

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

### **[ ✓ ] Re-Certification**

Name of Management : Gunung Makmur Palm Oil Mill – PT Karya Makmur Bahagia subsidiary of Organisation Bumitama Agri Limited.  
 Plantation Name : PT Karya Makmur Bahagia; Gunung Makmur Estate, Bukit Daman Estate and Sungai Mentaya Estate.  
 Location : Rantau Tampang Village, Telaga Antang Sub District, Kotawaringin Timur District, Kalimantan Tengah Province, Indonesia.  
 Certificate Code : **MUTU-RSPO/045**  
 Date of Initial Registration : 21 July 2014  
 Date of Last Issue : 15 October 2019      Date of License Issue : 21 October 2019  
 Date of Certificate Expiry : 20 July 2024      Date of License Expiry : 20 July 2020

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
RC	01 – 05 July 2019	Trismadi Nurbayuto (Lead Auditor), Brigitta Prita, Haikal Ramadhan Kharismansyah, Satria Adi Putra	Ganapathy Ramasamy	Ardiansyah

Assessment	Approved by MUTUAGUNG LESTARI on:
RC	15 October 2019

PT Mutuagung Lestari • Raya Bogor Km 33,5 Number 19 • Cimanggis • Depok 16953 • Indonesia  
 Telephone (+62) (21) 8740202 • Fax (+62) (21) 87740745/6 • Email: agri@mutucertification.com • [www.mutucertification.com](http://www.mutucertification.com)  
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 on March 12<sup>th</sup>, 2014 with registration number **ASI-ACC-055**

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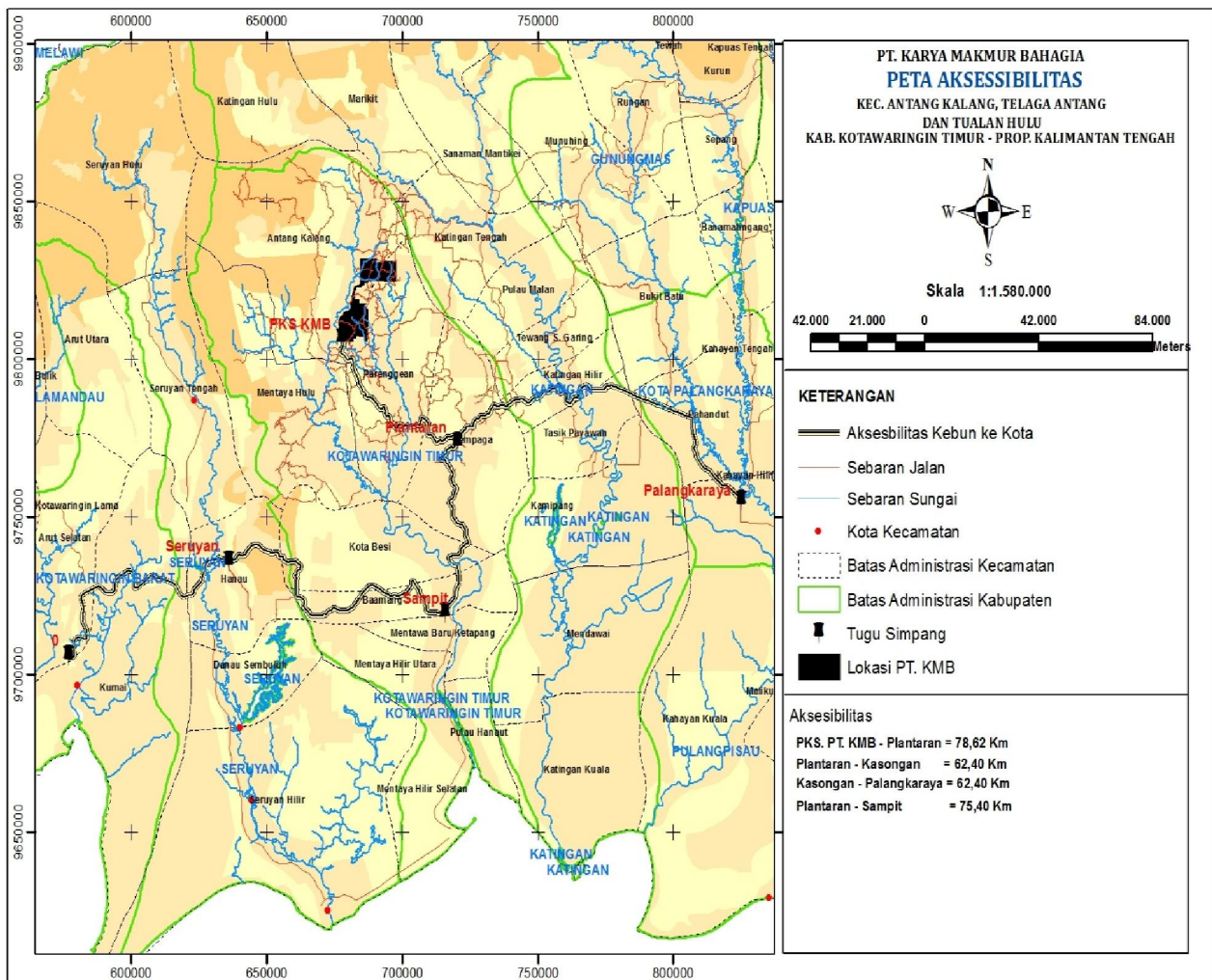
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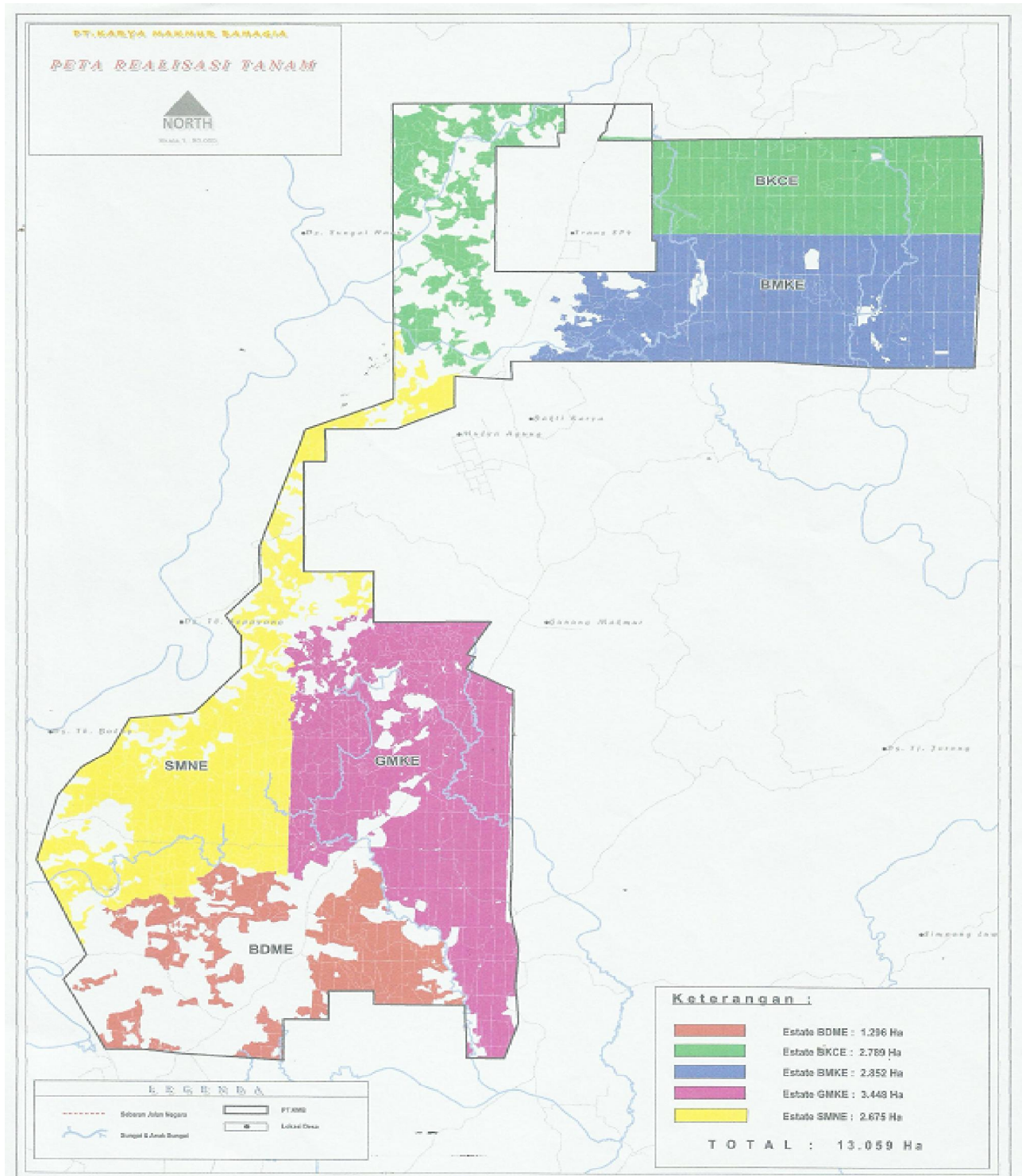
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Figure 1. Location Map of PT Karya Makmur Bahagia



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





### Abbreviations Used

AMDAL	:	<i>Analisis Mengenai Dampak Lingkungan</i>
ANDAL	:	<i>Analisis Dampak Lingkungan</i>
BAGE	:	Beringin Agung Estate
BDME	:	Bukit Daman Estate
BGA	:	Bumitama Gunajaya Agro
BHJE	:	Batang Hijau Estate
BKCE	:	Bukit Kecubung Estate
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
GMKE	:	Gunung Makmur Estate
GMKM	:	Gunung Makmur Mill
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 penyiimpann 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

1.0	SCOPE of the CERTIFICATION ASSESSMENT		
1.1	Assessment Standard Used	<ul style="list-style-type: none"><li>• Indonesian National Interpretation of RSPO Principles and Criteria 2013 by INA-NITF, July 2016 (Endorsed by the RSPO Board of Governors meeting on 30<sup>th</sup> September 2016)</li><li>• RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014, Revised on 14 June 2017</li><li>• RSPO Certification Systems for Principles &amp; Criteria June 2017</li></ul>	
1.2	Organisation Information		
1.2.1	Organisation name listed in the certificate	PT KARYA MAKMUR BAHAGIA subsidiary of BUMITAMA AGRI LIMITED	
1.2.2	Contact person	Lim Sian Choo	
1.2.3	Organisation address and site address	<ul style="list-style-type: none"><li>• RSPO registered company: 10 Anson Road, #11-19 International Plaza Singapore 079903.</li><li>• Liaison Office: Jl. Melawai Raya No. 10 Kebayoran Baru Jakarta Selatan 12160 Indonesia.</li></ul>	
1.2.4	Telephone	(+65) 6222 1332	
1.2.5	Fax	(+65) 6222 1336	
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 – 07 October 2007	
1.3	Type of Assessment		
1.3.1	Scope of Assessment and Number of Management Unit	Palm Oil Mill and Supply Base: Gunung Makmur Mill, Gunung Makmur Estate, Bukit Daman Estate, Sungai Mentaya Estate.	
1.3.2	Type of certificate	Single	
1.4	Locations of Mill and Plantation		
1.4.1	Location of Mill		
	Name of Mill	Location	Coordinate
			LatitudeLongitude
	Gunung Makmur	Rantau Tampang Village, Telaga Antang Sub District, Kotawaringin Timur District, Kalimantan Timur Province, Indonesia	S 1° 45' 36.00"E 112° 35' 48.10"

1.4.2	Location of Certification Scope of Supply Base			
	<b>Name of Supply Base</b>	<b>Location</b>	<b>Coordinate</b>	
			<b>Latitude</b>	<b>Longitude</b>
	Gunung Makmur Estate (GMKE)	Gunung Makmur Village, Antang Kalang Sub District, Kotawaringin Timur District, Kalimantan Tengah Province, Indonesia	S 1°43' 37"	E 112°39' 45"
	Sungai Mentaya Estate (SMNE)	Gunung Makmur Village, Antang Kalang Sub District, Kotawaringin Timur District, Kalimantan Tengah Province, Indonesia	S 1°40' 56"	E 112° 37' 16"
	Bukit Daman Estate (BDME)	Gunung Makmur Village, Antang Kalang Sub District, Kotawaringin Timur District, Kalimantan Tengah Province, Indonesia	S 1°43' 39"	E 112° 39' 41"
1.5	<b>Description of Area Statement</b>			
1.5.1	Tenure			
	• State			
	- HGU		15,056.31	Ha
	- HGB		43.93	Ha
	• Community		-	Ha
	Note: GMKM scope audit area 8,533.45 Ha and rest area is under scope Bukit Makmur Mill.			
1.5.2	<b>Area Statement</b>			
	• Total area		8,533.45	Ha
	• Mature area		7,418.28	Ha
	• Mill		43.93	Ha
	• Road, Infrastructure		533.40	Ha
	• HCV/Conservation/Riparian River/Reservoir		175.84	Ha
	• Occupation		362.00	Ha
1.6	<b>Planting Year and Cycles</b>			
1.6.1	Age profile of planting year			
	<b>Planting Year</b>	<b>Hectarage (Ha)</b>		
		<b>GMKE</b>	<b>BDME</b>	<b>SMNE</b>
	1998	254	0.00	0.00
	1999	1439.63	0.00	495.77
	2000	671.90	32.32	77.58
	2001	5.35	0.00	7.27
	2002	105.89	365.04	320.81
	2003	401.18	286.69	197.27
	2004	0.00	44.13	25.75
	2005	24.44	150.36	0.00
	2006	35.39	25.80	0.00
	2007	124.99	168.00	81.41



	2008	9.24	0.00	14.73	23.97			
	2009	20.00	64.94	223.19	308.13			
	2010	17.46	30.19	235.02	282.67			
	2011	120.25	70.68	300.21	491.14			
	2012	116.89	0.00	510.04	626.93			
	2013	101.59	57.41	185.47	344.47			
	TOTAL	3,448.20	1,295.56	2,674.52	7,418.28			
1.6.2	New Planting area after January 2010		3,490.42 Ha					
1.6.3	Planting Cycle		1 <sup>st</sup> Cycle					
1.7	Description of Mill and Supply Base							
1.7.1	Description of Mill							
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO Out put (tonnes)	Extraction (%)	Palm Kernel Out put (tonnes)	Extraction (%)	
	Gunung Makmur Mill	75	341,080	75,046	22.00	14,776	4.33	
	*Production data source from 1 July 2018 to 30 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)		%
	Gunung Makmur Estate	3,832.07	3,448.20	63,839	18.51	49,910	78.00	
	Bukit Daman Estate	1,741.65	1,295.56	25,432	7.48	25,432	100.00	
	Sungai Mentaya Estate	2,959.74	2,674.52	20,002	19.63	20,002	100.00	
	TOTAL	8,533.45	7,418.28	109,273	14.73	95,344	87.00	
	*Production data source from 1 July 2018 to 30 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)			
	BHJE (Lestari cooperative) division 2 & 3	PT KMB (RSPO Noncertified)	500 farmers	1,003.24	34,954			
	BAGE (Mekar Jaya cooperative) division 3 & 4		567 farmers	1,049.78	40,394			
	MAGE Division 2,3,4,5,6		-	2,476.38	26			
	SMRE PT TTL	PT TTL (RSPO Noncertified)	-	2,298.19	33,006			
	SMNE PT TTL		-	1,731.01	3,580			
	BDME PT TTL		-	469.53	14,337			
	GMKE PT TTL		-	958.35	1,443			
	BMKE PT TTL		-	229.13	21			
	BKCE PT TTL		-	415.23	7			
	Independent FFB Supplier	Independent FFB Supplier	35 suppliers	-	117,970			

		(RSPO Noncertified)			
	TOTAL				245,738
	*Source Production Data from 1 July 2018 to 30 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 (MT)	
	• FFB Production		193,073	95,343	
	• CPO Production		40,545	21,415	
	• Palm Kernel (PK) Production		9,654	4,205	
	. Data on 1 July 2018 to 30 June 2019 for last year actual certified.				
1.8.2	Product selling				
	Tonnage of selling product		Last Year Period of Actual Selling Product (MT)		
	• CSPO sold as RSPO certified product		3,200		
	• CSPK sold as RSPO certified product		3,241		
	• CSPO sold under other scheme		0		
	• CSPK sold under other scheme		0		
	• CSPO sold as conventional		17,800		
	• CSPK sold as conventional		0		
	Data on 1 July 2018 to 30 June 2019 for last year actual certified.				
1.8.3	Estimate of Certified FFB Claim				
	Name of Estate(s)	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)
	Gunung Makmur Estate	3,832.07	3,448.20	67,669	19.62
	Bukit Daman Estate	1,741.65	1,295.56	26,958	20.81
	Sungai Mentaya Estate	2,959.74	2,674.52	21,202	7.93
	TOTAL	8,533.45	7,418.28	115,828	15.61
	*Projected FFB production from 21 July 2019 to 20 July 2020.				
1.8.4	Estimate of Certified Palm Product Claim				
	Name of Mill	Capacity (tonnes/hour)	FFB Processed (tonnes/year)	CPO Out put (tonnes) Extraction (%)	Palm Kernel Out put (tonnes) Extraction (%) Supply Chain Module
	Gunung Makmur Mill	75	115,828	26,061 22.50	5,328 4.60 MB
	*Projected CSPO and CSPK production from 21 July 2019 to 20 July 2020.				
1.9	Other Certifications				
	ISCC		-		
	Others		MUTU-ISPO/023 (Validity periode 9 September 2014 – 8 September 2019)		
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				
PunduNabatindo (PT Windu Nabatindo Lestari)	2014	PunduNabatindo	2014	Kotawaringin Timur 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 Bahagia)	2014	Gunung Makmur	2014	Kotawaringin Timur Regency, Kalimantan Tengah	Certified
		Sungai Mentaya			
		Bukit Daman			
		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	2020		-

		(PT TTL)			
		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 Pulau 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			

		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 Abadi)	2020	Serawak Damai (PT Windu Nabatindo Sejahtera)	2020	Central Kalimantan	Have not obtained the HGU
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 Tunggal Jaya Mill (PT Ladang Sawit Mas)	2020	PT Ladang Sawit Mas	2020	Ketapang Regency, West Kalimantan	NPP
			KopBun Bukit Tunggal 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 (Batang Hijau Estate (Makarti Jaya), Beringin Agung Estate (KUD Mekarjaya & KUD Tani Santoso)) were conducted together with re-certification assessment.					

