minor</b>	<b>Date of Closing</b>	<b>:</b>	
<b>Standard Ref. &amp; Requirement</b>	<b>:</b>	<b>2.1.3</b> <b>A mechanism for ensuring compliance shall be implemented</b>			
<b>Evidence observed (filled by auditor):</b> Based on the results of the document review, it is known that there are some jobs submitted to third parties, for example: <ol style="list-style-type: none"> <li>1. Work Agreement Letter No. 001-PRWT / KMBL-BMKE / LKL / 01/2019 for empty bunch application in Bukit Makmur Estate.</li> <li>2. Work Agreement Letter No. 005-PRW / KMBL-BKCE / LOCAL / I / 2019 for empty bunch application in Bukit Kecubung Estate.</li> </ol>					
In this regard, the company has not been able to demonstrate mechanisms to ensure compliance with the law as stipulated in the RSPO Principles and Criteria, related to: <ul style="list-style-type: none"> <li>• Proof of minimum wages payment</li> <li>• Health and employment insurance</li> </ul>					

<ul style="list-style-type: none"> <li>Implementation of OSH aspects</li> </ul> <p>(In the 2017 RSPO certification system clause 4.4.6 states that In cases where an organization seeking certification contracts or outsources nonprocessing activities to independent third parties (such as labour, transport and external bulking activities), the activities of these third parties fall inside the scope of certification, and they shall comply with all relevant requirements of the RSPO certification standards))</p> <p><b>Non-Conformance Description (filled by auditor):</b> The company cannot demonstrate mechanisms to ensure compliance with the law as set out in the RSPO Principles and Criteria for work carried out by the contractor</p> <p><b>Root Cause Analysis (filled by organization audited):</b></p> <p><b>Correction (filled by organization audited):</b></p> <p><b>Corrective Action (filled by organization audited):</b></p> <p><b>Assessor Evaluation and Conclusion (filled by auditor):</b></p> <p><b>Verified by</b> : _____</p>	
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<b>NCR No.</b>	: 2019.03	<b>Issued by</b>	: Yudhi Yuniarto Tallutondok
<b>Date Issued</b>	: 12 July 2019	<b>Time Limit</b>	: ASA 1
<b>NC Grade</b>	: Minor	<b>Date of Closing</b>	:
<b>Standard Ref. &amp; Requirement</b>	<b>2.1.4</b> <b>A system for tracking any changes in the law shall be available and implemented.</b>		
<p><b>Evidence observed (filled by auditor):</b> The company has a list of legal requirements contained in the List of Legal and Regulatory Provisions and Regulations which include:</p> <ol style="list-style-type: none"> <li>1. Regulations related to occupational safety and health with document number LAW-KMB-001 dated May 31, 2019 with 46 regulations.</li> <li>2. Regulations related to Environmental with document number LAW-KMB-002 dated May 30, 2019 with 77 regulations.</li> <li>3. Regulations related to Plantation-related regulations with document number LAW-KMB-003 dated May 30, 2019 with 34 regulations.</li> <li>4. Labor-related regulations with document number LAW-KMB-004 dated July 4, 2019 with a number of regulations of 50.</li> </ol> <p>However, based on the document verification known that there are still regulations that have not been included in the list of company regulations, for example but not limited to:</p> <ul style="list-style-type: none"> <li>• Regulation of the Manpower Minister No. 12 of 2015 concerning OHS Electricity in the Workplace.</li> <li>• Regulation of the Manpower Minister No. 6 of 2016 concerning Feast Allowance.</li> <li>• Regulation of the Manpower Minister No. 37 of 2016 concerning OHS Pressure Vessels and Storage Tanks.</li> <li>• Regulation of the Manpower Minister No. 38 of 2016 concerning The Field of Power and Production Equipment</li> <li>• Regulation of the Manpower Minister No. 1 of 2017 concerning structure and scale of wage.</li> <li>• Regulation of the Manpower Minister No. 15 of 2018 concerning Minimum Wages.</li> <li>• Regulation of the Environment Minister No. P.8 / MENLHK / SETJEN / KUM.I / 3/2018 concerning Fixed Procedure for Field Checking Hotspots Information and / or Forest and Land Fire Information.</li> </ul>			

- Regulation of the Environment Minister No. P.9 / MENLHK / SETJEN / KUM.I / 3/2018 concerning Technical Criteria for Preparedness and Emergency Status of Forest and Land Fires.
- Regulation of the Environment Minister No. P.21 / MENLHK / SETJEN / KUM.I / 7/2018 concerning Amendment to PermenLHK No 5 of 2014 concerning Wastewater Quality Standards.
- Regulation of the Manpower Minister No. 4 of 2019 concerning Obligatory Procedures for Reporting Employment in the Network.

**Non-Conformance Description (filled by auditor):**

The company has not been able to show evidence that the legal register documents (regulations) have contained all the regulations that support the company's operations.