<b>2.0</b>	<b>ASSESSMENT PROCESS</b>
<b>2.1</b>	<b>Assessment Team</b>
<b>RC</b>	<p>1. <b>Trismadi Nurbayuto (Lead Auditor)</b>. Indonesian Citizen. Diploma of Forest Management from Forestry Faculty; Associate Degree of Economic from Economic and Management. He has experienced as field assistant on oil palm plantation year of 2008. Therefore he has experienced as HCV and SEIA Assessor on 2010-2013. He has been followed HCV identification and management training; ISO training (9001;14001; 22000); ISPO Lead Auditor's training; Safety Expert; RSPO Lead Auditor's; OHS Auditors by Government Regulation No 50 year of 2012; and RSPO Next. He has been conducted audit on ISPO and RSPO scheme since year of 2013 as an Auditor on several aspect as environment, OHS, Legality, Best Management Practices, Social, Worker Welfare, Conflict Resolutions, Long term Business Plan and Supply Chain on Palm Oil Mill. During this assesment verified Legal,Social, and Partial Certification aspect.</p> <p>2. <b>Brigitta Prita (Auditor)</b>. Citizen of Indonesia. Bachelor of Forestry, Department of Forest Resources Conservation and Ecotourism. She had attended Training ISPO by Commission ISPO on June 2013, Training ISO 9001:2008 Quality Management System on January 2014, In House Training 17021 and 17065 management system and Product Quality, Training High Conservation Value by IPB on September 2015, In House Training HCV on August 2016, In House Training Roundtable Sustainable Palm Oil on January 2014; In House Training ISO 14000:2004 Environmental Management System. She has been audit experience ISPO &amp; RSPO since April 2013 in the environmental, conservation, waste management and worker welfare aspects.During this assment verified environment, HCV, GHG &amp; SCCS aspect.</p> <p>3. <b>Satria Adi Putra (Auditor)</b>. Indonesian citizen, Diploma III majoring in Palm Oil Plantation. Have experience of work more than six years since 2009 as the operational staff of private oil palm plantations in Indonesia. Training have been followed including Occupational Health and Safety Expert, Orang Utan and Wildlife Management, ISPO Auditor Training, RSPO Awareness, IHT Potential Mapping and Conflict Resolution in Production Forests, OHSAS 18001, SA 8000, RSPO Lead Training, Lead Auditor Training for ISO 9001, ISO 14001, ISO 17021, ISO 17065, ISO 19011, ISO 22000,. During this audit, he support to verify OHS and Worker Welfare.</p> <p>4. <b>Haikal Ramadhan Kharismansyah (Auditor)</b>. Indonesian citizen, Bachelor of Agriculture department of plant and pest disease (Agro technology). He has 3 years experience as an Agronomy Staff in private oil palm plantation in Indonesia. Training which had attended including Basic Management Development Program Agronomy, Integrated Urban Pest Management, Integrated Pest Management, ISO 9001 : 2015, Auditor ISPO, RSPO awareness, ISO 22000 awareness. Did some audit ISPO scheme with aspects Best management practices. During this assesment verified Best Management Practices and Long Term Business Plan.</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>RC</b>	<p>Number of auditors : 4 auditor</p> <p>Number of days for RC at site: 5 days</p> <p>Number of working days for RC at site : 20 Working days</p>
<b>2.2.2</b>	<b>Assessment Process</b>
<b>RC</b>	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by Gunung Makmur POM of PT. Karya Makmur Bahagia to the requirements of <i>Indonesian National Interpretation of RSPO Principles and Criteria 2013 by INA-NITF, July 2016 (Endorsed by the RSPO Board of Governors meeting on 30th September 2016) and RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 Revised June 2017 (Module D for CPO Mill)</i>.</p> <p>The assessment was conducted in three methods: (1) document review, aiming to observe the sufficiency of types or substances from required documents; (2) interview, aiming to obtain more detailed information and cross check the information; and (3) field observation, aiming to observe directly the sufficiency of implementation on site.</p> <p>Some opportunities for improvement of the results Recertification delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase (ASA-1.1).</p>

Improvement of findings from surveillance assessment findings were observed by auditors at this Recertification assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of Recertification.

The assessment program please find Appendix 2.

### 2.2.3 Locations of Assessment

RC	<p>The sampling location consider the issue arose from the review documents and stakeholder's consultation that are fundamental and crucial. On this assessment sample locations that visited and respondent that interviewed by team auditor are:</p> <p><b>Gunung Makmur Estate</b></p> <ul style="list-style-type: none"> <li>• <b>Block B01 Division I. Harvesting.</b> Observation and interview regarding wage system, FFB criteria, and completeness of PPE</li> <li>• <b>Block G15 Division IV. Manuring.</b> Observation and interviews regarding the implementation of procedures, PPE, and how to work safely both for themselves and the environment</li> <li>• <b>Block A07 Division I. Circle and Path Spraying.</b> Observation and interviews regarding the implementation of procedures, PPE, and how to work safely both for themselves and the environment</li> <li>• <b>Block A05 Division I. Nest Box.</b> Observation and interviews regarding the application of IPM</li> <li>• <b>Housing of Division 3.</b> Observation related condition of housing, domestic waste and others.</li> <li>• <b>Daycare of Division 3.</b> Observation related management in daycare.</li> <li>• <b>Landfill Block H27 Division 4.</b> Observation related management of domestic waste.</li> <li>• <b>House of Block Spraying System.</b> Observation related management of pesticide handling.</li> <li>• <b>House of Block Harvesting System.</b> Observation related management of harvesting.</li> <li>• <b>Erosion boundary number 3 Block 14 Division 2,</b> the total of erosion pole is 8 and every 1 month there is measurement in the boundary area.</li> </ul> <p><b>Sungai Mentaya Estate</b></p> <ul style="list-style-type: none"> <li>• <b>Block A32 division II. Circle and Path Spraying.</b> Observation and interviews regarding the implementation of procedures, PPE, and how to work safely both for themselves and the environment</li> <li>• <b>Block D31 Division I. Manual Upkeep.</b> Observation and interviews regarding wages, welfare facilities and PPE</li> <li>• <b>Block A24 Divisi II. Harvesting.</b> Observation and interview regarding wage system, FFB criteria, and completeness of PPE</li> <li>• <b>Block E27 Divisi III. Konjat River Riparian.</b> Observations regarding water source management and HCV</li> <li>• <b>Block B25. Landfill.</b> Observation of domestic waste management</li> <li>• <b>Interview with contractor worker CV Putra Mandiri.</b></li> <li>• <b>Block C33B, Division 4. HGU pole number BT30.</b> Observations related to boundary stones and interview an officer related boundary maintenance, it was good condition and bordered with PT Tanah Tani Lestari (BGA group).</li> <li>• <b>Block D30A, Division 1. HGU pole number BT31.</b> Observations related to boundary stones and interview an officer related boundary maintenance, it was good condition and bordered with PT Tanah Tani Lestari (BGA group).</li> <li>• <b>Kalla Hill (HCV area), Block 41A, Division 2.</b> Observation slopes area (&gt;40%) and interview an officer of HCV, where no upkeep been carried out by the company. There is only harvesting activity. Based on interview result sighted that this area will be rehabilitated and didn't replanting.</li> <li>• <b>BSS House.</b> Based on field observations result sighted that there are eight aprons and bathrooms. According to interview with a foreman sighted that extra fooding will be given before and after working.</li> <li>• <b>Generator Room.</b> Observation and interview with an operator, related to remuneration, OHS, and environment aspect.</li> <li>• <b>First Aid Room.</b> Observation and interview with nurses, the diseases trend in the past year is flu and cold. There had been a fatality accident. The auditor team has verified the work accident report and the claim process.</li> </ul>
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- **Clean water sources in Division 2 Housing Complex.** Based on observation result there are three wells and three water reservoirs. Based on interview with workers sighted that's for the bathing and washing only. Drinking water by bought the mineral water.
- **Block C24B, Division 3, the domestic waste disposal place.** Based on field observations sighted there are open dumping conditions.

### Gunung Makmur Mill

- **WTP.** Observation and interviews regarding the use of water for the processing
- **Temporary Hazardous Waste Shelter.** Observation of hazardous waste management, first aid kit, and emergency response infrastructure
- **Agrochemical warehouse.** Observations regarding the implementation of chemical storage procedures
- **Workshop.** Interview with worker about workshop activity, OHS implementation, worker welfare.
- **Hydrant Simulation.** Observation related simulation hydrant.
- **POME.** Observation and interview with operator related management of liquid waste.
- **Water Intake.** Observation related management of water for production.
- **Security Post.** Interview and observations related to salary, work time and job descriptions.
- **Weigh Bridge.** Interview and observations related to salary, work time, SCCS, and job descriptions.
- **Grading station.** Observation and interview regarding grading activities.
- **Sterilizer.** Observation and interviews with operators regarding work licenses, training and work systems
- **Engine Room.** Observation and interviews with operators regarding work licenses and understanding of emergency response conditions
- **Press.** Observation and interviews with operators regarding day-to-day work responsibilities, PPE, and medical check-up
- **Boiler.** Observation and interviews with operators regarding work licenses and health medical check-up
- **Kernel.** Observations and interviews with workers regarding work time, PPE, and knowledge of emergency response conditions.

### Bukit Daman Estate (BDME).

- **HCV 4.1 Sansang riparian Block 14 A Division 1.** Observation related management of HCV.
- **Housing Division 1.** Observation related condition of housing, domestic waste and others.
- **Daycare Division 1.** Observation related management in daycare.
- **Block Spraying System Division 1.** Observation related management of pesticide handling.
- **Boundary stone BT 99 Block D12 Division 1, Boundary stone adjacent to Mekar Jaya Cooperative.** Observation related condition of boundary stone.
- **Boundary stone BT 15 Block E8 Division 1, Boundary stone adjacent to Mekar Jaya Cooperative.** Observation related condition of boundary stone.
- **Boundary stone BT 16 Block E9 Division 1, Boundary stone adjacent to Mekar Jaya Cooperative.**

### Beringin Agung Estate

- **Block A08 Division I. Manuring.** Observation and interviews regarding the implementation of procedures, PPE, and how to work safely both **Central Mentaya Traksi (CMNT)**
- **Workshop.** Observation related conditions, OHS and PPE.
- **Hazardous waste storage.** Observation related management of hazardous waste.
- **Chemical store.** Observation related handling and using chemical.
- **Fertilizer store.** Observation related management of fertilizer.
- **Policlinic.** Observation related condition of clinic waste.
- **Fire extinguisher storage area.** Observation related equipment of fire extinguisher.
- for themselves and the environment
- **Block A09 Division I. Harvesting.** Observation and interview regarding wage system, FFB criteria, and completeness of PPE

- **BSS House.** Based on field observations result sighted that building on process (80%).
- **Fertilizer store.** Observation and interview with 11 workers related to work instruction, OHS, and salary.
- **Diesel Tank.** There are two tank with capacity 5,000 litres, fire extinguisher and hazardous label.
- **Genset room.** Observation and interview with an operator, related to remuneration, OHS, and environment aspect.
- **Child Care.** There are two workers with 18 children, it's completed with first aid and toilet.
- **Block B04, Division 1, the domestic waste disposal place.** Based on field observations sighted there are open dumping conditions.
- **Block A09, Division 1. Boundary with independent smallholders.** There are border between cooperative land with the independent smallholders land by road. There are also signboard which inform about community land.
- **Block E02/F01, Division 1. Riparian of Raya River.** There are riparian management, such as: signboard installment, chemical application limit (red pole) width 50 meter from river.

**Central Mentaya Traksi (CMNT)**

- **Workshop.** Observation related conditions, OHS and PPE.
- **Hazardous waste storage.** Observation related management of hazardous waste.
- **Chemical store.** Observation related handling and using chemical.
- **Fertilizer store.** Observation related management of fertilizer.
- **Policlinic.** Observation related condition of clinic waste.
- **Fire extinguisher storage area.** Observation related equipment of fire extinguisher.

**Consulted Stakeholder**

- Local Contractor
- Gender Committee of PT KMB
- *LKS Bipartit* of PT KMB
- Worker Cooperative of PT KMB
- Labor Agency of Korawaringin Timur Agency
- Mekar Jaya Cooperative Board
- Makarti Jaya Cooperative Board
- Tani Santoso Cooperative Board
- Head of Tumbang Mangkub Village
- Head of Rantau Tampang Village, Secretary, and community leaders
- Head of Wonosari Village
- Head of Agung Mulya Village
- Head of Beringin Agung Village and Secretary
- Two persons of Previous Land Owner from Tumbang Sepayang Village.

<b>2.3</b>	<b>Stakeholder Consultation and Stakeholders Contacted</b>
<b>2.3.1</b>	<b>Summary of stakeholder consultation process.</b>
<b>RC</b>	<p>Summary of stakeholder consultation process</p> <p>Consultation of stakeholders for Gunung Makmur POM - PT KMB was held by:</p> <ul style="list-style-type: none"> <li>• Public Notification on website PT Mutuagung Lestari and <a href="http://www.rspo.org">www.rspo.org</a> on 24 May 2019.</li> <li>• Public consultation meeting with government institution on 02 July 2019.</li> <li>• Public consultation meeting with communities including previous land owner on 02 July 2019.</li> <li>• Public consultation meeting with internal stakeholders and contractor 02 July 2019.</li> <li>• Public consultation with email to NGO on 21 June 2019.</li> </ul>
<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-1.1</b> ) will be conducted eight (8) months to twelve (12) months after the date of certificate issued.

### 3.0 ASSESSMENT FINDINGS

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

MUTUAGUNG LESTARI has conducted an assessment of Gunung Makmur Palm Oil Mill – PT Karya Makmur Bahagia subsidiary of Bumitama Agri Limited operation consisting of one (1) mill and three (3) oil palm estates.

During the assessment, there were *seven (7)* Nonconformities were assigned against Major Compliance Indicators; *five (5)* nonconformities were assigned against Minor Compliance Indicators; and *two (2)* nonconformance against supply chain requirement for CPO mill and *three (3)* opportunities for improvement were identified.

Further explanation of the non-conformities raised and corrective actions taken by the company are provided in section 3.5. The company has already prepared and implemented the corrective actions that had been reviewed and accepted by Auditors in form of documentation evidences e.g. Those corrective actions taken that consist of nine (9) Major non-conformities had been Closed shall be verified during next assessment.

MUTUAGUNG LESTARI found that PT Karya Makmur Bahagia – Gunung Makmur POM to the requirements of Indonesian National Interpretation of RSPO Principles and Criteria 2013 by INA-NITF, July 2016 (Endorsed by the RSPO Board of Governors meeting on 30th September 2016) and RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014, Rev June 2017 (Module E for CPO Mill).

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

Ref Std.	VERIFICATION RESULT of MUTU-Certification	
<b>PRINCIPLE #1 COMMITMENT TO TRANSPARENCY</b>		
<b>1.1</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 &amp; 1.1.2</b>	<p>The latest of stakeholder list (updated on January 2019) sighted during audit, informs type/group, name, institution, address and contact number. The stakeholder include a government institution, supplier/contractor, NGO and communities leader/village leader.</p> <p>The company has a procedure to explain the process of requesting information that is the Communication Procedure (Policy No. 725 / PSQM-ESH / 2017), the procedure aims to provide practical instructions for communication between the company and stakeholders. This has been socialized for example in Musrembang activities every year.</p> <p>The company has demonstrated the Transparency and Mechanism SOP (BGA-SOP-KMB 16-RO) explaining that the information requested requires coordination between departments and requires preparation time so it needs to be conveyed that there will be a notification of certainty no later than 10 days after the request is received by the informing official. And the official concerned must consult with the highest leadership to obtain approval to accept or reject requests for information.</p> <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. In addition, sighted the evidence of report delivery to relevant agencies, among others report of environmental management and monitoring, report of employment, waste management and plantation report.</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 they knowing about type of information which available to accessed. The Community Development Staff will be direct informed this list to all stakeholders every year.</p>	

**Status: Comply**
**1.2**
**Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.**
**1.2.1.**

The company has list of document that can be accessed publicly and documents that can be accessed with General Manager Approval which is written on Procedure of Transparency and Mechanism No BGA-SOP-KMB-16-R0 approved by AC Regional I on 15<sup>th</sup> September 2012 and General Manager Plantation I on 17<sup>th</sup> September 2012. The public documents, such as environmental document, company annual report, general policies, licensing includes land use title and decree of land use title, operational licenses of plantation activities, environment, OHS, and social reports, organizational structure, identification risk, land use data, report of position and the amount of labor, plans for continuous improvement, OHS program, and so on. These documents are available in estate and mill office.

Based on document verification sighted that document of deduction is can be accessible by the smallholders. Therefore based on interview with Mekar Jaya Cooperative board, Tani Santoso Cooperative board and Makarti Jaya Cooperative board it's known that debt of plasma payment were informed by the company every two months.

There are report for government such as:

1. Report on the implementation of *RKL / RPL* Semester II of 2018 PT KMB Gunung Makmur Factory on February 14<sup>th</sup>, 2019 to the East Kotawaringin Regency Environmental Agency.
2. Report on the implementation of *RKL / RPL* Semester II of 2018 PT KMB Gunung Makmur Factory on March 1<sup>st</sup>, 2019 for Environment Agency of Central Kalimantan Province.
3. HCV area to Conservation of biological natural resources of Central Kalimantan Province dated on June 28<sup>th</sup>, 2019.
4. Hazardous waste report for quarter I 2019 to Environment Agency of East Kotawaringin Regency on May 29<sup>th</sup>, 2019.
5. Environmental monitoring report for period January – March 2019 to Environment Agency of East Kotawaringin Regency on May 29<sup>th</sup>, 2019.

**Status: Comply**
**1.3**
**Growers and millers commit to ethical conduct in all business operations and transactions.**
**1.3.1.**

The policy contains commitments to the code of integrity and ethical behavior in all operations and transactions in the Code of Conduct (BGA-COC-HC-333.1-R0) which was approved by the directors on October 28<sup>th</sup>, 2014. The document includes explaining:

CHAPTER III. Company Ethical Standards against Stakeholders.

- 3.5: The ethics of the company relationship with business partners. Prioritize the principle of benefits by choosing business partners who provide the best synergy to the company and are free of corruption, collusion and nepotism.
- 3.6: The ethics of the company relationship with suppliers / contractors / vendors. Avoiding corruption, collusion and nepotism in the procurement process with suppliers / contractors / vendors.

CHAPTER IV. BGA Group Employee Code of Conduct:

- 4.12: Giving and Receiving Gifts, Bribery and Others. Not allowed to accept and or give gifts, souvenirs, business meals or other facilities that can affect decisions that violate the provisions in force in the company.

Based on interview with harvester, pesticide applicators, fertilizer applicators, local contractors and others, they have known related code of conduct and the company has been socialized this policy to the workers.

**Status: Comply**
**PRINCIPLE #2 COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS**
**2.1**
**There is compliance with all applicable local, national and ratified international laws and regulations.**
**2.1.1**

The company has showed compliance with regulations, including:

1. OHS:
  - ✓ Regulation of the Minister of Labor and Transmigration No. 8 Year 2010 (Free charge PPE for Workers)

- ✓ Regulation of the Minister of Labor and Transmigration No. 9 Year 2010 (License of Lift Equipment Operators)
- ✓ Regulation of the Minister of Labor and Transmigration No. 2 Year 1982 (Welder Licenses)
- ✓ Regulation of the Minister of Labor No. 15 Year 2008 (First Aid Kit Officers and First Aid Kit Facilities)
- ✓ Regulation of the Minister of Labor No. 2 Year 1980 (periodically medical checkup for workers)
- ✓ Regulation of the Minister of Labor No. 1 Year 1976 (Hiperkes Training for Companies Paramedic)
- ✓ Safety Act no. 1 of 1970 Article 3, such as by monitoring the implementation of occupational safety and health, conducting accident investigations, hazard risk analysis, medical check-up, machine operation by persons authorized and socialized safe work practices.
- ✓ Boiler operators have licenses to operate boilers in accordance with Minister of Manpower Regulation No. 1 of 1988.
- ✓ Technical standard related disturbance of immovable source such as noising, vibration and odor accordance with Minister Decision of Environment number 48/1996, number 49/1996 and 50/1996.
- ✓ The company also carried out health checks for mill and estate employees on 2019. Medical checks include checking cholinesterase, audiometry and spirometry.

### 2. Land legality:

Certificate Holder has had land use permit as follows:

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

### 3. Best Management Practices

- ✓ Minimize the use of pesticides class 1a and 1b who
- ✓ Using pesticides that are officially registered and permitted in accordance with the regulations
- ✓ Use registered pesticides whose distribution permits are still valid

### 4. Environmental Aspect:

- ✓ The company has environmental permit (RKL/RPL) according with government regulation number 27 year 2012.
- ✓ Hazardous waste handling or management related with government regulation number 101 year 2014.
- ✓ Permit of liquid waste for land application according with Ministry of Environment No.28/29 year 2003 and others.

However, Certificate holder has not been able to demonstrate compliance with mandatory reporting, for example: Submission of Land Use Report every year to Land Agency, in accordance with the provisions in the regulation of Agrarian Ministry No. 7 of 2017 concerning the regulation and procedure for the stipulation of entitlement rights. It was raised as **Non Conformance 2019.01 with Major category**:

#### 2.1.2

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

#### 2.1.3 & 2.1.4

Mechanisms to ensure legal compliance is regulated in procedure of Identification and Regulatory Compliance Audit and Legal Requirements (BGA-SOP-CCS-1102.1-R0) dated 9<sup>th</sup> May 2012. It describe that the regulation compliance audit is conducted every 6 month or when needed. It has to be done by the responsible person for each aspect. Based on document review, the last audit for regulation compliance was conducted on 2<sup>nd</sup> January 2019. The responsible person for regulation update is the expert staff or relevant department. The regulation compliance audit is conducted every 6 month or when needed. The source of information for regulation update is from newspaper, magazine, television, government agency, internet, radio or from the workers.

2.1.1	Status: Non-conformance No.2019. 01 with Major category
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**2.2**

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

**2.2.1**

Certificate holder has shown the legal document for land right. Based on document review, the certificate holder has two document regarding to land right for an area of 15,100.24 ha consisting of:

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

The company has showed all historical document regarding to land acquisition such as location permit, land compensation document, Plantation Business Permit, and HGU/HGB certificate. Whole document are publicly available who managed by Document and License Department. The GMKM Mill and it supply bases (GMKE, BDME, SMNE) Certification scope area is 8,533.45 Ha.

**2.2.2**

Data from the inventory of boundary pole, indicates that the total number of boundary poles are 104, installed 82 poles, not installed 15 poles. Based on observation of boundary pole in SMNE (BT 30, BT 31) and GMKE (No and 60), it was clearly the sighted poles are in well maintained and appropriate with coordinate points. Based on the map review, management interviews and field observations, the un-installed boundary poles are in area that can't be compensated by certificate holder, so that the land is still controlled by the community.

**2.2.3, 2.2.4, 2.2.5**

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

There has been documentation on land disputes such as:

1. Land occupation map of PT. Karya Makmur Bahagia compiled by the Department of GIS Region I with scale 1: 50.000. Based on the map, it was recorded that the occupational area covered of 626 Ha.
2. A reference from the PAD Regional Staff 1 on 29 May 2017 stating that there are 98 occupants in the HGU area of PT. KMB with overlapping ownership status.
3. Management plan for settlement of overlapping land ownership area signed by 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 representatives 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.

**Status: Comply**

**2.3**

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



**2.3.1 & 2.3.2**

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

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

**2.3.3 & 2.3.4**

Based on interview with Village Head of Tumbang Mangkub, Rantau Tampang, Wonosari, Agung Mulya, and Beringin Agung Village; and also interview with previous land owners from Tumbang Sepayang Village. It's 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.

<b>Status: Comply</b>	
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**PRINCIPLE #3 Commitment to long-term economic and financial viability**
**3.1**

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

**3.1.1 & 3.1.2**

The company has a long-term plan for the period 2018 - 2022 which has informed about prices, costs, revenues and production volumes. In the plan, in 2022 the company is targeted to sell CPO of 157,343 tons with revenues of IDR 178,642,000,000.

Long-term plans are evaluated every year when preparing annual budgets starting from the estate / factory level to the top management level. Personnel responsible for identifying long-term plans are the Head of Administration. In accordance with recommendations from each of the estate managers and mill managers. In the Long Term Plan, the replanting plan is not yet out because in the next three years it is decided that it will not carry out replanting (the age of the oldest plant at the time of recertification is 21 years). All of long term plan is included plan for management of scheme smallholders (the smallholder's scheme with full managed system).

In the replanting procedure it is stated that one crop cycle is 25 years by considering the production and staple height of the plant. The replanting decision will be based on the evaluation results and top management decisions.

<b>Status: Comply</b>	
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**PRINCIPLE #4 Use of appropriate best practices by growers and millers**
**4.1**

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

**4.1.1**

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

Based on field observation to block A07 Division I Gunung Makmur Estate workers has understood how safe works for both themselves and the environment. Workers can explain the handling of pesticides well as well as the block spraying system procedure. Besides that fertilizer workers in block G15 can also explain well about the application of the Block Manuring System such as the obligation to use PPE, management of used fertilizer sacks, and the prohibited area for fertilizer application. Result of interview with officer grading at Gunung Makmur POM workers have understood the grading criteria according to the established SOP.

**4.1.2**

Internal monitoring on the implementation of SOP implemented starting from daily, monthly, to yearly. In addition, there is an internal

audit for RSPO implementation conducted by the sustainability team. Based on Audit Conclusion Data Sheet No.002 / IAD-Wil.1-comm / ACS / III / 2017 it is known that corrective actions for each non-conformity are maximized within 1 month. In this form of corrective action comes with root causes, correction, and preventive measure.

Based on the Audit Conclusion Data Sheet No.002 / IAD-Wil.1-comm / ACS / III / 2017 it is known that corrective actions for any nonconformity that are found are maximal within a period of 1 month. In the format of corrective actions are equipped with root cause analysis, improvements, and preventive measures.

However, based on observed evidence such as:

1. Based on field observations and interviews in the SMNE area are known to have contractor worker (CV Putra Mandiri) with 9 workers for the construction of G6 houses. The results of the interview stated that the workers had not been registered in accident insurance, besides that the workers explained that the wages were based on the time of completion of the work. In addition, all these workers live in temporary barracks where there are no clean water facilities and hygiene facilities.
2. Referring to the RSPO Certification System for Principles and Criteria June 2017 in clause 4.4.6 of which states that if there is cooperation with third parties, the third party must meet all RSPO certification standards

Thus, it can be concluded that the Company has not been able to demonstrate a mechanism to ensure compliance with RSPO standards for all contractor workers. **This became a nonconformity No.2019.02**

### 4.1.3

One of the records of measurements and monitoring done internally can be seen from the Quality Control report. The period January - June 2019 GMKE gets an average value of 96 for spraying performance and 77 for manuring performance. Whereas SMNE scores 93 and 82 for the same category.

The company also shows the GKMM Preventive Action Plan (April 2019) by the Quality Assurance Department with the following results:

- Station: Sterilizer
- Finding: The Chamber blow down installation has a lot of leaks including Bodi Chamber leaks
- Suggestion: Replace and patch all body chamber
- PIC: Maintenance Assistant
- Time Frame: July 20, 2019

Description: Waiting for the pipe material PR no. 12009748 and no. 120104019.

### 4.1.4

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

- BAGE (Mekar Jaya Cooperative) division 3 & 4 – 567 farmers.
- BHJE (Lestari Cooperative) division 2 & 3 – 500 farmers.
- PT TTL (SMRE, SMNE, BDME, GMKE, BMKE, BKCE).
- Independent FFB suppliers (35 suppliers).

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

### 4.1.2 Status: Non-conformance No.2019. 02 with minor category

### 4.2

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

#### 4.2.1 & 4.2.2

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

Based on the interviews and observations in Division IV block G15 Gunung Makmur Estate, it was found that the implementation of

fertilization activities was in accordance with the dosage of the Fertilization Recommendations determined by the Research & Development Department. Workers can also explain well how to work safely both for themselves and for the environment

Information about fertilizer records can be seen in the manager's (physical) monthly report. In the June report, informed about the achievement of fertilization as follows:

Estate	Fertilizer	Program (Ton)	Realization	FFB Production (Ton)	Fertilizer/Ton FFB
BDME	Dolomite	1,749.82	183.36	14,612	0.012549
	NPK 13	410.58	508.29	14,612	0.034786

Based on the report, the average achievement of fertilization is 10.47% to 100%. The pending fertilization application is dolomite while the implementation has been completed is MOP. Explanation from PT KMB RnD staff is known that the priority for completion of the first semester fertilization is MOP and NPK. For Dolomite and Kieserite, it is targeted to be completed in the second semester.

#### 4.2.3

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

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

**Status: Comply**

### 4.3

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

##### 4.3.1 & 4.3.2

There is a distribution of marginal area 1 map available on a scale of 1: 225,000 on January 1, 2011, where there are marginal areas as follows:

- Slope > 12%: 2,089.01 ha
- Laterite soil: 885.4 ha
- Kaolin soil: 4,515.4 ha

The company also has a map of land types with information on the distribution of land types in the operational area of PT KMB as follows:

- Dystrudepts : 5,436.17 Ha
- Hapluhumods : : 80.38 Ha
- Local Alluvium : 4,361.01 Ha
- Paleudhults : 2,356.92 Ha
- Plinthudults : 287.67 Ha
- Quartzpsamments : 333.21 Ha
- Udifluvents : 66.47 Ha

On the the Region I soil types map information about the distribution of soil type are Entisol, Inceptisol, Ultisol, Kaolin, Laterite, and Spodosol. Based on the information on the map it is known that marginal areas are soil with laterite and kaolin compositions

PT KMB management strategy for planting on slopes is by making contour terraces, sill pit, biopori, ponds, fronds making, not spraying on Nephrolepis, and empty bunch applications. Based on the field visit to Block B25 Division II of SMNE, it was found that the implementation of soil conservation was carried out by selective spray (allowing nephrolepis to grow), frond arrangement on the edge of terrace, and making contour terraces in certain slope areas.

##### 4.3.3

The road maintenance program is included in the Annual Working Plan which is then detailed into a monthly work plan. The realization

of the plan is contained in the manager's monthly report. Based on field observation to Block B01, G15, A07 and A05 GMKE also block A32, D31, and A24 SMNE known the road still in good condition and passable by vehicle. Until May 2019 road maintenance is still done manually for example by making water straps and stockpiling with hard materials.

- GMKE: Plans for mechanical road maintenance in 2019 are 20 km starting in June. The Grader unit used is 1 unit with the allocation of tasks by traction parties. Realization of road maintenance in January - April is manually due to high rainfall.
- SMNE: The plan for mechanical road maintenance in 2019 is 25 km starting in June 2019. The Grader unit used is 1 unit with the arrangement of traction. Realization of road maintenance carried out in January - April manually.

#### 4.3.4 & 4.3.5

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

#### 4.3.6

In the SOP for Management of High Erosion Potential Areas (Document Number: BGA-SOP-CCS-113 in 2012) described the management actions carried out by the company, namely by:

- Maintain good land cover in areas with high erosion potential.
- Planting cover crops.
- Installation of buffer zone boundaries and sign boards.

Realization of the management of marginal areas, for example, with the application of EFB in block D31 SMNE and the making of terraces on sloping areas. In addition, selective spray by allowing nephrolepis to grow is also part of a strategy to maintain soil moisture.

**Status: Comply**

### 4.4

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

##### 4.4.1.

Management plan for HCV area for 2019 include:

- Inventory and identify land cover conditions in HCV areas 1.1.
- Conducting outreach to the community related to the importance of preserving the river border.
- Create & socialize HCV Management SOPs & programs to employees.
- Carrying out river border restoration.
- Monitor and measure the quality of domestic and river water regularly.
- Monitor & measure water quality monitoring wells and land applications.
- Carry out monitoring and measurement of soil sample tests at the specified measurement points.
- Planting trees.
- Water management plan.
- Soil & water conservation program to reduce erosion and increase water absorption.
- Installation and maintenance of buffer zone limits.
- HCV socialization to all employees and surrounding communities.

#### Observed evidence:

- The company shows evidence of a request for technical services from the Banjarbaru Industrial Standardization and Research Center in South Kalimantan for testing clean water at the Estate and Mill dated on November 28<sup>th</sup>, 2017.
- Letter of Submission of GMKE Region 1, BDME Region 1, SMNE Region 1, & BDME Region 1 domestic samples, 2 liters in a closed condition in 2018.
- Minister of Health Regulation No.32 of 2017 concerning Quality Standards for Environmental Health and Water Health Requirements for Sanitation Hygiene, Swimming Pools, Solus per Aqua, and Public Bathing.

#### Nonconformities description:

The company has not been able to show the results of the clean water quality test period 2018 in accordance with *Permenkes* No.32 of

2017 article 5 which states that external testing is conducted once every 1 year. **This is a non-conformity No.2019.03 with the minor category.**

#### 4.4.2.

Procedure for riparian protection and buffer zones in Internal Office Memo 03 / IOM / RH-1/17 the policy of protection of HCV Conservation areas in GMKE, BDME, BMKE, BKCE and BBGE. Based on field observations in HCV 4.1 Sansang riparian Block 14 A Division 1, its known border areas are well managed (no traces of spraying chemicals) and planted with several wood plants and there are signs of chemical spraying limits.

#### 4.4.3.

The company shows permit to extend the utilization of palm oil industry wastewater on land at PT KMB located in Rantau Tampang Village & Agung Mulya Village Telaga Antang District Kotawaringin Timur Regency with number 660/437 / DLH-Ek-SDA / VI / 2017 valid for 5 years dated on May 31<sup>st</sup>, 2017 - May 31<sup>st</sup>, 2022. Extent of application land area is 427.68 ha and control land in block F29 is 19.86 ha.

#### Observed evidence:

- The company shows evidence of liquid waste testing conducted by the Research and Industrial Standardization Laboratory of the Banjarbaru Commodity and Environmental Testing Laboratory in South Kalimantan that has been accredited by KAN (LP 543) on February and March 2019.
- Permit to extend the utilization of palm oil industry wastewater on land in PT KMB with number 660/437 / DLH-Ek-SDA / VI / 2017, in the appendix it states that the results of the liquid waste testing are conducted once a month and reported every 3 months.

#### Description of Non-compliance:

Based on the description above, the company has not been able to show evidence of testing results wastewater for January, April, May and June 2019 in accordance with the applicable permits. **This is a non-conformity No.2019.04 with the Minor category.**

#### 4.4.4.

The company shows records of water usage for the period 2019, the average efficiency of water use for processing is 0.586 m<sup>3</sup> / ton FFB, boilers 0.59 m<sup>3</sup> / ton FFB and domestic water is 0.38 m<sup>3</sup> / ton FFB.

	Status:	
4.4.1	Non-conformance No.2019. 03 with minor category	
4.4.3	Non-conformance No.2019. 04 with minor category	

#### 4.5

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

#### 4.5.1 & 4.5.2

With the application of IPM, it is expected that pesticide use can be minimized. At least each decision on the use of chemicals will always be based on the results of the census and monitoring the level of pest attacks. During the 2018 and 2019 periods there was no use of rodenticides or insecticides. This indicates a commitment to minimal use of pesticides.

Records of pest monitoring as the Research & Department assistant monthly report are as follows :

- Distribution of Pests and Plant Diseases based on the Research Department report April 2019

Estate	Jml.Blok	Oryctes	Tirathaba	Tikus	Rayap	Ulat Api	Ganoderma
BDME	156	1.9	0.7	0.8	0.3	0.0	0.0
GMKE	168	1.3	0.0	0.0	0.8	0.0	0.0
MAGE	140	0.0	0.0	0.2	0.0	0.0	0.0
SMNE	217	1.0	0.5	0.4	0.0	0.0	0.1

\* Unit%

\* The results of the observation showed that the level of pest attack did not exceed the control threshold so that there was no pesticide treatment

#### Biological Control

GMKE:

- Nest Box : Nest Box development plan in 2019 is 40 unit; Nest Box has been installed as May 2019 is 4 unit.



In addition, the right and left sides of the CR are also planted with host plants from the type of *Turnera subulata* as seen in blocks D31, B25, A07 and A08

The company has conducted training for workers involved in integrated pest control processes for example:

- Monthly Review of IPM officer for January 2019 and Area I IPM Training on 10 February which was attended by 17 participants. The speaker was the research staff of PT KMB. The material provided is in the form of identification of potential pest types (rats, horn beetles, tirathaba, ganoderma, Palm-Leaf Eating Caterpillar, and termites), Early Warning System methods, and characteristics of pest attacks and control methods

Based on interviews with Gunung Makmur Estate and Bukit Hijau Estate pest census officers it is known that officers have been able to explain the implementation of integrated pest management starting from detection and census activities. If the level of pest attacks exceeds the control threshold, control is carried out with chemicals.

**Status: Comply**

#### 4.6

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

##### 4.6.1 & 4.6.2

The selective use of products is listed in the Weed Control SOP (BGAAGRKS-PTKS-PGL) and Pest and Disease Control (BGAAGRKS-PTKS-IPM) which was approved by the top management (Director) on January 4, 2011.

Records of pesticide use as contained in the manager's (physical) monthly report are as follows:

Estate	a.i	Application	Unit	Application (ha)	Pesticide/ha
BDME	Glyphosate	958.86	Liter	4,253.93	0.225
	Methyl	69.74	Kg	4,253.93	0.016
	Metsulfuron				

\*January - June 2019 period

\* LD50 information is available on the MSDS of each product.

Based on the recapitulation of PT KMB pesticide use; It is known that in the 2019 period the types of pesticides used are as follows:

Trademark	a.i
Penta-Up	Glyphosate
Garlon	Triclopyr
Metaprima	Methyl Metsulfuron

Based on the results of verification on the pesticide registration system (pestisida.id) it was known that the three pesticide brands were still valid. Based on field visits to the A07 Division I GMKE block and Division II A32 Block SMNE it is known that spray workers have understood selective spraying of weeds. For example the use of glyphosate for soft weeds and broad leaves. Workers also say they have not used paraquat since 2017.