**Root Cause Analysis (filled by organization audited):**
**Correction (filled by organization audited):**
**Corrective Action (filled by organization audited):**
**Assessor Evaluation and Conclusion (filled by auditor):**
**Verified by**
**:**

NCR No.	: 2019.04	Issued by	: Moh Arif Yusni
Date Issued	: 12 July 2019	Time Limit	: 11 July 2020
NC Grade	: Major	Date of Closing	: 06 November 2019
Standard Ref. & Requirement	: 4.7.1 There must be a health and safety policy. A safety and health plan that covers all activities must be documented and implemented, and the level of effectiveness monitored.		
Evidence observed (filled by auditor):  The Company's commitment to prevent workplace accident and unhealthy workplace to all employs, guest and contractor, explained in the document of Occupational Health and Safety Policy on June 2013. The policy explains that all worker have to obey, maintain, and implement the OHS in workplace. OHS committee is formed for monitoring the OHS implementation in workplace. The policy written in Bahasa and displayed in each units of estates and mill. however, based on field observation and interview with management units its known there is several issues related OHS aspect that's not yet implemented and monitored the effectively as follows: - Store Office in mill located in same building with liquid chemical storage - Food material (rice) placed in general storage with hazardous material - There are no proper emergency facilities in hazardous waste storage in the mill (body or eyes shower) - Emergency respond facility in hazardous storage doesn't work - There is no second containment in liquid chemical storage - There is no OHS signboard in chemical storage in mill and estate			
Non-Conformance Description (filled by auditor): There is several issues related OHS aspect that's not yet implemented and monitored the effectively			
Root Cause Analysis (filled by organization audited): 1. Lack of control over OHS implementation, especially in mill 2. There is no substitute for the EHS Officer in charge of monitoring the implementation of the OHS program			

<b>Correction (filled by organization audited):</b> <ol style="list-style-type: none"> <li>1. Move the warehouse office to the spare part warehouse according to the design</li> <li>2. Provide a transit point for incoming rice</li> <li>3. Provision / repair of eyewash and shower at Hazardous waste warehouse and chemical warehouse</li> <li>4. Redesign of control tanks in liquid chemical warehouses</li> <li>5. Installation of MSDS and hazardous material symbol according to the chemicals used / available</li> </ol>	
<b>Corrective Action (filled by organization audited):</b> <ol style="list-style-type: none"> <li>1. Establish a OHS monitoring and inspection program</li> <li>2. Appointment of special OHS staff (EHS)</li> <li>3. Proof of the results of monitoring and inspection</li> </ol>	
<b>Assessor Evaluation and Conclusion (filled by auditor):</b> <b>Verification November 6, 2019</b> <p>The company can presented corrective evidence in the form of:</p> <ol style="list-style-type: none"> <li>1. Moving the warehouse office to the spare part warehouse according to the design</li> <li>2. Provide a transit point for incoming rice</li> <li>3. Provision / repair of eyewash and shower at Hazardous waste warehouse and chemical warehouse</li> <li>4. Redesign of control tanks in liquid chemical warehouses</li> <li>5. Installation of MSDS and hazardous material symbol according to the chemicals used / available</li> </ol> <p>In addition, it can also be shown the appointment of officers who are responsible for monitoring related to safety and environmental as well as evidence of training of employees regarding safety, hazardous material and waste Management.</p> <p>Related to the corrective evidence that addressed the non conformity on this indicator declared closed and will be verify on the next assessment</p>	
<b>Verified by</b>	<b>: Moh Arif Yusni</b>

NCR No.	: 2019.05	Issued by	: Moh Arif Yusni
Date Issued	: 12 July 2019	Time Limit	: 11 July 2020
NC Grade Grade ke	: Major	Date of Closing	: 06 November 2019
Standard Ref. & Requirement	: 4.7.2 All operations that can threaten safety and health must be assessed for risk. Procedures and actions to address identified risks must be documented and implemented. All precautions attached to the product must be properly monitored and applied to workers.		
<b>Non-Conformance Description</b> The results of the field visit at the mill, it is known that there are several risk control that not implemented, for example: <ul style="list-style-type: none"><li>- Found mill workers that work in high area and workshop do not use adequate PPE (body harness, helm, face shield, apron, etc.)</li><li>- Found mill workers using PPE that not suitable for use (already broken)</li></ul>			

**Non-Conformance Description (filled by auditor):**

The company has not been able to show evidence that all risk controls have been monitored and applied to all operational areas of the company.

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

1. Lack of awareness and control of OSH implementation
2. There are still no EHS Officers in charge to monitoring the implementation of the OHS program

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

1. Re-socialization to employees to increase OHS awareness
2. Provision of PPE for employees through the appropriate mechanism in the SOP
- 3.

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

Monitoring the implementation of the OHS program through inspections, appointing special OHS staff (EHS)

**Assessor Evaluation and Conclusion (filled by auditor):**
**Verification November 6, 2019**

The company can presented corrective evidence in the form of:

1. EHS Work Program Implementation and Appointment Decree about safety aspect
2. Minutes of PPE Socialization and OHS Awareness for employees
3. Minutes of Documentation Proof of Provision of PPE for employees
4. EHS BMKM 2019 Work Program
5. OHS inspection in October 2019

In addition, it can also be shown the appointment of officers who are responsible for monitoring related to safety and environmental as well as evidence of training of employees regarding safety, hazardous material and waste Management.

Related to the corrective evidence that addressed the non conformity on this indicator declared closed and will be verify on the next assessment

**Verified by** : **Moh Arif Yusni**

NCR No.	:	No. 2019.06.	Issued by	:	Radytio Puspanjana
Date Issued	:	12 July 2019	Time Limit	:	11 July 2020
NC Grade	:	Major	Date of Closing	:	7 November 2019
Standard Ref. & Requirement	:	5.3.2 All chemicals and their containers shall be disposed of responsibly.			
Non-Conformance Description & Evidence observed (filled by auditor):					
Based on field visit it is known:					
<ul style="list-style-type: none"><li>- Used oil drums are used as floats for submersible pumps in WWTP and pipe buoys in BMKM reservoirs.</li><li>- Oil-contaminated spillkits have not been managed optimally on BMKM oil warehouse.</li><li>- There is the use of used pesticide jerry cans (Penta-up) as a storage place for melting fertilizer in fertilizer regional warehouse.</li></ul>					
The implementation hazardous waste management hasn't accordance with hazardous waste management plan (SOP KMB-SUST-SOP-15 August 5, 2015).					
The company has not been able to show evidence All chemicals and their containers shall be disposed of responsibly.					