##### 4.6.3

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

With the application of IPMI, it is expected that pesticide use can be minimized. At least each decision on the use of chemicals will always be based on the results of the census and monitoring the level of pest attacks. During the 2018 and 2019 periods there was no use of rodenticides or insecticides. This indicates a commitment to minimal use of pesticides

##### 4.6.4

The company has a complete list of pesticides belonging to category 1A and IB WHO. There is an Internal Agriculture & Technical Circular No. 016 / IOM / RSC / I / 2015 dated May 9, 2015 on the 2015 Herbicide Recommendation recommending that the herbicides of 1A and

IB (Paraquat) subsequently ceased to be used in weed control. At the time of ASA-4 implemented the use of pesticides class 1A and 1B has been minimized for example Parakuat last used in 2017 while brodifakum last used in 2016

The results of field visits to storage pesticides are known to be available from glyphosate, Methyl Metsulfuron, and Triclopyr.

#### **4.6.5 & 4.6.7**

The procedures for managing pesticides owned by the company include the following:

- SOP for Pesticide Management document number BGAAGRKS-SOP-14 / BGAAGRKS-PTKS-PPS.
- Pesticide Safety Procedure, document number BGAAGRKS-PROS-PPS-01.
- First Aid Work Instructions on Pesticide Poisoning, document number BGAAGRKS-INTR-PPS-01.

Based on interviews with the spray team Training for workers handling pesticides has been routinely carried out during the morning circle at least once a month. Pesticide applicators are incorporated in the spray team, which is a special person who has received quiet training in how to work safely. Based on interviews with SMNE spray officers in Block A32 Division II, they have understood how to handle pesticides. The worker said that mixing and washing the appliance was carried out at the BSS house, obliged to use PPE, not through spraying on the border of the river and reservoir and obliged to store PPE in a special place provided

The application dose refers to the product label. MSDS is available for each pesticide product. The PPE used includes masks, aprons, boots and face shields. Examination of compliance with PPE use is carried out every morning when going to the field. The PPE used is in accordance with HIRAC and MSDS

However, based on observable evidence such as:

1. Results of field visits and interviews with the SMNE spray team in A32 Division II block are known after working PPE and work tools washed and stored in BSS houses but for work clothes washed and stored in each house.
2. SOP for the Control of PPE No KMB Sust. SOP 20 revision 02 dated August 5, 2018 in point 7.4.4 states specifically for the work clothes of the spray unit and fertilizer stored in the workplace and washed out after each workday.
3. The results of the visit to BSS SMNE's house revealed that there were no clean clothes of workers available in the locker as worker change clothes when they wanted to return home.

Thus it can be concluded that the Company has not been fully consistent in the use of pesticides that minimize the risks and negative impacts as set out in company procedures. Nonconformity has been accommodated on the indicator 4.7.3. The company has the opportunity to ensure the implementation of BSS & BMS procedures for all core and plasma management units (**OFI**).

#### **4.6.6 & 4.6.10.**

The company has procedure for keeping and handling of pesticide such as: Procedure of management pesticide, procedure of guiding safety pesticide, and Work Instruction for First aid against pesticide poisoning. Hazardous shipments for Mill are sent on June 2<sup>nd</sup>, 2019 to PT Sinar Bintang Albar with vehicle number AD 1518 EN details: Manifest number AGU 0008607 30 kg pesticide packaging. Based on interviews with hazardous waste storage, estate warehouses and pesticide applicators found that workers understood that every container of used pesticide must be returned to an authorized hazardous waste storage.

#### **4.6.8**

Based on information received from the BSS team, Assistant Division, And Estate Manager is known for never before any application of pesticides by air. In addition, in the annual budget is prepared also there is no information about the existence of equipment and materials for the application of pesticides by air. The results of field visits to Central Mentaya Traction also did not find any equipment and materials for the application of airborne pesticides.

#### **4.6.9**

Smallholders of PT KMB are full-managed by the estate so that training and standards work with those applied to the PT KMB. Training related to pesticide handling as described in indicator 4.6.5.

#### **4.6.11**

The company has shown a list of pesticide operators including:

- Health checks conducted at Gunung Makmur Estate for 35 employees spraying and fertilizing (all women) in February 2019. Based on the results of health checks (cholinesterase) all employees are declared in a fit condition for work.

- Conducted health checks on Sungai Mentaya Estate for 28 spraying employees (all women) in February 2019. Based on the results of health checks (cholinesterase) all employees were declared in a condition fit for work.
- Conducted health checks on the Bukit Daman Estate for 28 spraying employees (all women) in February 2019. Based on the results of health checks (cholinesterase) all employees were declared in a condition fit for work.

Based on the results of a field visit to the E10A block, Division 1 Bukit Daman Estate, it is known that workers have been periodically examined, They also explained that the results of the health check were communicated to workers through morning briefings or delivered directly by paramedics. In addition, based on field visits and interviews, it is known that there are no indications related to skin disease and itches on sprayers. Follow-up on employee health checks IOM No. 02 / INT-KMB / VII / 2019 dated July 5, 2019 (OFI).

### 4.6.12

The company has a policy on Equal Opportunities and Treatment in Employment Opportunities, Freedom of Association, Worker Age Requirements and Protection for Women Workers. The policy states that the company policy to protect the reproductive rights of women workers by not employing female workers who are pregnant or breastfeeding in accordance with Law No. 13 of 2003 concerning Manpower. The company also has an Internal Office Memo (No.:185/KMBL-WIL.I/III/15) regarding the Monitoring Mechanism of Spraying Employees (Chemist) not in Pregnancy/Breastfeeding Her baby while working chemical application was approved on March 16, 2015. Where the policy explains that the BSS/Chemist team is not pregnant or breastfeeding. The foreman is required to make a monitoring of Spraying/Chemist Women Workers Menstruation Cycle Checklist.

Based on the results of a field visit to the E10A block, Division 1 Bukit Daman Estate, it is known that workers have been periodically examined, They also explained that the results of the health check were communicated to workers through morning briefings or delivered directly by paramedics. In addition, workers can also explain that there are prohibitions for pregnant and lactating women from doing work that uses chemicals.

**Status: Comply**

### 4.7

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

#### 4.7.1

The company has an Occupational Safety and Health Policy which was approved in June 2013 by top management stating that PT Bumitama Gunajaya Agro (as a holding company) is committed to:

- Comply with all applicable laws and regulations, work standards and norms in the implementation of OSH aspects that apply locally, nationally and internationally.
- Implement, maintain and improve OHS management system performance on an ongoing basis.
- Provide training and guidance on OHS to employees, contractors and visitors.
- Conduct regular OSH policy reviews to ensure that the policy stays relevant to the current conditions and objectives of the company.
- Establish P2K3 in each operating unit to develop harmonious cooperation between management and workers.

The company has shown the OHS program plans listed in the P2K3 plan / program. Monitoring activities on OHS plans are reviewed in monthly member meeting activities. The results of interviews with the spraying team in Block E10A, Division I, found that workers had understood OSH related issues such as the use of PPE in accordance with work positions, PPE storage methods and could demonstrate related to safe work positions. There are also SOP for safe working at mil and estate such as Hazard Identification SOP and Risk Assessment (BGA-SOP-KMB 12-RO), Emergency Response SOP (BGA-SOP-KMB13-RO) and SOP for Fire Prevention and Prevention (BGA-SOP-KMB14-RO). That SOP include permit the work system and used of PPE.

The results of interviews with the temporary hazardous warehouse and estate warehouse staff and the spray team are known to the workers who understand that each container used for pesticides must be returned to the licensed hazardous material storage area and they have participated in training related to waste management and the environment.

#### 4.7.2

The company has identified and assessed all risks and hazard levels for all of its operational activities. The results of the Hazard Identification and Risk Assessment can be shown. The document explains the types of activities, hazards, effects, risks (E, P, R), risk control, residual risk and PIC. Risk identification has been carried out for all operational activities including harvesting, maintenance, land clearing, operation of heavy equipment and machinery at the factory, transportation (transport of FFB, EFB, CPO, Kernel) to other supporting activities (work in the workshop, mixing chemicals, grading in factories and etc).

Based on field observations it is known that the company has implemented control measures in accordance with the risk analysis and MSDS on each product such as the provision of masks to spray workers and factories, the provision of helmets for harvest workers, etc.

#### 4.7.3

The company displays documents related to certificates / operator training related to OHS. In addition, the company has also shown records of giving PPE to employees, including the giving of PPE on March 12, 2019, as many as 50 pcs disposable masks for traction employees. Hyperkes training for paramedics (OFI).

But there are still nonconformities that occur in the field such as:

1.

- Based on the results of field visits and interviews with Block B01, Division 1 of Gunung Makmur Estate it is known that there are 2 pickers who purchase PPE (shoes) in personal.
- Based on the results of field visits and interviews with Block A24, Sungai Mentaya Estate Division 2 it is known that there are 1 picker and 1 harvester who make PPE (shoes) in personal.
- Based on the results of field visits and interviews with Block D31, Sungai Mentaya Estate Division 1 it was found that there were 6 manual goal keeper workers and 1 foreman who made PPE purchases in personal.
- Based on the HIRAC Document with Harvest Work, it is known that PPE that is used for walking activities in the harvesting path is shoes (without explaining the specifications of the shoes used).
- Based on the HIRAC Document with Manual Maintenance Works (*Manual Gawangan*) not yet explained in detail/specifics about the type of PPE used for the job.
- PPE Farming Matrix Document (According to PPE Control SOP with KMB-SUST-SOP-20 Rev 02 Document No. dated August 5, 2015, it is known that it does not explain PPE specifications (shoes) for Harvesting and Manual Maintenance activities.

2.

- Based on the results of a visit to the PPE storage warehouse (BSS & BMS house) in Sungai Mentaya Estate, it is known that the company has provided several PPE lockers (Division 2). But there are no clean clothes for Spray workers
- Based on interviews with BSS employees, it was found that the clothes were taken home and washed at home.
- PPE Control SOP with Document No. KMB-SUST-SOP-20 Rev 02 dated August 5, 2015 in clause 7.4.2 states that PPE that is contaminated with hazardous chemicals is prohibited from being taken home. In addition, clause 7.4.4 states that the special work clothes of the Spray and Fertilizer Unit Team are stored in a work storage area and washed after work, in a special purification place equipped with chemical traps.

#### Non-Conformance Description

The company has not been able to demonstrate that the provision of PPE is in accordance with the procedures that are in place and the applicable laws and regulations. **It is become nonconformity No.2019.05 with Major category.**

Air quality testing was carried out by the South Kalimantan *Hyperkes* Agency on June 14<sup>th</sup>, 2019 at Gunung Makmur with Mill consist of emissions, boiler emissions, operational emissions for diesel fuel vehicle, ambient air / workplace, odor and the environment. Based on the test results, for noise testing in boiler station, kernel station, engine room station and sterilizer station, the parameters has been exceed the thresholds (85 dBA), but the company show preventive action for protected workers such as audiometry test, using earmuff and not taking long time in station area or shifting time with another workers.

The company has also conducted health checks for mill and estate employees on February 2019. The company has also kept records of health checks (cholinesterase, spirometry and audiometry) for each worker, records are stored on each estate and mill.

Based on interview with boiler operator, sterilizer operator and kernel operator, it is know that the worker had already The worker stated that an inspection was conducted related to audiometry, besides that the worker had also been provided with earmuffs and earplugs to reduce noise disturbance.

The company has conducted improvement training and awareness of the implementation of 2019 OHS, in the training containing the use of PPE such as the use of ear muffs in areas with high noise levels. The training is conducted every year and an evaluation of the effectiveness of the use of PPE (earmuff/earplug) is carried out by conducting routine health checks (annual) such as audiometry.

#### 4.7.4



The company shows the document of the Decree of the Head of the Manpower and Transmigration Office of Central Kalimantan Province (No. KEP20 / Disnakertrans / I / 2018) Concerning the Approval of Provincial Level Occupational Safety and Health Committees (P2K3) at PT. Karya Makmur Bahagia - Regional Sustainability 1, which took effect on January 15, 2018. In this document, the relevant agencies approved the formation of Occupational Safety and Health Committees with the organizational structure as stated in the decision attachment.

The company has shown P2K3 meeting documents for Estate and Mill. The realization of the PT KMB P2K3 Meeting on April 5, 2019 for the P2K3 evaluation for the January-March 2019 period. The results of the meeting included evaluating accident rates, handling of waste at PT KMB, inspection report and P2K3 plans in the next 3 months.

### 4.7.5

The company has shown the SOP on emergency preparedness and response document number KMB-SUST-SOP-23 which was approved by Regional Head on 25 September 2015. Procedures have also included emergency response to earthquake and etc.

Based on the results of interviews with management, an investigation of work accidents is carried out, if work accidents exceed 3 days of work lost. In this matter, the company has presented a document on work accident investigation by PT KMB where work accident investigation explains the chronology of the accident, identification of the cause of the accident, and advice & recommendations to prevent the recurrence of the incident.

Beside that, based on field visit, it is know :

- Based on the results of field visits at BSS, Division 1 Bukit Daman Estate, it is known that the first aid kit contains 19 items.
- Based on the results of the field visit at the Regional Warehouse, it is known that the first aid box contains 7 items.
- Based on the results of the field visit in the harvesting activity, Block B01, Gunung Makmur Estate it is known that the first aid box contains 13 items.
- Based on the results of the field visit in the fertilization activity, Block G15, Gunung Makmur Estate it is known that the first aid box contains 19 items.
- Based on the results of the field visit in harvesting activities, Block A24, Sungai Mentaya Estate it is known that the first aid kit contains 6 items.
- Based on the results of a field visit at TPS LB3, Gunung Makmur Mill is known that the first aid kit contains 6 items.
- Minister of Manpower and Transmigration Regulation No. 15 of 2008 concerning First Aid for Accidents in the Workplace, Appendix II (The contents of P3K boxes are 21 items).

Related on that matter, the company has not been able to demonstrate that the provision of first aid box contents is in accordance with applicable laws and regulations. **It is become nonconformity No.2019.06 with minor category.**

### 4.7.6

The policy regarding Jamsostek membership is regulated in Company Regulation article 23 regarding membership of the *Badan Penyelenggara Jaminan Sosial* (BPJS) and article 25 on health care security. In Petaturan the company stated that employees will be registered in BPJS membership, including the *Jaminan Kecelakaan Kerja* (Accident Insurance), *Jaminan Kematian* (Death Insurance), *Jaminan Hari Tua*, and *Jaminan Pensiun* (Pension Insurance) programs. The amount of *BPJS Employment* premium for each program is determined in accordance with statutory provisions. Participants in the trial period will be included in the *BPJS Employment* program after the trial period ends. As long as it is not yet registered, the employee's work accident insurance is fully borne by the company.

The company has shown proof of payment for *BPJS* including:

- A *BPJS Health* payment was made with transaction number 4202331905091026005586 in May 2019 for PT KMB employees.
- A *BPJS Employment* payment was made with transaction number 3784301906131257559813 in June 2019 for PT KMB employees.

In addition, the company has also shown proof of payment of *BPJS Health* for FFB transport contractor workers. In addition, based on the results of interviews with fruit 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 company has also shown the BPJS health recapitulation document which is still in progress and its follow up, based on the document there are 1907 workers (including members who are dependents). The problem of rejecting the submission of Health BPJS is dominated by the presence of employees who are still registered in the Recipient of Assistance (PBI) from the government.

Based on the results of interviews with employees during a field visit on several activities such as harvesting, fertilizing, spraying, processing at PKS it is known that the employees get treatment at the Polyclinic of PT. Karya Makmur Bahagia located on Bukit Daman Estate. Besides that, they also have BPJS.

#### 4.7.7

Based on the document review, it is known that the company has conducted a HIRAC review/evaluation period 2018. HIRAC evaluation is conducted once a year or if there is a fatal accident that demands a quick HIRAC repair.

The company has shown work accident documents for the past 12 months. Based on these documents there are 79 days lost in a year for coverage of plantations and factories.

<p>4.7.3 4.7.5</p>	<p><b>Status:</b> <b>Non-conformance No.2019. 05 with Major category</b> <b>Non-conformance No.2019. 06 with minor category</b></p>	
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#### 4.8

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

##### 4.8.1; 4.8.2

The company has shown a training matrix in 2019 which contains training programs for all aspects of plantations and mill operations. The plans include OSH training, training related to RSPO/ISPO, training related to procedures in each activity/work as well as environmental/HCV related training.

The company has shown footage regarding the realization of training programs for Estate and Mill, while the recordings include:

- Minutes of the socialization of the use of PPE to harvester in Division 4, Gunung Makmur Estate on July 2, 2019, attended by 83 participants.
- HIRAC training on March 21, 2018 was attended by 17 participants.
- Disciplinary socialization on the use of PPE, HIRAC and OHS Procedure to harvester of Division 4 Gunung Makmur Estate on June 26, 2019 to Estate Managers, Division Assistants, EHS Officers and Division 4 Harvester and attended by 83 people.
- Minutes of the OHS procedure, MSDS socialization and APD Chemis Checklist Division 3 Sungai Mentaya Estate on April 29, 2019 and attended by 20 participants.
- Minutes of OSH training program for the operator of the SMNE Spray Unit Team on March 9, 2018 and was attended by 15 participants
- Minutes of OHS Policy Socialization on 24 June 2019 to head foreman, fertilizer foreman and fertilization employees. The socialization was attended by 18 participants.

In addition, based on interviews with fertilizer workers in Block E10A, Division I Bukit Daman Estate found that OHS training and socialization could be conducted at the morning briefing.

	<p><b>Status: Comply</b></p>	
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#### **PRINCIPLE #5 Environmental responsibility and conservation of natural resources and biodiversity**

#### 5.1

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

##### 5.1.1.

The 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: 188.45/293/Huk-BLH/2013 on May 30<sup>th</sup> 2013 in term of permit for POM construction of Gunung Makmur Mill and its supporting installation with capacity of 90 Ton of FFB / hour in Rantau Tampang Village, Telaga Antang Subdistrict, Kotawaringin Timur District.

##### 5.1.2.

The company shows an environmental management plan including:

1. Soil erosion, BOD, COD, fat oil, fertilizer and pesticide residues, water PH & aquatic biota.



2. Air quality, especially noise, dust and gas parameters.
3. Forest and land fires.
4. Wealth of wild species.
5. Socio-economic and cultural, such as business opportunities, increased income, education and community perception,
6. Public health.

**5.1.3.**

In the 2018 Semester II RKL / RPL implementation document, trend evaluation, critical evaluation and regulation evaluation been explained. For example:

**Evaluation of trends in surface water quality.**

- TSS, BOD, Zn parameters tend to increase while TDS, PO<sub>4</sub>, NO<sub>3</sub>, NO<sub>2</sub> have decreased, turbidity (TSS) is affected by rainfall, settlement activities, plantation / gold / sand mining and settlement activities in Tumbang Bolo Village, Sungai Saja Village, Tumbang Sepayang, Tumbang Kalang, and other villages in the Upper Mentaya River.

**Evaluation of Liquid Waste trends:**

- For all monitoring parameters do not exceed the specified quality standards and BOD & COD parameters tend to decrease.

**Evaluate trends in soil erosion rates.**

- Erosion benchmarks C10, B15, B14, A18, A19, A23, A24, and A36 experienced a critical point and exceeded the limit of 12 mm / 10 years.
- Efforts undertaken to reduce the rate of erosion include: planting LCC (Legume Cover Crop), selective chemical spraying on palm oil stems, treatment of fronds around palm oil forming U Shape, application of EFB, pits, contour terrace and others.

**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.**

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. PT KMB has fixed the HCV area to be managed as much as **514.52 Ha**. For scope audit Gunung Makmur POM and supply bases, the total HCV area is 175.84 Ha located on Gunung Makmur Estate and Sungai Mentaya Estate. The process of preparing the HCV identification report has involved the community/ villages (Bhakti Karya; Tumbang Sepayang; Waringin Agung; Agung Mulya; Gunung Makmur; Mulya Agung; and Rantau Tampang).

The identification of flora and fauna in 2019 is located at the Gunung Makmur Estate HCV (Bukit Setan) on February 19<sup>th</sup>, 2019 with the types found include:

<b>Local name</b>	<b>Latin name</b>	<b>Note</b>
<i>Tupai</i>	<i>Dendrogale melanura</i>	APP II (CITES), not protected by regulation, Data deficient (IUCN)
<i>Kareo Padi</i>	<i>Amauornis phoeniceus</i>	APP II (CITES), not protected by regulation
<i>Kukang bukat</i>	<i>Nycticebus</i>	APP II (Cite), not protected by regulation
<i>Biawak</i>	<i>Varanus salvator</i>	APP II (CITES), not protected by regulation
<i>Bubut alang-alang</i>	<i>Centropus bengalensis</i>	APP II (CITES), not protected by regulation
<i>Rangkong</i>	<i>Rhinoplax</i>	LC (IUCN), protected by regulation
<i>Tekukur biasa</i>	<i>Streptopelia chinensis</i>	LC (IUCN)
<i>Tiong mas</i>	<i>Gracula religiosa</i>	LC (IUCN)

**5.2.2 & 5.2.4.**

Based on document verification the CH has management plan with the specific activities, timeline, PIC, location and target activities. Such as:

- Inventory and identify land cover conditions in HCV areas 1.1.
- Conducting outreach to the community related to the importance of preserving the river border.
- Create & socialize HCV Management SOPs & programs to employees.
- Carrying out river border restoration.
- Monitor and measure the quality of domestic and river water regularly.
- Monitor & measure water quality monitoring wells and land applications.
- Carry out monitoring and measurement of soil sample tests at the specified measurement points.
- Planting trees
- Water management plan.
- Soil & water conservation program to reduce erosion and increase water absorption.
- Installation and maintenance of buffer zone limits.
- HCV socialization to all employees and surrounding communities.

Based on the report on the management of HCV Riparian of Sangsang area (GMKE) conducted in May 2019, they include:

- Planting woody plants in the area of the Sorong river border Block B23 & B24 Division 4.
- Conduct an inventory and identification of land cover.
- Conduct counseling to the community about the conservation of riparian area.
- Creating & socializing procedure on Management of HCV programs to all related workers.
- Monitor and measure domestic water quality.
- And others.

Monitoring review of HCV realization had been analyzed in management of HCV for 2019. Such as: planting trees, water management plan, HCV socialization and others.

**5.2.3.**

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

**5.2.5.**

There is no set HCV area. Regarding the HCV 6 sacred site in Bukit Ehang, the land has been released by the company and there is a letter for take care of Bukit Ehang on September 24<sup>th</sup>, 2014 stating that the company and community leaders have agreed to preserve the traditional site of the Bukit Ehang.

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

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

**5.3.1.**

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

- Waste from agrochemical storage is used rags, used agrochemical packaging, and etc.
- Waste from spraying activities is used agrochemical packaging, mask, contaminated gloves, spraying equipment
- Waste from mill operational activities is shell, liquid waste, boiler ash.
- Waste from human settlements is sewage and organic rubbish.

**5.3.2.**
**Hazardous waste.**

Hazardous waste management permit for storage activities in accordance with the decision of the Regent of East Kotawaringin 660/493 / DLH-Ek.SDA.VII / 2017 is valid for 5 years from the date of July 25<sup>th</sup>, 2017. Waste that can be stored includes used oil, used batteries, used batteries, used packaging chemical materials, used lamps, used filters, used waste, electronic waste and medical waste.

**Central Mentaya Traksi (CMNT)**

Hazardous waste was delivered on March 8<sup>th</sup> 2019 to PT Sinar Bintang Albar with vehicle number DA 8420 PO with manifest number bellows:

- AGU 0008364 consist of pesticides packaging 1104 pairs and solid waste 2 drum (20 pairs of solid waste, 77 pairs of fuel filters and 10 kilograms of rags).
- AGU 0008363 used oil is 18 drums or 3600 liters.
- AGU 0008363 used oil is 18 drums or 3600 liters.
- AGU 0008365 used batteries as much as 40 pairs.

The company shows a cooperation agreement for handling liquid and solid chemical waste between *PT KMB* and *PT Sinar Bintang Albar* with number 035-SPK / KMB-SBA / PLB3 / Mar-2019 dated March 23<sup>rd</sup>, 2019 until March 23<sup>rd</sup>, 2020.

**Hazardous waste for Gunung Makmur Mill.**

Delivery for Mill are sent on June 2<sup>nd</sup>, 2019 to PT Sinar Bintang Albar with vehicle number AD 1518 EN with manifest number bellows:

- Manifest number AGU 0008605 Used oil as much as 1 kg / 200 Liters.
- Manifest number AGU 0008606 used batteries as much as 100 kg.
- Manifest number AGU 0008607 solid waste (160 kg used waste, 11 kg oil filter, 30 kg chemical jerry cans, 70 kg paint cans and 100 kg used drums).

**Medical waste.**

The company shows a balance of medical waste sent on June 24<sup>th</sup>, 2019 to transporter (PT Mitra Hijau Asia) with vehicle number DD 8878 KH with manifest number ATO 0100579 as much as 129 kg medical waste. Collective Agreement Letter regarding management (PT Waste Management in Kutai Kartanegara) and hazardous waste freight transportation (PT Mitra Hijau Asia) with number K-085 / MOU / A2.1.PLKK / III / 20199 and No.28 / MOU / MHA-SMD / III / 2019 dated 5 March 2019 - 4 September 2019 shall be valid for 6 months.

**5.3.3.**
**Liquid waste**

The liquid waste produced is entirely utilized in the application area in accordance with the permit for utilization of liquid waste.

**Solid waste**

Fiber, EFB and shells produced are partially used as fuel and some are applied to the field or estate.

**Observed evidence:**

- Field observations at landfill SMNE Block B24-25 Division 3 Sungai Mentaya Estate, domestic waste was carried out by open dumping or there is no garbage hole.
- SOP for Housing & Office Waste Management with document number KMB-SUST-SOP-41 Revision No. 02 dated August 5<sup>th</sup>, 2015, in point 7.2.3 which states:
  - Landfill is made in inter row in plantation area using the sanitary landfill process (Healthy disposal).
  - The hole is made with a width of 2 meters, a minimum depth of 1.5 meters and a maximum length of 9 meters (according to inter row)
  - Excavated soil is placed at the edge of the hole to prevent water from entering the hole. When the height of the garbage reaches 0.5 m, the hole is buried with soil and then marked with the hole number.

**Description of Non-conformance:**

The company has not yet implemented domestic waste management in accordance with applicable procedures. This is a **Non-conformance No.2019.07 with the Minor category.**

Based on interview with landfill employees they have been trained related environmental requirements such as garbage disposal at landfill and far from housing area. Therefore based on field visit in Landfill Bok H27 Division 4 Gunung Makmur Estate, the location is more than 1 km from housing area & water sources, not flooded areas, if the domestic waste is full it is covered with soil, and others. It's according with guideline & regulations.

**5.3.3 Status: Nonconformance No.2019. 07 with minor category**

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

**5.4.1.**  
Based on data efficient use for fuel for 2019 its known shell is 0.040 tons/tones of FFB, Fiber is 0.481 tons/tones FFB and Empty Fruit bunch is 0.257 ton/tones FFB.

**Status: Comply**

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

**5.5.1 & 5.5.2**  
In the sustainability policy of the BGA group, which was issued on August 13, 2015 at the first point about the Forest Conservation and Sustainable Land Use stated No peat, protection of High Conservation Values (HCV) and High Carbon Stock (HCS) landscapes, reduction of chemical fertiliser and pesticide usage, elimination of Paraquat and prevention of fire. In addition, in the 11 May 2011 Policy on Environment and Biodiversity, it was approved by the director, including among others stating a commitment to land clearing to implement a zero burning system in all plantation development and waste management activities.

In accordance with the BGA group's sustainability policy and the results of interviews with representatives of the surrounding villages (eg Waringin Agung and Wonosari) it is known that there is no use of fire for land clearing activities.

**Status: Comply**

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

- 5.6.1 & 5.6.2.**  
The company show management plan and mitigation for 2018 such as:
1. Land Conversion.
    - ♣ Socialization of BGA Sustainability policy to the community.
    - ♣ Socialization of land clearing procedure to the community.
    - ♣ Development of fire mitigation and completion of firefighting equipment.
    - ♣ Time line: January – December 2018.
  2. Carbon Sequestration from palm crops.
    - ♣ Use of seeds with high production potential.
    - ♣ Use of land cover crops.
    - ♣ Time line: January – December 2018 by QC Department.
  3. Fertilizer manufacture & transportation.
    - ♣ Fertilizer sourcing policy considering the types of fertilizer, distance and modes of transport from its sources.
    - ♣ Leaf & soil analysis to obtain the data of optimal amounts of fertilizer applied.
    - ♣ Time line: Once every 1 year on April – May by research Department
    - ♣ Time line: Once every 1 year by Purchasing Department.
  4. Fertilizer usage.
    - ♣ Empty bunch used for mulching → time line: after mill, operational by Quality Control Department.
    - ♣ Fertilizer application technique based on topography → time line: Every fertilizer application by Quality Control Department.
  5. Diesel fuel consumption (field & mill).
    - ♣ Good maintenance of vehicles and other equipment, periodically.
    - ♣ Road maintenance schedule → timeline: as scheduled
    - ♣ Safety of driving related training → once every 6 months by Training Center.
    - ♣ Optimize processing hours for fuel efficiency → every month by Traction Department.
  6. POME.

- ♣ Conduct regular monitoring and measurement → time line: Every month.
  - ♣ Monitoring and reporting for continuous improvement → time line: Every month.
7. HCV Crop Sequestration.
- ♣ To monitor the planning and realization of HCV areas rehabilitation, where the land cover is grassland or open land
  - ♣ Time line: Once every 6 months by Sustainability Dept.

**5.6.3.**
**Summary of emission**

Description	tCO <sub>2</sub> e/tProduct
FFB	339,556
CPO	1.27
PK	1.27

Extraction	tCO <sub>2</sub> e/tProduct
OER	20.29
KER	4.48

Land Use	Ha
OP Planted Area	19,658
OP Planted on peat	0
Conservation (forested)	0
Conservation (non-forested)	919
Total	20,577

Production	t/yr
FFB Processed	339,556
CPO Produced	20,802

**Summary of plantation/field emissions and sink**

Description	Own			Group			3 <sup>rd</sup> Party		
	tCO <sub>2</sub> e	tCO <sub>2</sub> e/ha	tCO <sub>2</sub> e/FFB	tCO <sub>2</sub> e	tCO <sub>2</sub> e/ha	tCO <sub>2</sub> e/FFB	tCO <sub>2</sub> e	tCO <sub>2</sub> e/ha	tCO <sub>2</sub> e/FFB
Land conversion	54,413.43	8.9	0.53	14272.23	7.6	0.28	0	0	0
CO <sub>2</sub> emission from fertiliser	6,494.8	1.06	0.06	3273.41	1.74	0.06	0	0	0
N <sub>2</sub> O emission	6884	0.92	0.05	2319.73	1.24	0.05	0	0	0
Fuel consumption	1236.22	0.2	0.01	795.23	0.42	0.02	0	0	0
Peat Oxidation	0	0	0	0	0	0	0	0	0
Crop sequestration	-	-9.36	-0.56	-	-9.36	-0.35	0	0	0
Sequestration in conservation area	-2,077.03	-0.34	-0.02	0	0	0	0	0	0

Total	9690.41	1.38	0.8	3,085.76	1.64	0.06	0	0	0
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\*1 of 1 3<sup>rd</sup> party without dataset

### Summary of mill emission and credits

Description	tCO <sub>2</sub> e	tCO <sub>2</sub> e/t FFB
POME	67,543.52	0.2
Fuel Consumption	309.99	0
Grid Electricity Utilisation	0	0
Exports of Excess Electricity to Housing & Grid	-498.27	0
Sale of PKS	0	0
Sale of EFB	0	0
<b>Total</b>	<b>67355.24</b>	<b>0.2</b>

### Palm oil mill effluent (POME) treatment

Diverted to compost	0
Diverted to anaerobic digestion	0

### POME diverted to anaerobic digestion

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

Air quality testing was carried out by the South Kalimantan *Hyperkes* Agency on June 14<sup>th</sup>, 2019 at Gunung Makmur with Mill consist of emissions, boiler emissions, operational emissions for diesel fuel vehicle, ambient air / workplace, odor and the environment. Based on the test results, for noise testing in boiler station, kernel station, engine room station and sterilizer station, the parameters has been exceed the thresholds (85 Dba), but the company show preventive action for protected workers such as audiometry test, using earmuff and not taking long time in station area or shifting time with another workers.

**Status: Comply**

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

### 6.1

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

#### 6.1.1; 6.1.2.

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.

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 & Buana Mustika Village. And also involving estates & mills managements and workers.

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.

### 6.1.3

Based on draft summary report of Social Impact Re-Assessment there are several internal and external issues, such as:

External Issues:

- Information of permit border in accordance to village administration border.
- Job opportunities.
- Environment.
- Health.
- Education.
- Population.
- Land dispute.
- Plasma cooperative problems.
- Constraints to CSR program.
- Positive and negative impacts.

Internal Issues:

- Improved the housing conditions.
- Water quality from water reservoirs.
- Domestic waste management.
- Availability of clinics in mills.
- Health insurance registration.
- Complaint from workers regarding to BPJS employment transfer procedure.
- Drugs distributions mechanism.
- Repairing of ambulance conditions and number of ambulance.
- Complaints regarding to incentives or bonuses.
- School bus conditions, schedule of shuttle bus, and availability of school buses.
- Number of student in one study group.
- Drainage condition around of education complex.
- The ratio of babysitter and children on the daycare.
- Complaints regarding to incentive of babysitter on the daycare.
- Availability of landfill facilities.
- 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.

However, The CH has not been able to shown management and monitoring of social impacts with a clear timeline and the Person In Charge for handling above issues. **It was raised as nonconformity No 2019.08 with Major Category.**

### 6.1.4

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

**Verification on 4 July 2019**

The company 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.

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 & Buana Mustika Village. And also involving estates & mills managements and workers. Based on interview with CSR staff, it was explained that report and social management plan had not been complete.

**Auditor Conclusions:**

The company has not been able to show the management plan and social impact monitoring in accordance to Re-assessment result. In addition that there are no root cause analysis, corrections analysis and corrective actions analysis. **This is become Non Conformity 2018.04 with Minor raised to Major category.**

**6.1.5**

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

<b>6.1.3</b> <b>6.1.4</b>	<b>Status:</b> <b>Non-Conformance No 2019. 08 with Major Category</b> <b>Non-Conformance No 2018.04 with Minor raised to Major category.</b>	
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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; 6.2.2 & 6.2.3**

The Communication Procedure (SOP-KMB-KOM-01) was approved by the Area Controller on August 29, 2013. External communication in the form of an official letter sent to the company in the form of complaints or information is responded to by the company no later than 15 days after it is received.

The procedure explains the flowchart mechanism for consultation/dialogue with the community, namely the management unit submits a consultation/dialogue plan with the community in writing through the Village Head/Customary Chair/Community Leader or local government apparatus, then the response from the Village Head/Customary Chair/Community Leader or Mediator (Government Apparatus), Management Head Office/related parties give positive responses in writing (no more than 15 days), consultation / dialogue forums facilitated by PAD/CSR/Unit Management, the results of meetings are distributed to related parties by the Management Unit related, follow up on the results of consultations / dialogues with the community by PAD / CSR / related Management Unit with an interest. The company has presented a list of PT KMB stakeholders (2019), complete with names, positions / positions, contact numbers and addresses.

The list of company stakeholders consists of:

- Central Kalimantan Provincial Government and related agencies (7 agencies)
- Kotawaringin Timur Regency Government (8 Agencies)
- District Government (3 Districts)
- Government of Nearby Villages (19 Villages)
- Farmers' Cooperatives (48 Cooperatives)
- Universities (7 Universities)
- Contractors (15 Contractors)
- Suppliers (13 Suppliers)
- Hospitals (4 Hospitals)

The company has information books available on each estate and mill unit. The recorded information was dominated by, among others, requests for village assistance. Responses to incoming mails are responded to a maximum of 15 days and this is in accordance with the information response procedures owned by the company.

Based on the results of public consultations with the village community, offices and contractors, it is known that the stakeholders have conducted socialization related to consultation and communication activities. Stakeholders can also explain the person responsible for receiving responses from stakeholders.

**Status: Comply**

### 6.3

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

#### 6.3.1 & 6.3.2

The company has a Complaints Procedure document (KMB-SUST-SOP-45, Revised August 5, 2015). The document is a reference in receiving and resolving complaints from external and internal parties (employees). Based on this, the personnel responsible for receiving and documenting complaints from the parties are the Corporate Affairs & Estate Controller and the Mill Controller. Existing complaints, will be reviewed and consulted with the parties for resolution. Regarding whistle blower protection, the company has installed a bulletin board at the front of the office area in each work unit, for example in estate and factory offices. The main points of the notification are the complaint address (telephone & email number) and guarantee of confidentiality and protection for the reporter.

Personnel responsible for receiving and documenting complaints from the parties are Corporate Affairs & Estate Controller and Mill Controller. Existing complaints, will be reviewed and consulted with the parties for resolution.

Based on the results of consultations with relevant stakeholders, including the Village Government, Community Leaders, Village Residents Representatives, and Internal Stakeholders namely Trade Union Managers, Gender Committees and several employees, an explanation was obtained that they knew there were procedures for submitting complaints to the company. In addition, there is also a signboard available at each estate office that informs about the submission of complaints by protecting the whistle blower.

Based on the Complaints Book in each work unit, it is known that during 2019 there were only complaints related to housing facilities, for example the improvement of employee housing facilities and these matters have been followed up by the company. The results of stakeholder consultations with the Village Government, Community Leaders, Village Representatives were no indication of complaints regarding PT KMB's plantation and factory operations. Beside that, based on the results of interviews with employees, complaints are usually submitted to the foreman/assistant. If it can be completed by the assistant, it will be realized immediately, but if it cannot, it must obtain approval from the Manager or Estate Controller.