<b>Root Cause Analysis (filled by organization audited):</b>  1. Lack of monitoring related to hazardous waste management in BMKM. 2. Lack of understanding of warehouse employees related to hazardous waste management	
<b>Correction (filled by organization audited):</b>  1. Return of lubricant drum and pesticide jerry can to hazardous waste storage. 2. Improved spill kit management in BMKM lubricant warehouse.	
<b>Corrective Action (filled by organization audited):</b>  1. Programs for routine monitoring and inspection both on Mill and estate 2. Appointing a new EHS officer who is in charge of monitoring and OHS implementation monitoring and environment in company area's.	
<b>Assessor Evaluation and Conclusion (filled by auditor):</b>  <b>Auditor verification November 7 2019</b> The company shows evidence consist of: <ul style="list-style-type: none"> <li>- Minutes of evacuation of lubricant drums from BMKM reservoir August 15, 2019 10 pcs were used as buoys for water pumps on reservoirs. The evacuation documentation is attached.</li> <li>- Decree of August 14, 2019 designation of PIC hazardous waste management Number. 001 / INT-BMKM / KMB / VIII / 2019 with the designated PIC (head of warehouse) assigned to manage the administration and monitoring of hazardous waste in BMKM warehouses. The job desk include: checking hazardous waste materials, separating hazardous waste according to categories, monitoring, carrying out hazardous waste storage SOPs and socializing.</li> <li>- Minutes of hazardous waste socialization August 15 2019 attended by the Reg 1 sustainability team, Mill Manager, EHS members. Attached attendance list and documentation.</li> <li>- Minutes of evacuation hazardous waste to warehouse storage region 2 July 11, 2019 for used pesticide jerry cans 8 pcs. Attached hazardous waste logbook and documentation.</li> <li>- Minutes of making bundles and spilkit management in hazardous waste warehouses August 7, 2019. There is also a schedule for citing spilkits in hazardous waste warehouses every 2 times a week and spill kits on lubricant warehouses 1 time a week. Attached documentation.</li> <li>- Checklist of technical guidelines for the implementation of the OHS management system BMKM October 23, 2019, which explains the hazardous waste inspection schedule at hazardous waste-producing locations such as hazardous waste warehouses, workshops and lubricant warehouses.</li> <li>- Schedule of citing spilkit in hazardous waste warehouse by warehouse officers every 2 times a week and spill kit in oil warehouse 1 time a week.</li> <li>- EHS BMKM work program January until December 2019 approved by the Mill Manager and made by PIC EHS. The programs is hazardous waste management inspection, which is scheduled every 4 times a year.</li> </ul> <p>Based on the evidence submitted, Non-conformity No.2019.06 is comply and be observed for next audit.</p>	
<b>Verified by</b>	<b>: Radytio Puspanjana</b>

NCR No.	: 2019.07	Issued by	: Radytio Puspanjana
Date Issued	: 12 July 2019	Time Limit	: ASA 1
NC Grade	: Minor	Date of Closing	:
Standard Ref. & Requirement	: 5.3.3 A documented waste management plan to avoid or reduce pollution and its implementation shall be available		

<b>Evidence observed</b> (filled by auditor):	
<p>Based on field visit it is known if The company has not been able to show management implementation to avoid and reduce pollution has been implemented thoroughly in the scope of operations</p> <ul style="list-style-type: none"> <li>- EFB burned on Block Q25 BMKE</li> <li>- Domestic waste burned on front of BMKM</li> </ul> <p>Related to this the company has not been able to show that documented waste management plans to avoid and reduce pollution have been implemented thoroughly in the scope of operations.</p>	
<b>Root Cause Analysis</b> (filled by organization audited):	
<b>Correction</b> (filled by organization audited):	
<b>Corrective Action</b> (filled by organization audited):	
<b>Assessor Evaluation and Conclusion</b> (filled by auditor):	
<b>Verified by</b>	:

NCR No.	:	2019.08	Issued by	:	Moh Arif Yusni
Date Issued	:	12 July 2019	Time Limit	:	11 July 2020
NC Grade Grade ke	:	Major	Date of Closing	:	20 October 2019
Standard Ref. & Requirement	:	6.1.3. Plans for management and monitoring of social impacts to avoid or reduce negative impacts and promote positive ones, based on social impact assessment, through consultation with the affected parties, shall be available, documented and timetabled, including responsibilities for implementation.			
<b>Non-Conformance Description (filled by auditor):</b> The company has conducted a Re-Social Impact Assessment activity on 7 - 19 December 2018. The assessment is carried out in a participatory manner involving both external and internal affected parties. Based on the results of the assessment there were a number of internal and external issues identified, including					
External Issues:			Internal Issues:		
<ul style="list-style-type: none"><li>- Information of permit border in accordance to village administration border.</li><li>- Job opportunities.</li><li>- Environment.</li><li>- Health.</li><li>- Education.</li><li>- Population.</li><li>- Land dispute.</li><li>- Plasma cooperative problems.</li><li>- Constraints to CSR program.</li></ul>			<ul style="list-style-type: none"><li>- Improved the housing conditions.</li><li>- Water quality from water reservoirs.</li><li>- Domestic waste management.</li><li>- Availability of clinics in mills.</li><li>- Health insurance registration.</li><li>- Complaint from workers regarding to BP employment transfer procedure.</li><li>- Drugs distributions mechanism.</li><li>- Repairing of ambulance conditions and number ambulance.</li><li>- Complaints regarding to incentives or bonuses.</li></ul>		