**Status: Comply**

### 6.4

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

#### 6.4.1, 6.4.2, 6.4.3

The certificate holder has document of land acquisition procedure (SOP-PAD-001) in term of the procedure of land and crops compensation. Based on stakeholder consultation with village head of Based on interview with Village Head of Tumbang Mangkub, Rantau Tampang, Wonosari, Agung Mulya, and Beringin Agung Village; and also interview with previous land owners from Tumbang Sepayang Village. The land compensation agreement is made in the Indonesian language, understood by the parties, and known by the village government. known that the procedure was understand by the related party and has been socialized.

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

**Status: Comply**

### 6.5

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

### 6.5.1

The company has determined wages based on Inter Office Mail No. 196 / HRM-I3 / XII / 2018 dated December 26, 2019 concerning the Daily Wages SKU 2019 for PT KMB and Considering Central Kalimantan Governor Regulation No. 51 of 2018 dated 21 November 2018 concerning UMK and UMSK Kotawaringin Timur in 2019 is Rp 2,776,460.

The company has documented employee wages including an employee with the initial name H (Daycare Employee) in May 2019 earning a basic wage of Rp 2,665,392 plus a fixed allowance of Rp 200,000 (Total wage is Rp 2,865,392). Other additional elements of benefits include Work Accident Insurance, Death Insurance, BPJS and Pension Insurance.

Based on the results of the document review, it is known that:

- Overtime Order Documents and Salary Payment Slips for Daycare Workers (Initial A) in Division 1 Bukit Daman Estate in April 2019, it is known that the total overtime working hours on holidays are 21 hours with overtime payment of Rp. 350,160. While the simulation overtime calculation by the Auditor is in accordance with Kepmenakertrans No. 102 of 2004 amounting to Rp 647,053.
- Instruction Documents for Daycare Work Overtime (Initial H) in Division 1 of Bukit Daman Estate in April 2019, it is known that the total overtime hours worked on holidays are 28 hours with overtime payment of Rp. 666,000 (includes an allowance of Rp 222,000). While the simulation overtime calculation by the Auditor is in accordance with Kepmenakertrans No. 102 of 2004 amounting to Rp 898,738.
- Kepmenakertrans No. 102 of 2004 concerning Overtime Working Hours and Overtime Work Wages.

The company has not been able to show that overtime payment is in accordance with applicable laws and regulations. **This is a non-conformity No. 2019.09 with Major category.**

### 6.5.2.

The company has company regulations for PT KMB for the period 2018 - 2021. The company rules govern regulations related to work relations, bipartite forums, social security systems, leave, discipline and discipline, respect for workers, layoffs, rights and obligations due to layoffs, protection and safety work, and cooperative.

The employment agreement or SK for the appointment of employees is written in Indonesian. Based on the results of interviews with workers in Kebun Inti, it is known that they understand the contents of the decree of appointment. Based on interviews with workers in the plantations and factories, it is known that the wages received are in accordance with the stipulated wages. Based on interviews with Bipartite LKS, it was found that there were no complaints related to salary or wage payments.

### 6.5.3

The company has presented a list of facilities and infrastructure documents that are available at PT KMB, including religious facilities, schools, housing, employee halls, sports facilities, polyclinics, cooperatives, school buses and so on. Based on field visits to the GKME & SMNE housing area, the company has provided electricity and water sources. Health facilities are also close to housing and the employees can get treatment for free.

### 6.5.4

The results of visits and interviews with employees in housing that employees can easily obtain food sources by having a shop in the housing and selling vegetables and fish that come to sell at the housing location. Employees can also buy food and daily necessities at the village market, which operates every Sunday.

6.5.1	Status: Nonconformance No.2019. 09 with Major category
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### 6.6

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

### 6.6.1; 6.6.2

The company has a union policy stated in the employee responsibility policy which was ratified by Regional Head 1 on 6 November 2015 which reads respecting and respecting the right of every worker to form or become a union member in accordance with law No. 21 of 2000. The company has a Bipartite Cooperation Agency that has been registered with the Disnakertran of Kotim Regency under Number 560565/239/KEP HI-KESJA / V / 2019 dated May 29, 2019 with a validity period of 3 years from the stipulation. Based on interviews with Bipartite Cooperation Agency management, it was found that there was no coercion or prohibition for workers to join the Bipartite

Cooperation Agency.

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 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

The company has a responsibility policy for workers which was endorsed in November 2015 by Regional Head I. The policy 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.

Based on data from PKS Gunung Makmur employees, Gunung Makmur Estate, Sungai Mentaya Estate and Bukit Daman Estate as of June 2019, there are no child laborers aged 15 or 18 years. In addition, based on the results of field observations in GMKE, SMNE, BDME, and GMKM. It was found that there were no workers aged 18 years. Also not visible are family members (children or wives) who help work in the field. Based on a review of employee registration documents, no workers aged under 18 years were found.

**Status: Comply**

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

#### 6.8.1; 6.8.2 & 6.8.3

The company has a responsibility policy for workers which was passed on 6 November 2015 by the Regional Head. The policy explains the provision of equal employment opportunities by not distinguishing race, religion, degree, ethnicity, gender, skin color, imperfection (disability), sexual orientation, political affiliation, organizational membership, and age. Company policies can be accessed by stakeholders in accordance with applicable procedures and are known by employees.

Based on a review of employee list documents, it is known that workers at PT. KMB comes from different ethnic groups and religions. The company also provides opportunities for local residents to work in the company. Based on interviews with Bipartite Cooperative Agency officials, it was found that there were no complaints from workers related to worker discrimination. Based on interviews with workers in estates and factories, it is known that there are no discrimination issues in the company.

**Status: Comply**

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

#### 6.9.1

The company has a 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 an organizational structure for a gender committee.

- Regional 1 Gender Committee consists of the Chairperson, Secretary, Empowerment and Women's Affairs Coordinator.
- The management of the GMKM gender committee consists of the Chairperson, Secretary, Complaints Counselor, Empowerment Section, Training Section, and Women's Section.

The company has demonstrated the program and realization of the activities of the gender committee, including the socialization of the committee gender in June 2019 and the handling of sexual harassment.

Based on the results of interviews with workers in Daycare Centers (GMKE and BDME), it is known that policies regarding sexual harassment have been understood by workers.

#### 6.9.2



Protection of women's reproductive rights is listed in Company Regulations 2018-2021. The company has demonstrated the program and realization of the activities of the gender committee, including the socialization of the committee gender in June 2019 and the handling related to sexual harassment and women's reproductive rights.

Based on interviews with workers at Daycare Centers (GMKE and BDME) it is known that policies related to sexual harassment and women's reproductive rights have been understood by workers. Workers have also stated that the company relates to sexual harassment and workers' reproductive rights through morning briefings.

### 6.9.3

The company has a Complaints Procedure document (KMB-SUST-SOP-45, Revised August 5, 2015). The document is a reference in receiving and resolving complaints from external and internal parties (employees). Regarding whistle blower protection, the company has installed a bulletin board at the front of the office area in each work unit, for example in estate and factory offices. The main points of the notification are the complaint address (telephone & email number) and guarantee of confidentiality and protection for the reporter.

There have been socialization and interviews with spray workers at GMKE & BDME (female employees), they have known the gender committee representative and the reporting mechanism. Based on interviews with workers at GMKE, BDME, and GMKM, it is known that they understand the mechanism for reporting complaints. Complaints can be submitted through the foreman or assistant.

**Status: Comply**

### 6.10

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

#### 6.10.1

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

#### 6.10.2

Based on interviews with the Mekar Jaya Cooperative Board, Sekar Tani Cooperative, Tani Santoso Cooperative and Makarti Jaya Cooperative, there is 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

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

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

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

1. Not yet be shown the basis of agreement for the implementation of bailout fund of Waringin Jaya Cooperative.
2. Not yet be shown the details of time and goals of the use of bailout funds that have been submitted to the Cooperative Waringin Jaya and Cooperative Makarti Jaya. **However during this assessment, the CH has not been able to show correction evidence. It was raised as Nonconformity No.2018.06 with Minor raised to Major Category.**

#### 6.10.4

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



6.10.3	Status: Non Conformity No 2018.06 with Minor Raised to Major Category	
6.11	<b>Growers and millers contribute to local sustainable development wherever appropriate.</b>	
6.11.1.	<p>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 Village Head of Bukit Makmur known that the CSR program has been prepared in participation maner, through the participation of Certificate Holder in Village or Sub-District Development Meeting (Called MUSREMBANG). The Certificate Holder shown the evidence of attendance list of participation on MUSREMBANG of 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.</p>	
6.11.2.	<p>The certificate holder 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 board of Mekar Jaya Cooperative Board, Sekar Tani Cooperative, Tani Santoso Cooperative and Makarti Jaya Cooperative.</p>	
	Status: Comply	
6.12	<b>No forms of forced or trafficked labour are used.</b>	
6.12.1; 6.12.2 & 6.12.3	<p>The company has a policy on forced labor listed in the Sustainability Policy dated August 13, 2015. Based on the study of documents and field observations in spraying &amp; harvesting activities at Estate and Mill operations activities, there were no forms of forced or trafficked labour are used. Beside that, there are no foreign workers who work at PT KMB.</p>	
	Status: Comply	
6.13	<b>Growers and millers respect human rights</b>	
6.13.1	<p>The company has a Employee Responsibility Policy, including a Policy to respect human rights. The document was signed by Regional Head I, 6 November 2015. The points of the policy consist of:</p> <ul style="list-style-type: none"> <li>- Provision of equal employment opportunities by not distinguishing race, religion, rank, ethnicity, gender, skin color, imperfection (disability), sexual orientation, political affiliation, organizational membership, and age.</li> <li>- Protect women workers from sexual harassment, acts of violence, and rights related to women's reproduction.</li> <li>- Respect and respect the right of every worker to form or become a trade union member in accordance with Law No.21 of 2000.</li> <li>- Not employing children under the age of 18 (eighteen) years, in accordance with Law No. 13 of 2003 concerning Manpower, and the Law No.1 of 200 concerning Ratification of ILO Convention No. 182.</li> <li>- The company supports its employees to form employee cooperatives, in order to improve employee welfare.</li> </ul> <p>The socialization related to Human Rights Policy was carried out in conjunction with the morning briefing. In addition, official socialization was carried out, for example in May 2019. Based on interviews with employees in the GMKE &amp; BDME unit. So far, there have never been cases of human rights violations.</p>	
	Status: Comply	
<b>PRINCIPLE #7 Responsible development of new plantings</b>		
7.1	<b>A comprehensive and participatory independent social and environmental assessment is undertaken prior to establishing new plantings or operations, or expanding existing ones, and the results incorporated into planning, management and operations.</b>	
7.1.1.; 7.1.2; 7.1.3; 7.1.4; & 7.1.5.	<p>The company does not develop new plantations or expand the area. The HGU area since 2001 covering an area of 15,100.24 ha. All areas managed have been carried out environmental and social impact studies described in the EIA and SIA documents.</p>	

**Status: Comply**
**7.2**

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

**7.2.1 & 7.2.2**

The company has been able to show a map of the type of land of PT KMB with a scale of 1: 225,000. In the map, it is informed that the type of soil found in the PT KMB area is as follows:

- Entisol: 19.3 ha
- Inceptisol: 1,931.80 h
- Ultisol: 5,474.10 ha
- Kaolin: 4,515.40 ha
- Laterite: 885.40 ha
- Sposodol: 26.5 ha

The limiting factor for planting as stated in the land survey report is the slope area of 12-25%. The strategy carried out by the company is by making selective pitches and sprays and composing the midribs on the lip of the terrace. For kaolin soil, EFB is applied. Based on the soil type map and the PT KMB slope map it is known that there are no areas that require drainage or irrigation.

**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 & 7.3.5.**
**Observed evidence:**

The company shows Land Use Change Analysis with details:

- HCV Assessment Date Sept-October 2011.
- Land clearing before HCV assessment November 2005 – September 2010.
- The total area of the management unit is 15,056 ha.
- Total raw area of liability is 5,268 ha.
- Total area of conservation liability is 1,855 ha (net area is 856 ha)
- Evidence of an email from the RSPO Compensation RSPO Executive to the Head of Sustainability of BGA dated April 25<sup>th</sup>, 2016 informing that the LUCA report has been received and declared PASS.

Email from RSPO (@rspo.org) dated May 27<sup>th</sup>, 2019 informing that “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”.

**Description of Non-conformity:**

Based on the explanation above, there is a conservation of liability covering an area of 856 ha, which has not shown evidence that the RaCP compensation plan has been approved by the RSPO. **This is a non-conformance No.2019.10 with the Major category.**

**Verification, September 20, 2019.**

The company showed evidence of communication with the RSPO dated June 20, 2019 regarding the completion status RaCP PT KMB, reply from the RSPO (khing.suli@rspo.org) dated August 2, 2019 informing "I have already briefed the Assurance unit especially on the IGC discussion for the certified units and RaCP issues and we will respond to you by next Monday, 5 August 2019 with the decision". But until now there has been no response back from the RSPO regarding RaCP.

**Verification, September 23, 2019.**

The results of the communication with the RSPO in accordance with the email (aimy.nadiah@rspo.org) on September 23, 2019 stated that:

*“The compensation plan of the management unit is still under progress and we are hoping to close the case soonest. With the*

consideration of time taken to complete the whole process, we agreed for you to proceed with the certification of this management unit with the Major NC 7.3.1 open until the next Surveillance audit. Do let your client know to work towards getting the compensation plan completed soonest. Do keep this email as records of evidence that RSPO agreed with such arrangement. This is a case to case basis approval."

Based on the explanation above, the certificate can be continued with OPEN status until the next surveillance audit.

7.3.1	Status: Nonconformance No.2019.10 with Major category	
7.4	<b>Extensive planting on steep terrain, and/or on marginal and fragile soils, is avoided.</b>	
7.4.1 & 7.4.2.	Planting on slopes that exceed the tolerant limits is carried out by giving special treatment such as making terrace, silpilt and planting cover crop as seen during field visits in the sloping area of SMNE.	
	Based on the map, the distribution of soil types does not have peat soil. For other types of marginal soil such as sandy soil, the treatment is carried out by applying empty beds to meet nutrition and not spraying Nephrolepis biserata plants.	
	Status: Comply	
7.5	<b>No new plantings are established on local peoples' land without their free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.</b>	
7.5.1	The certificate holder did not expand the area until Recertification Audit. 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	<b>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.</b>	
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 until Recertification Audit. 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	<b>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.</b>	
7.7.1 & 7.7.2	The company does not open land by burning. As stated in land clearing procedures, sustainability policies and environmental policies, the BGA group applies a zero burning system for both land clearing and replanting activities.	
	Status: Comply	

**7.8**  
New plantation developments are designed to minimise net greenhouse gas emissions.

**7.8.1 & 7.8.2.**

The company did not clear land above 2015.

**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.

**8.1.1.**

The CH has earned Plantation Class in accordance to Kalimantan Tengah Governor number 188.44/81/2019 dated 6 March 2019 about: *Penetapan Kelas Kebun PT Karya Makmur Bahagia dengan Kelas II (Baik), berlaku selama 3 tahun.*

The CH also has conducted internal audit dated 5 February to 1 March 2019, there are 18 nonconformities. Although not all nonconformities had been closed.

Social aspect:

- The CH's has conducted re-assessment of SIA on December 2018 to ensure that all social issues from villagers well managed.
- The CH's has realized continuous CSR to the villagers.

Safety aspect:

- The CH's has evaluated HIRAC every year.
- The CH's has conducted annual Medical Check Up to all workers with high risk condition and area.

**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>						
<b>5.1.1</b>	<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 done solely by GMKM, however there was certified product transportation from mill to the buyer which involving third parties who have been contracted by GMKM, can be shown the contracts:</p> <ol style="list-style-type: none"> <li>1. CV Surya Mentaya Jaya for CPO transporter with contract number 316/LO/CD-HO/VI/2019 from GMKM to the PT Wilmar Nabati Indonesia, Kabuau, Sampit.</li> <li>2. CV Dhivelado Tunggal Jaya PK transporter with contract number 315/LO/CD-HO/VI/2019 from GMKM to the PT Wilmar Nabati Indonesia, Bagendang, Sampit</li> <li>3. CV Mitra Lintas Borneo for PK transporter with contract number 309/LO/CD-HO/VII/19 from GMKM to the PT Sukajadi Sawit Mekar, Bagendang, Sampit.</li> </ol> <p>In the additional sections it is explained that the contractors is willing to be verified by CB during supply chain audit.</p>						
	<b>Status: Comply</b>						
<b>5.1.2</b>	<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 mill does not buying certified product from RSPO licensed traders, entire product sold to buyer are from its own unit.</p>						
	<b>Status: Comply</b>						
<b>5.1.3</b>	<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>GMKM has registered on the RSPO IT Platform with details as follows:</p> <table> <tr> <td>Sub License ID</td><td>CB54657</td></tr> <tr> <td>Member Name</td><td>PT Karya Makmur Bahagia – Bumitama</td></tr> <tr> <td>Member ID</td><td>RSPO_PO1000001684</td></tr> </table>	Sub License ID	CB54657	Member Name	PT Karya Makmur Bahagia – Bumitama	Member ID	RSPO_PO1000001684
Sub License ID	CB54657						
Member Name	PT Karya Makmur Bahagia – Bumitama						
Member ID	RSPO_PO1000001684						
	<b>Status: Comply</b>						
<b>5.1.4</b>	<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>						
<b>5.2.1</b>	<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 apply MB and sale product as MB.</p>						
	<b>Status: Comply</b>						

5.2.2	The site can use one (1) or a combination of supply chain models as audited and certified by the CB.
The mill only applied one modul namely MB (module E).	
	<b>Status: Comply</b>
5.3	<b>Documented procedures</b>
5.3.1	The site shall have written procedures and/or work instructions or equivalent to ensure the implementation of all elements of the applicable supply chain model specified.
GMKM has a procedure for implementing the SCC requirements in the document of product identification and traceability, documet no. KMB-SUST-SOP-43 revision 01 dated 24 Nov 2017. 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 wheigt, number of bunches, field number) and FFB identification at reception at POM (security post and weigh bridge). Also explained that the identification of raw materials derived from certified areas and non certified areas is by marked with CSPO logo on 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.	
	<b>Status: Comply</b>
5.3.2	The site shall have a written procedure to conduct annual internal audit
The procedure number KMB-SUST-SOP-39 (internal audit), revised on 28 Oct 2017, the SOP are covering RSPO-SCCS, RSPO P&C, ISPO, ISCC, ISO and OHSAS. In the section of procedure (section 6) mentioned that internal audit are conducted once a year.	
	<b>Status: Comply</b>
5.4	<b>Purchasing and goods in</b>
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 .
All RSPO product information is provided by suppliers in accordance with :	
<ul style="list-style-type: none"> <li>• The name and address of the buyer;</li> <li>• The name and address of the seller;</li> <li>• The loading or shipment / delivery date;</li> <li>• The date on which the documents were issued;</li> <li>• A description of the product, including the applicable supply chain model (Identity Preserved, Segregated or Mass Balance or the approved abbreviations);</li> <li>• The quantity of the products delivered;</li> <li>• Any related transport documentation;</li> <li>• Supply Chain certificate number of the seller;</li> <li>• A unique identification number</li> </ul>	
Information shall be complete and can be presented either on a single document or across a range of documents issued for RSPO certified oil palm products (for example, delivery notes, shipping documents and specification documentation).	
The site receiving RSPO certified oil palm products shall ensure that the products are verified as being RSPO certified.	
For sites that are required to announce and confirm trades in the RSPO IT platform, this shall include making Shipping Announcements/Announcements and Confirmations on the RSPO IT platform per shipment or group of shipments.	
Refer to section 5.7.1 of this document for further guidance.	