<ul style="list-style-type: none"> <li>- Positive and negative impacts.</li> </ul>	<ul style="list-style-type: none"> <li>- School bus conditions, schedule of shuttle bus, and availability of school buses.</li> <li>- Number of student in one study group.</li> <li>- Drainage condition around of education complex.</li> <li>- The ratio of babysitter and children on the daycare.</li> <li>- Complaints regarding to incentive of babysitter on the daycare.</li> <li>- Availability of landfill facilities.</li> <li>- Improving the soft skill of babysitter on the daycare.</li> <li>- Availability of work tools replacement.</li> <li>- Controlling work tool usage and store.</li> <li>- Accelerating the availability of health facilities, especially around of mills.</li> </ul>
<p>Related to the issues found, based on the Re-Social Impact Assessment, the company has not been able to show a plan for managing and monitoring social impacts to avoid or reduce negative impacts and increase documented positive impacts with a clear timeline, accompanied by the person responsible.</p> <p><b>Non-Conformance Description</b> (filled by auditor): The company has not been able to show a Social Impact Management and Monitoring Plan with a clear timeline, and the person responsible is based on these internal and external issues.</p>	
<p><b>Root Cause Analysis</b> (filled by organization audited): Lack of coordination from the Corporate CSR &amp; CSR Region with the KMB Management Unit and other relevant Parties in preparing a Social Impact Management and Monitoring Plan with a clear timeline, and the person responsible for referring to these internal and external issues.</p>	
<p><b>Correction</b> (filled by organization audited): Provide a Social Impact Management and Monitoring Plan document with a clear timeline, and the person responsible for it refers to these internal and external issues.</p>	
<p><b>Corrective Action</b> (filled by organization audited):  The implementation of CSR Management Review that coordinated by Corporate CSR Department, at least annually.</p>	
<p><b>Assessor Evaluation and Conclusion</b> (filled by auditor): <b>Verification 20 October, 2019</b> The company can presented corrective evidence in the form of Social Impact Management Plan period of 2019 to 2021 consist of Affected Components, Issues, Strategies, Activities, Outputs, Time Line, and PIC. As follows:</p> <ol style="list-style-type: none"> <li>1. Components affected: employment, Issue: Improvement of housing facilities and sanitation, Strategy: improvement of inadequate employee housing, improvement of water quality, improvement of waste management; Activity: gradual improvement of employee housing, gradual addition of wells, provision of separate waste bins; output: fulfillment of employee facilities and infrastructure; Output: fulfillment of staff/employee facilities and infrastructure; Timeline: from 2019 onwards; PIC: HCGD.</li> <li>2. Components affected: Social management plan; Issue: lack of understanding about FPIC; strategy: strengthen staff understanding of FPIC guidelines, document external complaints, the stage of problem tracking, and the process of resolving the land disputes properly; Strengthening the ability of staff/employees in develop of communications and relationships with the community. So that they can</li> </ol>	

support the role of the PAD and CSR team. Conducted periodic communication with the communities in the surrounding villages and not only be focused on the village government board. Customary institutions and cooperatives, however to expand to other communities; Activity: socializing FPIC provisions, logbooks on periodically problem handling. Providing socialization about technical implementation, community development, implementing joint community programs, developing economic empowerment programs in the field of agribusiness, determining priorities in implementing of CSR that have an impact on improving the economy; Output: staff understands how to run FPIC, it can monitor the problem solving progress. The relationship and communication and interaction with the community are well developed, interaction with the community in general can be maintained well, meeting the basic needs of the community in the food sector, the program will be implemented more on target. Timeline: from 2019 onwards; PIC: CSR, D&L, and partnership.

Related to the corrective evidence that addressed the non conformity on this indicator declared closed and will be verify on the next assessment

**Verified by** : **Moh Arif Yusni**

NCR No.	: 2019.09	Issued by	: Moh Arif Yusni
Date Issued	: 12 July 2019	Time Limit	: 11 July 2020
NC Grade	: Major	Date of Closing	: 6 November 2019
Standard Ref. & Requirement	: 6.5.1 Wage documentation and work conditions must be available in accordance with applicable labor provisions.		
<b>Evidence observed (filled by auditor):</b> Based on interview and documents verification for Creche workers on BMKE and BKCE it's known there is nonconformity related the calculation regarding overtime calculation for those workers. The workers work more than 7 hours a day and 40 hours a week and based on overtime calculation the workers get paid only one hour a day with the nominal 1/173 monthly wages. Meanwhile based on Manpower decree no 102 the year 2004 about overtime and overtime calculation values, in article 11 mentioned: <ul style="list-style-type: none"><li>- a. a.1 for every first hour overtime the calculation value is 1.5 (one and a half) time for one hour overtime</li><li>- a.2 for the next overtime the calculation value is 2 (two) for one hour overtime</li></ul>			
<b>Non-Conformance Description (filled by auditor):</b> there is nonconformity related the calculation regarding overtime calculation for crèche worker			
<b>Root Cause Analysis (filled by organization audited):</b> Lack of understanding of Unit Managers in terms of manpower, especially for overtime & overtime wages in accordance with Kepmenakertrans No. 102 of 2004 concerning Overtime Working Hours and Overtime Work Wages.			
<b>Correction (filled by organization audited):</b> Revision of overtime wages for related employees by the relevant Unit Manager (evidence of underpayment of overtime wages for related employees).			
<b>Corrective Action (filled by organization audited):</b>  1. Review and set-up working hours for Creche employees 2. Socialization working system to work in Daycare (TPA)			