<ul style="list-style-type: none"> <li>A check of the validity of the Supply Chain Certification of suppliers is required for all sites that are SC certified. This shall be checked via the list of RSPO Supply Chain Certified sites on the RSPO website (<a href="http://www.rspo.org">www.rspo.org</a>) at least annually or through the RSPO IT Platform by confirmation of (shipping) announcements.</li> <li>The validity of license for traders and distributors shall also be checked via the RSPO website at least annually or through the RSPO IT platform by confirmation of shipping announcements/announcements.</li> </ul>	
<p>All the FFB received and process information are recorded in the transport receipt and weigh-bridge ticket, such as : estate origin, division, departure time, vehicle number, driver name, block, number of bunches, number of loose fruit, stamp of certified / non certified and sign of field assistant.</p> <p>FFB certified received and processed in GMKM is only from its own estate (GMKE, SMNE and BDME), the mill not purchased certified product from outsourcess. For example:</p> <ul style="list-style-type: none"> <li>FFB Consignment No 07524A0129-GMKE Div 02 dated 2 July 2019, Weighbridge ticket No A1010130841 Netto Weight: 5,380 Kg.</li> <li>FFB Consignment No 05994D0219-SMNE Div 02 dated 2 July 2019, , Weighbridge ticket No A101013003 Netto Weight: 4,340 Kg</li> </ul>	
	<b>Status: Comply</b>
<b>5.4.2</b> <b>The site shall have a mechanism in place for handling non-conforming oil palm products and/or documents</b>	
<p>Mechanism to handling and control nonconformance product are described in SOP no.: KMB-SUST-SOP-51, regulating among others controlling / handling of raw materials received (FFB), product identification in process, control of final product to be shipped to buyer and controlling/handling the improper document.</p>	
	<b>Status: Comply</b>
<b>5.5</b>	<b>Outsourcing activities</b>
<b>5.5.1</b> <p>In cases where an operation seeking or holding certification outsources activities to independent third parties (e.g. subcontractors for storage, transport or other outsourced activities), the operation seeking or holding certification shall ensure that the independent third party complies with the requirements of the RSPO Supply Chain Certification Standard. A CPO mill and independent mill cannot outsource processing activities like refining or crushing.</p>	
<p>There was certified product transportation from mill to the buyer which involving third parties who have been contracted by GMKM, can be shown the contracts:</p> <ol style="list-style-type: none"> <li>CV Surya Mentaya Jaya for CPO transporter with contract number 316/LO/CD-HO/VI/2019 from GMKM to the PT Wilmar Nabati Indonesia, Kabuau, Sampit.</li> <li>CV Dhivelado Tunggal Jaya PK transporter with contract number 315/LO/CD-HO/VI/2019 from GMKM to the PT Wilmar Nabati Indonesia, Bagendang, Sampit</li> <li>CV Mitra Lintas Borneo for PK transporter with contract number 309/LO/CD-HO/VII/19 from GMKM to the PT Sukajadi Sawit Mekar, Bagendang, Sampit.</li> </ol> <p>In the additional sections it is explained that the contractors is willing to be verified by CB during supply chain audit</p>	
	<b>Status: Comply</b>
<b>5.5.2</b> <p>Sites which include outsourcing within the scope of their RSPO Supply Chain certificate shall ensure the following:</p> <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>	
<p>There are contract with statement that all product is legally owned by PT KMB, the transporter only responsible for transporting</p>	

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.

**Status: Comply**

### 5.5.3

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

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

- CV Surya Mentaya Jaya, located in Karang Tunggal Village, Parenggean, Kotawaringin Timur, Kalimantan Tengah
- CV Dhivelado Tunggal Jaya, address : Jalan Nanas III, No.: 99, sampit, Kotawaringin Timur, Kalimantan Tengah
- CV Mitra Lintas Borneo, address: Jalan Seribu Dahlan No 315, Sampit, Kotawaringin Timur, Kalimantan Tengah

**Status: Comply**

### 5.5.4

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

There are a new PK transporter from previous assessment is CV Mitra Lintas Borneo

**Status:**

## 5.6

### Sales and goods out

### 5.6.1

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

All RSPO product information is provided by the 52omplain52ion in accordance with :

- The name and address of the seller;
- The loading or shipment / delivery date;
- The date on which the documents were issued;
- A description of the product, including the applicable supply chain model (Identity Preserved, Segregated or Mass Balance or the approved abbreviations);
- The quantity of the products delivered;
- Any related transport documentation;
- Supply chain certificate number of the seller;
- A unique identification number.
- Information shall be complete and can be presented either on a single document or across a range of documents issued for RSPO certified oil palm products
- For sites that are required to announce and confirm trades in the RSPO IT platform, this shall include making Shipping Announcements / Announcements and Confirmations on the RSPO IT platform per shipment or group of shipments. Refer to section 5.7.1 of this document for further guidance

The organization was shown certified product sales contract, for example no.: 8104118932 for CSPO amount of 1,400 MT to PT Wilmar Nabatindo Indonesia.

The information shown is:

- Seller: PT KMB, address in Kotawaringin Timur, Kalimantan Tengah
- Type of goods: CPO RSPO (MB)
- Date shipping (15-22 March 2019)
- Transporter: CV Surya Mentaya Jaya.
- Product quality (dirt, FFA and moisture).

The detail transaction data will be explained on the clause 5.7.2.

**Status: Comply**

## 5.7

### Registration of transactions

### 5.7.1

Supply chain actors who:

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

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

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

**Status: Comply**

### 5.7.2

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

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

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

#### CSPO claim transaction period of 1 July 2018 to 30 June 2019

Transaction ID	Seller Ref.	Buyer	Product	Volume*	Shipping/BL Date
TR-b5f2b6aa-1ce2	1100009024, 1100009050	PT. ASIANAGRO AGUNGJAYA	CSPO	1,000	16-05-2019
TR-86ad261e-cf69	1100009012	PT. ASIANAGRO AGUNGJAYA	CSPO	200	31-03-2019
TR-1e6dd523-483b	1100008640	PT. ASIANAGRO AGUNGJAYA	CSPO	2,000	06-03-2019
<b>Total</b>				<b>3,200</b>	

#### CSPK claim transaction period of 1 July 2018 to 30 June 2019

Transaction ID	Seller Ref.	Buyer	Product	Volume*	Shipping/BL Date
TR-3dc89fea-32a6	8104118909	PT. Wilmar Nabati Indonesia Sampit	CSPK	498.91	03-05-2019
TR-368af5ba-1b6e	8104118435	PT. Wilmar Nabati Indonesia Sampit	CSPK	498.51	09-04-2019
TR-016086b1-5f95	8104117800	PT. Wilmar Nabati Indonesia Sampit	CSPK	499.47	12-04-2019
TR-96380d6c-6d5c	8104117573	PT. Wilmar Nabati Indonesia Sampit	CSPK	249.12	11-03-2019
TR-40f56b1e-89ae	1200009539	PT. Wilmar Nabati Indonesia Sampit	CSPK	249.36	21-07-2018
TR-22787f6e-1ec7	1200009594	PT. Wilmar Nabati Indonesia Sampit	CSPK	246.37	23-07-2018

TR-30c918a7-c2b0	1200009510	PT. Wilmar Nabati Indonesia Sampit	CSPK	250	21-07-2018
TR-f232da55-cd50	1200009460	PT. Wilmar Nabati Indonesia Sampit	CSPK	250	21-07-2018
TR-98144780-46b6	1200009382, 1200009418	PT. Wilmar Nabati Indonesia Sampit	CSPK	499.53	21-07-2018
<b>Total</b>				<b>3,241.27</b>	

**Credit Allocations period of 1 July 2018 to 30 June 2019**

Stock Transaction ID	Date	Product	Volume (MT)
ST-TR-7106d24b-1ba1	26-06-2019	CSPO	6,000
ST-TR-6bfd71ca-53e9	08-02-2019	CSPO	1,500
ST-TR-b4f5beaa-acf8	13-02-2019	CSPO	1,500
ST-TR-3151f1d1-0f08	12-03-2019	CSPO	1,000
ST-TR-c8c87d5d-c036	10-05-2019	CSPO	4,000
ST-TR-7a3b3ad6-426e	13-06-2019	CSPO	2,300
ST-TR-e194c5b9-643d	26-06-2019	CSPO	1,500
<b>Total</b>			<b>17,800</b>

**Status: Comply**
**5.8**
**Training**
**5.8.1**

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

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

**Status: Comply**
**5.8.2**

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

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

- Training to personnel of estates and Mill who involved in the SCCS implementation was conducted on 15 May 2019 related to the use of CSPO logo in FFB delivery document and related to re-affirmation of certified and noncertified area.
- Supply chain training to contractors involved in the transport of certified products conducted on 15 May, 2019.

**Status: Comply**
**5.9**
**Record keeping**
**5.9.1**

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

The CH shows several documents as follows:

- Production data of RSPO & Non RSPO products (FFB, CPO, PK) period of 1 July 2018 till 30 June 2019.
- RSPO claim Data and Credit Allocation Data period of 1 July 2018 till 30 June 2019.
- CPO & PK Shipment Data period of 1 July 2018 till 30 June 2019.
- SCCS internal audit result, there are nonconformity Module E.5.1 related to the unavailability of quarterly mass balance records (production, sales, and positive stock of RSPO Certified products). However till this assessment, the

correction evidence is not available. To ensure that the delivery/sales of CSPO & CSPK claims from the positive stock. However, The CH has not been able to show the accurate and up-to-date data regarding to all RSPO SCCS requirements. <b>It was nonconformity No. 2019.11 with Major Category.</b>	
<b>5.9.1</b>	<b>Status: Nonconformance No.2019. 11 with Major category</b>
<b>5.9.2</b>	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 The organization has SOP (clause 6.1) were explained that all SCCS records are stored within 5 years. There are sample weigh bridge Number B221189 dated 6 December 2014.
	<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. GMKM has kept all the SCCS implementation records for more than 12 months. The document storage period described in the SOP is for 5 years.
	<b>Status: Comply</b>
<b>5.10</b>	<b>Conversion factors</b>
<b>5.10.1</b>	Where applicable a conversion rate shall be applied to provide a reliable estimate for the amount of certified output available from the associated inputs. Organizations may determine and set their own conversion rates which shall be based upon past experience, documented and applied consistently. Guidance on conversion rates is published on the RSPO website ( <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 The mill only processed FFB into CPO/PK. There is no conversion of products to oleochemicals and its derivatives.
	<b>Status: Comply</b>
<b>5.10.2</b>	Conversion rates shall be periodically updated to ensure accuracy against actual performance or industry average if appropriate. The mill only processed FFB into CPO/PK. There is no conversion of products to oleochemicals and its derivatives.
	<b>Status: Comply</b>
<b>5.11</b>	<b>Claims</b>
<b>5.11.1</b>	The site shall only make claims regarding the use of or support of RSPO certified oil palm products that are in compliance with the RSPO Rules on Market Communications and Claims. All communication to stakeholders are done in accordance with RSPO Rules on Market Communication and Claims. The organization already has SOPs related to communications with stakeholders and the use of the CSPO logo.
	<b>Status: Comply</b>
<b>5.12</b>	<b>Complaints</b>
<b>5.12.1</b>	The organization shall have in place and maintain documented procedures for collecting and resolving stakeholder complaints. The complaint handling from the stakeholders (buyers / suppliers) are described in SOP no. : BGA-SOP-SM-805.1-R0 (customer claim), in clauses 6.4, 6.5, 6.6, 6.7 it is mentioned that any complaints with sales and purchases are accepted by commercial head dept, customer claim is forwarded to CL Group Head for appropriate action taking and to related departments.
	<b>Status: Comply</b>
<b>5.13</b>	<b>Management review</b>



### 5.13.1

The organization is required to hold management reviews annually at planned intervals, appropriate to the scale and nature of the activities undertaken

The management review of the internal audit was conducted on May 22, 2019 by 16 management and staff members participating.

**Status: Comply**

### 5.13.2

The input to management review shall include information on:

- Results of internal audits covering RSPO Supply Chain Certification Standard.
- Customer feedback.
- Status of preventive and corrective actions.
- Follow-up actions from management reviews.
- Changes that could affect the management system.
- Recommendations for improvement.

Based on internal audit report dated 25 February to 1 March 2019, there are several SCCS nonconformities. For example: There are nonconformity Module E.5.1 related to the unavailability of quarterly mass balance records (production, sales, and positive stock of RSPO Certified products). However till this assessment, the correction evidence is not available. To ensure that the delivery/sales of CSPO & CSPK claims from the positive stocks.

The management review of the internal audit was conducted on May 22, 2019 by 16 management and staff members participating. However the CH has not been able to show evidence that the Management Review has discussed about correction and corrective action for all SCCS nonconformities and also their follow up as recommendations for continuous improvement. **It was raised as nonconformity No 2019.12 with minor category.**

**Status: Nonconformance No.2019. 12 with minor category**

### 5.13.3

The output from the management review shall include any decisions and actions related to:

- Improvement of the effectiveness of the management system and its processes.
- Resource needs.

All the output required has been discussed in the management review.

**Status: Comply**

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

Clause	Requirement		
E.1	Definition		
E.1.1			
Certification for CPO mills is necessary to verify the volumes of certified and uncertified FFB entering the mill and volume sales of RSPO certified producers. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. In that scenario, the mill can claim only the volume of oil palm products produced from processing of the certified FFB as MB.			
GMKM implement SCCS module E. It is verified that up to Re-Certification audit, the mill only receives and processed FFB from certified and uncertified sources.			
Below are list of FFB sources:			
Certified sources		Un-certified sources	
		Its own non-certified area (PT TTL) and directly managed smallholders	Outsider
SMNE		SMRE PT TTL	KOPERASI USAHA BERSAMA
BDME		BAGE (Kop. Mekar Jaya) divison 3 & 4	KEL TANI TJ.HARAPAN
GMKE		BHJE (Kop.Lestari) divison 2 & 3	KUD WARINGIN JAYA
		SMNE PT TTL	KUD MJ ( SOMAN )
		BDME PT TTL	Independent FFB suppliers
		GMKE PT TTL	
	Status: Comply		
E.2	Explanation		
E.2.1			
The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the CB in the public summary of the P&C certification report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced should then be recorded in each subsequent annual surveillance report.			
Information related to projected certified products that may be produced by GMKM are listed in the ASA-4 certificate, actual production has been verified during the Re-Certification audit including product projection for the next 12 years (next licensing period), in the following table:			
	Last Year Projected Certified Volume (MT)	Last Year Actual Certified Volume (MT)	Next license projection (21 July 2019 to 20 July 2020)
FFB (tonnes)	193,073	95,343	115,828
CSPO (tonnes)	40,545	21,415	26,061
CSPK (tonnes)	9,654	4,205	5,328
	Status: Comply		
E.2.2			
The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).			
GMKM has registered on the RSPO IT Platform with details as follows:			
Sub License ID		CB54657	
Member Name		PT Karya Makmur Bahagia – Bumitama	
Member ID		RSPO_PO1000001684	

Based on the review of mass balance data and verification through palm-trace known that during the period 1 July 2018 to 30 June 2019, there were CSPO Claim: 3,200 MT, CSPK Claim: 3,241.27 MT, CSPO (B&C): 17,800 MT.

**Status: Comply**

### E.3 Documented procedures

#### E.3.1

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

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

GMKM has a procedure for implementing the SCC requirements in the document of product identification and traceability, document no. KMB-SUST-SOP-43 revision 01 dated 24 Nov 2017. In procedures describing rules related to SCC implementation, the personnel involve and responsibilities such as commercial departments, sustainability regions, mill managers and OQC Dept.

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

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

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

Sighted the SOP GIS-SOP-02 describes on the installation pegs and separation markers between non certified and certified areas are carried out with marks with paint in palm oil stem : white color for smallholders (non-certified), blue color for own estates (certified) and yellow color for own estates non-certified. Based on field observation to the boundary stones number BT30 in SMNE, Division 4, Block C33B sighted that there are blue color paint on the oil palm of PT KMB and yellow color paint on the oil palm of PT TTL.

**Status: Comply**

#### E.3.2

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

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

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

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

In clause 7.3 it is explained that the sustainability region is responsible for informing the production of excessive certified

products to CB and clause 7.6 mentions that management review is conducted once a year.

**Status: Comply**

#### **E.4 Purchasing and goods in**

##### **E.4.1**

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

Verification on certified FFB and noncertified FFB received at GMKM is done based on delivery document, besides verification is also done based on certified and non-certified area block list that has been available in the weigh-bridge (the copy of list has been verified and provided to the auditor including the data of FFB per block deliver to mill). FFB acceptance records in mill for the period of 1 July 2018 to 30 June 2019 are detailed as follows:

Certified sources:

No.	Sources	TOTAL (MT)
1	SMNE	25,432
2	BDME	20,002
3	GMKE	49,910
TOTAL ESTATE		95,343

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

Non certified FFB		TOTAL (MT)
1	SMRE PT TTL	33,006
2	SMNE PT TTL	3,580
3	BDME PT TTL	14,337
4	GMKE PT TTL	1,443
5	BMKE PT TTL	21
6	BKCE PT TTL	7
Total		52,394

In addition, there was FFB non certified from outsider (independent FFB suppliers) as much as **117,970 MT**.

**Status: Comply**

##### **E.4.2**

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

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

	Last Year Projected Certified Volume (MT)	Last Year Actual Certified Volume (MT)
FFB (tonnes)	193,073	95,343
CPO (tonnes)	40,545	21,415
CSPK (tonnes)	9,654	4,205

**Status: Comply**

#### **E.5 Record keeping**

##### **E.5.1**

**a. The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and**

PK on a three-monthly basis.

- b. All volumes of palm oil and palm kernel oil that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO.
- c. The site can only deliver Mass Balance sales from a positive stock. Positive stock can include product ordered for delivery within three months. However, a site is allowed to sell short.(ie product can be sold before it is in stock.)

The CH has not been able to show the accurate and up-to-date data regarding to all RSPO SCCS requirements. It was raised as nonconformity on General Chain of Custody Clause 5.9.1.