**3. Implementation of Internal Audit and Management Review regularly**
**Assessor Evaluation and Conclusion (filled by auditor):**
**Verification November 6, 2019**

The company can presented corrective evidence in the form of:


- IOM Affirmation of Daycare Employee Working Hours from Regional Head 1 No 03 / INT-KMB / VII / 2019, which describes the special working hours of Daycare employees
- Minutes of the socialization related to employee work hours and underpaid payment of BMKE Daycare employees on September 18, 2019
- Minutes of the information session on Daycare BKCE employees' working hours on August 13, 2019
- Detailed calculation as a basis for payment of overtime wages for Daycare employees at BMKE. In addition, it can also be shown the appointment of officers who are responsible for monitoring related to safety and environmental as well as evidence of training of employees regarding safety, hazardous material and waste Management.

Related to the corrective evidence that addressed the non conformity on this indicator declared closed and will be verify on the next assessment

**Verified by : Moh Arif Yusni**

<b>NCR No.</b>	<b>: 2019.10</b>	<b>Issued by</b>	<b>: Moh Arif Yusni</b>
<b>Date Issued</b>	<b>: 12 July 2019</b>	<b>Time Limit</b>	<b>: ASA 1</b>
<b>NC Grade</b>	<b>: Minor</b>	<b>Date of Closing</b>	<b>:</b>
<b>Standard Ref. &amp; Requirement</b>	<b>6.5.3</b> <b>Growers and millers shall provide adequate housing, water supplies, medical, educational and welfare amenities to national standards or above, where such public facilities are unavailable or inaccessible.</b>		
<b>Evidence observed (filled by auditor):</b> Based on the results of a field visit to the housing of SPYE and MAGE employees, it is known that the drainage ditch is inadequate (shallow) and domestic waste is found that is not placed in its place (dumped into the drainage). Meanwhile, in the company's domestic waste management procedures (No. Doc: KMB-SUST-SOP-47) where in clause, 7.3.1 explains "All employees and workers who are in housing, offices and other work facilities are required to dispose of waste in trash cans that have been provided.			
<b>Non-Conformance Description (filled by auditor):</b> Not enough evidence is available that domestic waste has been managed in accordance with the procedures that it has.			
<b>Root Cause Analysis (filled by organization audited):</b>			
<b>Correction (filled by organization audited):</b>			
<b>Corrective Action (filled by organization audited):</b>			
<b>Assessor Evaluation and Conclusion (filled by auditor):</b>			
<b>Verified by</b>	<b>:</b>		

NCR No.	: 2019.11	Issued by	: Radytio Puspanjana
Date Issued	: 5 July 2019	Time Limit	: ASA 1
NC Grade	: Major	Date of Closing	: -
Standard Ref. & Requirement	7.3.1 There shall be evidence that no new plantings have replaced primary forest, or any area required to maintain or enhance one or more High Conservation Values (HCVs), since November 2005. New plantings shall be planned and managed to best ensure the HCVs identified are maintained and/or enhanced (see Criterion 5.2).		
<b>Non-Conformance Description (filled by auditor):</b> Based on the results of the Land Use Change Analysis it is known that the total raw area of liability is 5,268 ha with a total area of liability conservation covering 1,855 ha (net area: 856 Ha). Bumitama Agri Ltd has sent Liability Disclosure and LUCA for PT KMB to the RSPO Compensation Plan on April 25, 2016 and declared PASS. In addition, the RAC-Plan has also been sent to the RSPO but there is not enough evidence available that the RAC-Plan for PT KMB has been approved by the RSPO.  The results of communication between PT Mutuagung Lestari and the RSPO on May 27, 2019 were informed that "kindly note that there is a land liability issue for this certified unit where the compensation plan has not yet been endorsed. Therefore, the certificate for this certified unit cannot be issued upon completion of the assessment until everything is clear".  <b>Non-Conformance Description (filled by auditor):</b> There is not enough evidence yet that the RAC-Plan for PT KMB has been approved by the RSPO.			
<b>Root Cause Analysis (filled by organization audited):</b> The long review process from the HCV Compensation Panel is related to the approval of the HCV Compensation Panel PT. KMB			
<b>Correction (filled by organization audited):</b> Submit a proposal for delaying the time limit for repairs related to indicator 7.3.1 (approval of approval from the HCV Compensation Panel) to the RSPO Secretariat.			
<b>Corrective Action (filled by organization audited):</b> Conduct intensive communication with the HCV Panel compensation so that they immediately approve the HCV Compensation Plan of PT. KMB ASAP.			
<b>Assessor Evaluation and Conclusion (filled by auditor):</b> <b>Auditor verification on November 19, 2019</b> There is evidence of RSPO response dated 23/09/2019 15:20 aimy.nadiyah@rspo.org regarding PT KMB's RAC-Plan status, which states the company can continue the certification process with NC major status 7.3.1 still open until the next surveillance audit.			

	<p>Mon 23/09/2019 15:20  Wan Nur Aimy Nadiyah Wan Solah &lt;aimy.nadiyah@rspo.org&gt;  Re: The Progress of RaCP status for Gunung Makmur POM - PT Karya Makmur Bahagia subsidiary of Bumitama Agri, Ltd</p>
<p>To: Naila</p>	
<p>Cc:</p>	<p>Khing Su Li; adi; aminah ang; Wan Muqtadir Wan Abdul Fatah; RSPO Compensation; Agri 1; Octo Nainggolan; nurbayuto@mutucertification.com; Satria Adi Putra; bpri@mutucertification.com; Halkal Ramadhan Kharismansyah</p>
<p>Click here to download pictures. To help protect your privacy, Outlook prevented automatic download of some pictures in this message.</p>	
	<p>Dear Naila,</p>
	<p>Following the conversation that you had with Suli, I believed you already aware with the current RaCP progress for this management unit. Therefore, with the consideration of time taken to complete the whole process, we agreed with you to proceed with the certification of this management unit with the Major NC 7.3.1 remain open until the next Surveillance audit. Do let your client know to work towards getting the compensation plan completed soonest.</p>
	<p>Do keep this email as records of evidence that RSPO agreed with such arrangement. This is a case to case basis approval.</p>
	<p>Thank you.</p>
	<p>Best Regards,</p>
	<p>Based on the evidence presented it was concluded that NCR No.2019.11 with a Major nonconformance grade was declared OPEN until the next surveillance audit.</p>
<p>Verified by</p>	<p>: Radytio Puspanjana</p>

**3.5.2. Opportunity for Improvement**

No	Ref. Std.	Description
1	4.4.3	Periodic POME testing
2	4.7.6	Monitoring of content of first aid kit.
3	6.3.2	Documentation of verbally complaint handling
4	6.5.3	The follow up of water quality testing.
5	6.11.1	The arrangement of CSR program that more in participatory manner.
6	E.4.1	Demarcation of certified and non certified area.

**3.5.3. Noteworthy Positive Components**

No	Ref. Std.	Description
1	-	Has realized a fully managed and independent partnership with farmers.
2	-	Commitment to the implementation of sustainable palm oil.
3	-	Provision of service units and provision of staples.
4	-	All employees are permanent employees.

**3.6 Summary of Arising Issues from Public and Auditor Verification**

Public Issues	Auditor Verification
<p><b>Labor Agency, Kotawaringin Timur Regency</b></p> <p>There are no negative issues related to labor and child labor. P2K3 reporting has been given regularly by the company on a periodic basis (3 months), besides that it has also carried out a mandatory report on labor reports.</p> <p>Payment of wages has followed the provisions of IDR 2.776,460 / month. At present the company has a Bipartite.</p>	<p>There are no negative issues that need further verification. The company has paid wages in accordance with the regulations. This is in accordance with criteria 2.1.1 and 6.5.1</p>
<p><b>Village Head of Bhakti Karya</b>  <b>Public Figure of Waringin Agung Village</b>  <b>Public Figure of Hanya Village</b></p> <p>There is no negative issues, land dispute issues or environmental pollution. The land compensation process has been carried out by involving various parties</p> <p>The company has made efforts to develop the surrounding community through CSR programs, the use of local labor and local contractors.</p> <p>The relationship between the company and the community has run quite well and harmoniously. Communication between the company and the village is quite good.</p>	<p>There are no negative issues that need further verification .The company has shown land compensation documentary evidence carried out referring to the concept of FPIC. Described in detail in criteria 2.2; 2.3 6.4</p>
<p><b>Previous Land Owner of Hanya Village</b></p> <p>The land compensation process has been carried out with participatory land identification, negotiable compensation, good administration, involving witnesses and mediation of the traditional leader, village head, sub-district head and police.</p>	<p>There are no negative issues that need further verification. The company has shown land compensation documentary evidence carried out referring to the concept of FPIC. Described in detail in criteria 6.4</p>
<p><b>Head of Plasma Cooperative of Waringin Jaya</b>  <b>Head of Plasma Cooperative of Usaha Bersama</b>  <b>Head of Plasma Cooperative of Sekartani</b>  <b>Head of Plasma Cooperative of Marga Rahayu</b></p> <ul style="list-style-type: none"> <li>- Currently the Bank credit is paid off, however the land title is still held by the company. It prevent to land sales to other parties. The MoU is valid for 25 years.</li> <li>- Regularly meeting was conducted to discussed the profit of plasma every two months.</li> <li>- FFB payment has been made based on the price of FFB (Dinas Perkebunan). The company has</li> </ul>	<p>There are no negative issues that need further verification. Regarding to transparently and Payment system has been verified on indicator 6.10.2.</p>

Public Issues	Auditor Verification
<p>socialized the price of FFB to the cooperative board, besides that cooperative board was also invited to the FFB price fixing meeting at the Palangkaraya every month.</p>	
<p><b>PT KMB Bipartite Cooperative Agency</b></p> <p>The establishment / extension of the Bipartite Cooperative Agency was carried out in February 2019 and is valid for 3 years. The last meeting discussed the formation of new management. Socialization related to the management and establishment of the latest Bipartite LKS was carried out to all plantation units in June 2019. There were no labor-related issues.</p> <p>Company regulations are valid from 2018 until 2021. The role of Bipartite Cooperative Agency is also included in witnesses in the payment of employee separation, pensions, BPJS claims, etc.</p>	<p>There are no negative issues that need further verification. The company has paid salaries according to regulations. Has been described in Criterion 6.6</p>
<p><b>Gender Committee of PT KMB</b></p> <p>The company has socialized corporate policies related to human rights, non violence, and protection of women's reproductive rights.</p> <p>No cases related to human rights, violence, or harassment. Every female employee has been granted menstrual leave rights, before and after childbirth. There have been mechanisms to monitor pregnant and lactating female workers not working in chemicals.</p>	<p>The company has socialized corporate policies related to human rights, non violence, and protection of women's reproductive rights. There is no cases related to human rights, violence, or harassment. Describes in criteria 6.8 and 6.9.</p>

<b>4.0</b>	<b>CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY</b>
<b>4.1</b>	<b>Formal Sign-off of Assessment Findings</b>
	<p>Hereunder sign by management representative from inspected company to acknowledge a field assessment and agree for all content explained in this assessment report, included of non-compliance findings.</p> <p>Signed on behalf of:</p> <div style="display: flex; justify-content: space-around; align-items: flex-end;"> <div style="text-align: center;"> <p>PT Karya Makmur Bahagia Management Representative</p>  <p><b><u>Nandang Mulyana</u></b> Tuesday, 19 November 2019</p> </div> <div style="text-align: center;"> <p>Mutuagung Lestari Lead Auditor</p>  <p><b><u>Moh Arif Yusni</u></b> Tuesday, 19 November 2019</p> </div> </div>

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

No	Institution/NGO/Community	Address	Phone/Email	Form of Communication	Date of Contact	Response	
						Yes	No
1	Plantation Agency Regency of Kotawaringin Timur	Regency of Kotawaringin Timur	-	Interview by phone	8 July 2019		✓
2	Land Office Regency of Kotawaringin Timur	Regency of Kotawaringin Timur	-	Interview by phone	8 July 2019		✓
3	Environmental Agency Regency of Kotawaringin Timur	Regency of Kotawaringin Timur	-	Interview by phone	8 July 2019		✓
4	Manpower Agency Regency of Kotawaringin Timur	Regency of Kotawaringin Timur	-	Interview by phone	8 July 2019	✓	
5	Public Figure of Waringin Agung Village	Waringin Agung Village, Telaga Antang Sub District, Kotawaringin Timur Regency	-	Direct Interview	9 July 2019	✓	
6	Public Figure of Hanya Village	Hanya Village, Telaga Antang Sub District, Kotawaringin Timur Regency	-	Direct Interview	9 July 2019	✓	
7	Previous Land Owner of Hanya Village	Hanya Village, Telaga Antang Sub District, Kotawaringin Timur Regency	-	Direct Interview	9 July 2019	✓	
8	Village Head of Bhakti Karya	Bhakti Karya Village, Telaga Antang Sub District, Kotawaringin Timur Regency	-	Direct Interview	11 July 2019	✓	
9	Head of Plasma Cooperative of Waringin Jaya	Waringin Agung Village, Telaga Antang Sub District, Kotawaringin Timur Regency	-	Direct Interview	9 July 2019	✓	
10	Head of Plasma Cooperative of Usaha Bersama	Mulya Agung Village, Telaga Antang Sub District, Kotawaringin Timur Regency	-	Direct Interview	11 July 2019	✓	
11	Head of Plasma Cooperative of Sekartani	Gunung Makmur Village, Telaga Antang Sub District, Kotawaringin Timur Regency	-	Direct Interview	11 July 2019	✓	
12	Head of Plasma Cooperative of Marga Rahayu	Bhakti Karya Village, Telaga Antang Sub District, Kotawaringin Timur Regency	-	Direct Interview	11 July 2019	✓	
13	Gender Committee of PT KMB	PT Karya Makmur Bahagia	-	Direct Interview	10 July 2019	✓	
14	Bipartite PT KMB	PT Karya Makmur Bahagia	-	Direct Interview	10 July 2019	✓	
15	Sawit Watch	-	<a href="mailto:info@sawitwatch.or.id">info@sawitwatch.or.id</a>	Quiesioner via Email	21 <sup>st</sup> June 2019		✓
16	WWF	-	<a href="mailto:supporter-service@wwf.or.id">supporter-service@wwf.or.id</a>	Quiesioner via Email	21 <sup>st</sup> June 2019		✓
17	Aliansi Masyarakat Adat Nusantara	-	<a href="mailto:rumahaman@cbn.net.id">rumahaman@cbn.net.id</a>	Quiesioner via Email	21 <sup>st</sup> June 2019		✓
18	Walhi	-	<a href="mailto:info@walhi.or.id">info@walhi.or.id</a>	Quiesioner via Email	21 <sup>st</sup> June 2019		✓
19	<b>Bukit Makmur POM</b>	PT Karya Makmur Bahagia	-	Field observation	9 July 2019	✓	

	<ul style="list-style-type: none"> <li>- Security Post : 3 worker</li> <li>- Weighbridge Stasion : 4 worker</li> <li>- WTP Operator : 1 Operator</li> <li>- WWTP Operator : 2 Operator</li> <li>- Workshop: 2 workers</li> <li>- Storage : 3 workers</li> <li>- Grading Station : 3 workers.</li> <li>- Sterilizer Stasion : 1 operator.</li> <li>- Press Station : 1 operator.</li> <li>- Engine Room : 1 operator.</li> <li>- Boiler Station : 1 operator.</li> <li>- Workshop : 1 worker.</li> </ul>			and direct interview			
20	<b>Bukit Makmur Estate</b> <ul style="list-style-type: none"> <li>- HGU Pole monitoring: 2 worker</li> <li>- LA Operator : 3 Worker</li> <li>- storage : 6 workers</li> <li>- Clinic : 2 paramedic</li> <li>- Manuring : 5 workers.</li> <li>- Circle and Path Spraying : 6 workers.</li> <li>- Harvesting : 5 harvesters and 5 loose fruit collector.</li> </ul>	PT Karya Makmur Bahagia	-	Field observation and direct interview	9 July 2019	✓	
21	<b>Bukit Kecubung Estate</b> <ul style="list-style-type: none"> <li>- Fertilization : 9 worker</li> <li>- Spraying weed : 16 worker</li> <li>- HGU Pole monitoring: 1 worker.</li> <li>- Workshop: 2 workers</li> <li>- BSS &amp; BMS clerk 1 employee.</li> </ul>	PT Karya Makmur Bahagia	-	Field observation and direct interview	10 July 2019	✓	

**Appendix 2. Assessment Program**

DATE	08 – 13 July 2019	
PLANNED TIME	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
<b>Monday, 08 July 2019</b>		
06.00 - 07.30 07.30 – 13.00	<b>Traveling Jakarta – Palangkaraya</b> <b>Traveling Palangkaraya – PT Karya Makmur Bahagia</b>	<b>All Auditor</b>
14.00 – 14.30	<b>Opening meeting</b> <ul style="list-style-type: none"> <li>Auditee Speech (Introduction of PIC, Profile of Certified Management Unit)</li> <li>Auditor Team Speech (Introduction, Audit Objective, Audit Scope, Audit Plan Discussion, Determine of Audit Sample, Transparency and Confidentiality Clarification)</li> </ul>	<b>All Auditor</b>
14.30 – 17.00	<b>Field Observation to Bukit Makmur POM</b> <ul style="list-style-type: none"> <li>Supply Chain verification (FFB Receiving, Weighbridge, FFB Sorting, Processing Activity, Despatch CPO)</li> <li>Inspection to Chemical Storage, Hazardous Waste Storage, Fire Control Simulation,</li> <li>Observation of WWTP, WTP, LA, EBA</li> </ul>	<b>Arif, Yudhi, Tio</b>
14.30 – 17.00	Stakeholder consultation of internal stakeholder : Labor Union, Labor Cooperative, Gender Committee, etc.	
<b>Tuesday, 09 July 2019</b>		
08.00 – 12.00	Stakeholder consultation to affected communities surrounding the plantations, previous land owner, and Plasma Officials  <b>Field Observation of Bukit Makmur Estate</b> <ul style="list-style-type: none"> <li>Implementation of Legal Aspect (Land Ownership, Legal Boundaries);</li> <li>Observation of Conservation/HCV area, etc</li> <li>Implementation of Agronomy Aspect (Harvesting &amp; Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application, etc)</li> <li>Implementation of housing and facilities, Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management, etc.</li> </ul>	<b>Faisal</b>  <b>Tio</b>  <b>Yudhi</b>  <b>Arif</b>
12.00 – 14.00	<b>Break</b>	<b>All Auditor</b>
14.00 – 17.00	<ul style="list-style-type: none"> <li>Continuing stakeholder consultation of internal stakeholder : Labor Union, Labor Cooperative, Gender Committee, etc.</li> <li>Document Review</li> </ul>	<b>All Auditor</b>  <b>All Auditor</b>

<b>Wednesday, 10 July 2019</b>		
08.00 – 17.00	<b>Field Observation of Bukit Makmur Estate</b> <ul style="list-style-type: none"> <li>Implementation of Legal Aspect (Land Ownership, Legal Boundaries);</li> <li>Observation of Conservation/HCV area, etc</li> <li>Implementation of Agronomy Aspect (Harvesting &amp; Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application, etc)</li> <li>Implementation of housing and facilities, Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management, etc.</li> </ul>	<b>Faisal Tio Yudhi</b>  <b>Arif</b>
12.00 – 14.00	<ul style="list-style-type: none"> <li><b>Break</b></li> </ul>	<b>All Auditor</b>
14.00 – 17.00	<ul style="list-style-type: none"> <li>Continuing stakeholder consultation of internal stakeholder : Labor Union, Labor Cooperative, Gender Committee, etc.</li> <li>Document Review</li> </ul>	<b>All Auditor</b>  <b>All Auditor</b>
<b>Thursday, 11 July 2019</b>		
08.00 – 12.00	Continuing stakeholder consultation to affected communities surrounding the plantations, previous land owner, and Plasma Officials	<b>All Auditor</b>
12.00 – 14.00	<b>Break</b>	<b>All Auditor</b>
14.00 – 17.00	<ul style="list-style-type: none"> <li><i>Continuing stakeholder consultation of internal stakeholder : Labor Union, Labor Cooperative, Gender Committee, etc.</i></li> <li><b>Document Review</b></li> </ul>	<b>All Auditor</b>  <b>All Auditor</b>
<b>Friday, 12 July 2019</b>		
08.00 – 10.00	Document Review	<b>All Auditor</b>
10.00	Time limit of submission of audit evidence	<b>Klien</b>
10.00 – 12.00	Internal discussion by auditor team for preparing the Closing Meeting	
12.00 – 15.00	Break and internal discussion by auditor team preparing for Closing Meeting	<b>All Auditor</b>
15.00 – 17.00	<b>Closing Meeting:</b> <ul style="list-style-type: none"> <li>Presentation of audit findings (Noteworthy Positive Component, Non Conformities, OFI, Timelie of CAR's, Conclusion)/</li> <li>Comments, Responses and Questions</li> </ul>	<b>All Auditor</b>
18.30 – 23.00	<b>Traveling PT Karya Makmur Bahagia Palangkaraya</b>	<b>All Auditor</b>
<b>Saturday, 13 July 2019</b>		
08.00 - 10.00	<b>Traveling Palangkaraya Jakarta</b>	<b>All Auditor</b>