**Status: Non Conformity No 2019.11.**



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

1.	Evidence of permission or approval certificate and trademark from Certification Body which submitted by Client	X or√
RC	PT Karya Makmur Bahagia-Subsidiaries of Bumitama Agri Limited do not use RSPO trademark and CB Logo.  PT Karya Makmur Bahagia-Subsidiaries of Bumitama Agri Limited Trademark License with Number RSPO 1-0043-07-100-00	
	<b>Status:</b>	
2.	Implementation of certificate and trademark used by Client comply with size and type (shape) against Guideline of trademark Use	X or√
RC	PT Karya Makmur Bahagia-Subsidiaries of Bumitama Agri Limited do not use RSPO trademark and CB Logo.  PT Karya Makmur Bahagia-Subsidiaries of Bumitama Agri Limited Trademark License with Number RSPO 1-0043-07-100-00	
	<b>Status:</b>	
3.	Implementation of Certificate and Trademark is not used on product	X or√
RC	PT Karya Makmur Bahagia-Subsidiaries of Bumitama Agri Limited do not use RSPO trademark and CB Logo.  PT Karya Makmur Bahagia-Subsidiaries of Bumitama Agri Limited Trademark License with Number RSPO 1-0043-07-100-00	
	<b>Status:</b>	
4.	Controlling of Certificate and Trademark, including withdrawing inappropriate trademark.	X or√
RC	PT Karya Makmur Bahagia-Subsidiaries of Bumitama Agri Limited do not use RSPO trademark and CB Logo.  PT Karya Makmur Bahagia-Subsidiaries of Bumitama Agri Limited Trademark License with Number RSPO 1-0043-07-100-00	
	<b>Status:</b>	

### 3.4 Summary of RSPO Partial Certification.

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

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

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

MUTU Auditor has verified company partial certification and concludes that:

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

Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
2.1.1	Did the company conduct an internal audit? If so, has a positive assurance statement been produced?	<p>Yes and positive assurance is developed under Bumitama Agri, Ltd</p> <p><b>Auditor verification</b> Based on the document review, there is a company internal audit that was conducted on:</p> <ul style="list-style-type: none"> <li>• 08 – 10 Februari 2017 for PT Rohul Sawit Industri and PT Masuba Citra Mandiri</li> <li>• 09 – 10 Maret 2017 for PT Ladang Sawit Mas</li> <li>• 10 – 11 April 2017 for PT Langgeng Makmur Sejahtera</li> <li>• 12 – 13 April 2017 for PT Gunajaya Harapan Lestari</li> <li>• 17 – 18 April 2017 for PT Andalan Sukses Makmur and PT Investa Karya Bhakti</li> <li>• 20 – 21 April 2017 for PT Windu Nabatindo Sejahtera</li> <li>• 17 – 18 Januari 2017 for PT. Windu Nabatindo Abadi and PT Nabatindo Karya Utama</li> </ul>
2.1.2	<p>No replacement after dates defined in Nis Criterion 7.3 of:</p> <ul style="list-style-type: none"> <li>• Primary forest.</li> <li>• Any area identified as containing High Conservation Values (HCVs).</li> </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> </ul>
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		<ul style="list-style-type: none"> <li>- Documents RaCP Plan are wait for LUCA approved by RSPO</li> <li>- HCV was conducted on July 2013 by Sonokeling Akreditasi Nusantara</li> </ul> <p><b>PT Gemilang Makmur Subur</b></p> <ul style="list-style-type: none"> <li>- HCV was conducted on November 2016 by PT Gagasan Dinamika Aksentia.</li> </ul> <p><b>Auditor verification</b> 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><b>Auditor verification</b> Based on internal audit, documented time of land clearing and liability disclosure sent to RSPO, there is new planting/land clearing after 1<sup>st</sup> January 2010 for PT Andalan Sukses Makmur and PT Investa Karya Bhakti but NPP has been conducted for these units. Evidence of submission to RSPO is provided and the NPP notification are at RSPO website.</p>
2.1.4	Any Land conflicts are being resolved through a mutually agreed process, e.g. RSPO Grievance procedure or Dispute Settlement Facility, in accordance with RSPO criteria 6.4, 7.5 and 7.6.	<p>There is no land conflicts.</p> <p><b>Auditor verification</b> There is land conflicts and has been resolved with</p>

		RSPO Grievance procedure or Dispute Settlement Facility.
2.1.5	Any Labour disputes are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.	<p>There is labor disputes. There is no information from public source and RSPO website on any labour conflict for uncertified unit of the group subsidiaries.</p> <p><b>Auditor verification</b></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 Arahkan Lokasi No. 525.21/660/Ek.SDA/IX/2014 dated 12 September 2014 5,325 Ha</li> <li>• Location Permit SK District Kotawaringin Timur No. 188.45/330/Huk-BPN/2014, 23 September 2014 5,370 Ha</li> <li>• Environment Permit No. 660/2140/BLH-Ek.SDA/2015, 19 October 2015 for 5,325 Ha</li> <li>• IUP No. 188.45/490/Huk-Ek.SDA/2014, 19 December 2014 4,810.72 Ha</li> <li>• SK HGU No. 5/HGU/KEM-ATR/BPN/2017, January 10th 2017.</li> </ul> <p><b>PT Andalan Sukses Makmur</b></p> <ul style="list-style-type: none"> <li>• Izin Prinsip Arahkan Lokasi SK District Kotawaringin Barat No.590/105/Pem-XI/2012, November 21 2012 for areal 9,000 Ha.</li> <li>• Location Permit SK District Kotawaringin Barat No.525/68/XII/2012, December 18th 2012 for 9,275 Ha</li> <li>• IUP No. 525/45/ek, 06 February 2013</li> <li>• HGU on process.</li> </ul> <p><b>PT Investa Karya Bhakti</b></p> <ul style="list-style-type: none"> <li>• Izin Prinsip Arahkan Lokasi No. 590/09.Pem-II/2014, 3rd February 2014 for areal 14,500 Ha.</li> <li>• Location Permit SK District Kotawaringin Barat No. 525/62/IX/2014, 1st September 2014, 11,746.74 Ha</li> <li>• IUP No. 525/014/EK, April 21 2015, 5,700 Ha</li> </ul> <p><b>PT RohulSawitIndustri and PT Masuba Citra</b></p>



		<p><b>Mandiri</b></p> <ul style="list-style-type: none"> <li>HGU on process</li> <li>Panitia B Inti No. 03/RSL/HGU/2015 seluas 1,893.11 Ha</li> <li>Panitia B Plasma No. 04/RSL/HGU/2015 seluas 938,16 Ha</li> </ul> <p><b>PT Gunajaya Harapan Lestari</b></p> <ul style="list-style-type: none"> <li>Izin Prinsip Arahan Lokasi No. 525/426/Bappeda-D year of 2007, 08 May 2007 for areal 3,000 Ha.</li> <li>Location Permit SK District Kendawangan No. 265 year of 2007, 28 June 2007 for 3,000 Ha</li> <li>Revision Location Permit No. 370 year of 2008, 07 October 2008 for 3,000 Ha</li> <li>Extention 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>
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		<ul style="list-style-type: none"> <li>Sertifikat HGU No. 17/HGU/KEM-ATR/BPN/2016 tanggal 07 April 2016 seluas 3,298.63 Ha</li> </ul> <p>HGU on process for Ladang Sawit Mas, PT Lestari Gemilang Intisawit, PT Agro Manunggal Sawitindo, PT Karya Makmur Langgeng, and PT Gemilang Makmur Subur</p> <p><b>Auditor verification</b> Land legal process is still going on and there is a detail update progress documented by the company for each year.</p>
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### 3.5 Identification of Findings, Corrective Action, Observations, Opportunity for Improvement and Noteworthy Positive Components.

#### 3.5.1. Identification of Findings, Corrective Actions and Observations at ASA-4

<b>NCR No.</b>	<b>: 2018.04</b>	<b>Issued by</b>	<b>: Arif Faisal Simatupang</b>
<b>Date Issued</b>	<b>: 27 April 2018</b>	<b>Time Limit</b>	<b>: 3 October 2019</b>
<b>NC Grade</b>	<b>: Minor raised to Major</b>	<b>Date of Closing</b>	<b>: 15 August 2019</b>
<b>Standard Ref. &amp; Requirement</b>	<b>6.1.4</b> <b>The documented plan for management and monitoring of social impacts, shall be reviewed at least on two-yearly basis. If necessary, the plan should be updated. There shall be evidence that the review process includes participation of all affected parties.</b>		
<b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i>  The company not yet be shown the evidence that social impact management plan has been reviewed participative every two years, where the last review done in 2015.			
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i> There are need time to Finalization of SIA report by consultant.			
<b>Correction</b> <i>(filled by organization audited):</i> Showing the document plan for management and monitoring of social impacts in accordance to re-assessment of SIA result.			
<b>Corrective Action</b> <i>(filled by organization audited):</i> CSR management review will be conducted every year by Corporate CSR Department Head.			
<b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i> <b>Verification on 4 July 2019</b> The company 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. 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 & Buana Mustika Village. And also involving estates & mills managements and workers.  Based on interview with CSR staff, it was explained that report and social management plan had not been complete.			
<b>Verification on 15 August 2019</b> The company was shown Social Impact Management Plan period of 2019 to 2021 consist of Affected Components, Issues, Strategies, Activities, Outputs, Time Line, and PIC. As follows:  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.

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 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.

**Auditor Conclusions:**

Based on above evidence, this nonconformity has been comply.

**Verified by** : Trismadi N

<b>NCR No.</b>	<b>:</b>	<b>2018. 06</b>	<b>Issued by</b>	<b>:</b>	<b>Briyogi Shadiwa</b>
<b>Date Issued</b>	<b>:</b>	<b>27 April 2018</b>	<b>Time Limit</b>	<b>:</b>	<b>3 October 2019</b>
<b>NC Grade</b>	<b>:</b>	<b>Minor Raised to Major</b>	<b>Date of Closing</b>	<b>:</b>	<b>6 August 2019</b>
<b>Standard Ref. &amp; Requirement</b>	<b>:</b>	<b>6.10.3</b> <b>Evidence shall be available that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent</b>			
<b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i>					
<p>Based on interviews with the Management of Waringin Jaya Cooperative and Makarti Jaya Cooperative Board, there is a complaint about the basic agreement of the debt of the company's bailout fund with certain nominal (bail of investment stage and production stage) to be paid by the cooperative after the bank credit settled, as well as complaints about the details of goals of the bailout funds. The debt of the bailout was submitted to the Cooperative Management Board based on the Minutes of Socialization of Cooperative Management Accountability Report dated 17 and 18 January 2018.</p> <p>According to the management of the cooperative and the result of auditor verification, the bailout clause is not in the agreement letter partnership with Waringin Jaya Cooperative (No. 02 / KUD-WJ / III / 2008) and agreement letter partnership with Makarti Jaya Cooperative (03 / KUD-MJA / III / 2008). But the company can show the Addendum Agreement letter for Makarti Jaya Cooperative, which includes investment of stage bailout clause and production stage.</p> <p>Based on that descriptions, the Company has not been able to demonstrate transparent partnership cooperation</p>					

practices related to:

1. Not yet be shown the basis of agreement for the implementation of bailout fund of Waringin Jaya Cooperative.
2. Not yet be shown the details of time and goals of the use of bailout funds that have been submitted to the Cooperative Waringin Jaya and Cooperative Makarti Jaya.

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

Ineffective coordination between management unit with the Partnership Department and Supporting Department. The actual realization of the bailout refers to the Addendum of Agreement of each Cooperative, namely:

1. Addendum No. ADD01/PKS/KUD-MJA/I/2018//ADD02/PKS/KMB/I/2018 with Makarti Jaya Cooperative dated March 28, 2018.
2. Addendum No. ADD 1 SPK/02/KUD-WJ/V/2018//ADD 1 PKS/02PKS-KMB/V/2018 with Waringin Jaya Cooperative dated May 14, 2018.

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

Showing documents:

1. Addendum No ADD 01/PKS/KUD-MJA/I/2018//ADD02/PKS/KMB/I/2018 with the Makarti Jaya Cooperative dated March 28, 2018. Article 5 about Financing, Paragraph 1 (c) bailout funds use for investment costs or production costs. Paragraph 3 Investment Bailout funds are issued by company in the immature phase 0 – 3 planting years. Paragraph 4 production bailouts are funds issued by the company in the Mature period onwards, if the funds for the sale of FFB and or operational reserve saving are insufficient.
2. Addendum No ADD 1 SPK/02/KUD-WJ/V/2018//ADD 1 PKS/02PKS-KMB/V/2018 with the Waringin Jaya Cooperative dated May 14, 2018. Article 5 about Financing, Paragraph 1 (c) bailout funds use for investment costs or production costs. Paragraph 3 Investment Bailout funds are issued by company in the immature phase 0 – 3 planting years. Paragraph 4 production bailouts are funds issued by the company in the Mature period onwards, if the funds for the sale of FFB and or operational reserve saving are insufficient.

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

1. Addendum No ADD 01/PKS/KUD-MJA/I/2018//ADD02/PKS/KMB/I/2018 with the Makarti Jaya Cooperative dated March 28, 2018. Article 6 about obligations and rights of the parties, it's explained that mechanism is available changes or additions to plasma costs in the future.
2. Addendum No ADD 1 SPK/02/KUD-WJ/V/2018//ADD 1 PKS/02PKS-KMB/V/2018 with the Waringin Jaya Cooperative dated May 14, 2018. Article 6 about obligations and rights of the parties, it's explained that mechanism is available changes or additions to plasma costs in the future.

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

**Verification on 31 July 2019,**

The company shows some evidence as follows:

1. Minute of meeting/socialization to the Makarti Jaya Cooperative Management Report on May 14, 2018. In general, the meeting was explained:
  - The purpose of the core bailout fund which is charge to plasma parties with a more detailed report every month.
  - Plasma ask to reduce the interest rate of the bailout funds, from the cooperatives saving account, a capital loan will be realized.
  - In the future the company will coordinate with the cooperative when there are costs that are outside the budget, such as infrastructure maintenance, procurement of harvester, pruning, etc. with a separated draft.
2. Minute of meeting/socialization of Waringin Jaya Management Report on May 14, 2018. In generally the meeting was explained:



- The cooperative acknowledges the existence of operational costs bailed out by *Inti* (Company), but there are difference costs.
- Currently the management of the Waringin Jaya Cooperative in two estates (MAGE & BKCE) with the potential excessive costs. They request that the management of plasma estate join on the one estate. The company was approved the proposal in 2019.
- Regarding to deficit for the closing book period of 31 December 2018, the cooperative requested that the debt cost not be combined with cost period of 2017 and how to allocated 40% of the sales, because the credit to bank were paid off.
- The cooperative will study the addendum of the agreement where there are several proposals related to the calculation of the remaining results of the cooperative through a nett system.
- In the future the company will coordinate with the cooperative, when there are costs that are outside the budget, such as infrastructure maintenance, procurement of harvester, pruning, etc.

Both of minutes of meeting are signed by representative of the cooperative and the company.

#### **Verification on 6 August 2019**

The company showed evidence of improvements to the addendum of agreement that had been signed by the company and the Makarti Jaya & Waringin Jaya Cooperatives, such as:

1. Addendum No ADD 01/PKS/KUD-MJA/I/2018//ADD02/PKS/KMB/I/2018 with the Makarti Jaya Cooperative dated March 28, 2018. Article 6 about obligations and rights of the parties, it's explained that mechanism is available changes or additions to plasma costs in the future.
2. Addendum No ADD 1 SPK/02/KUD-WJ/V/2018//ADD 1 PKS/02PKS-KMB/V/2018 with the Waringin Jaya Cooperative dated May 14, 2018. Article 6 about obligations and rights of the parties, it's explained that mechanism is available changes or additions to plasma costs in the future.

#### **Auditor Conclusions:**

Based on above explanation, this nonconformity were closed.

<b>Verified by</b>	:	<b>Trismadi N</b>
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**3.5.2. Identification of Findings, Corrective Actions and Observations at Recertification Assessment**

<b>NCR No.</b>	<b>:</b>	<b>2019.01</b>	<b>Issued by</b>	<b>:</b>	<b>Trismadi N</b>
<b>Date Issued</b>	<b>:</b>	<b>5 July 2019</b>	<b>Time Limit</b>	<b>:</b>	<b>3 October 2019</b>
<b>NC Grade</b>	<b>:</b>	<b>Major</b>	<b>Date of Closing</b>	<b>:</b>	<b>16 August 2019</b>
<b>Standard Ref. &amp; Requirement</b>	<b>:</b>	<b>2.1.1</b> <b>Evidence of compliance with relevant legal requirements shall be available</b>			
<b>Non-Conformance Description &amp; Evidence observed (filled by auditor):</b> Certificate holder has not been able to demonstrate compliance with mandatory reporting, for example: Submission of Land Use Report every year to Land Agency, in accordance with the provisions in the regulation of Agrarian Ministry No. 7 of 2017 concerning the regulation and procedure for the stipulation of entitlement rights.					
<b>Root Cause Analysis (filled by organization audited):</b> Record of land utilization report to the National Land Agency is not available at the time of the audit, because the PIC by the Document & License Department of Head Office. It's regarding to Sustainability Director Policy.					
<b>Correction (filled by organization audited):</b> Providing land utilization report to the National Land Agency.					
<b>Corrective Action (filled by organization audited):</b> The mechanism of corrective action remains through regular internal audit & management review, both conducted by the relevant management unit and by Corporate Sustainability in the head office.					
<b>Assessor Evaluation and Conclusion (filled by auditor):</b> <b>Verification on 16 August 2019</b> The company showing the land utilization report year of 2018 to the National Land Agency Regional office of Kalimantan Tengah on March 12, 2019 by letter No 001/KMB-Dirut.JS/III/2019 and received on March 15, 2019.					
<b>Auditor Conclusions:</b> Based on above explanations, this nonconformity has been closed.					
<b>Verified by</b>	<b>:</b>	<b>Trismadi N</b>			

<b>NCR No.</b>	<b>:</b>	<b>2019.02</b>	<b>Issued by</b>	<b>:</b>	<b>Haikal Ramadhan Kharismansyah</b>
<b>Date Issued</b> <b>Tanggal diterbitkan</b>	<b>:</b>	<b>5 July 2019</b>	<b>Time Limit</b>	<b>:</b>	<b>ASA-1.1</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>4.1.2</b> <b>Checking or monitoring of operations procedures is conducted at least once a year.</b>			
<b>Evidence observed</b> (filled by auditor):					

1. Based on field observations and interviews in the SMNE area are known to have contractor worker (CV Putra Mandiri) with 9 workers for the construction of G6 houses. The results of the interview stated that the workers had not been registered in accident insurance, besides that the workers explained that the wages were based on the time of completion of the work. In addition, all these workers live in temporary barracks where there are no clean water facilities and hygiene facilities.
2. Referring to the RSPO Certification System for Principles and Criteria June 2017 in clause 4.4.6 of which states that if there is cooperation with third parties, the third party must meet all RSPO certification standards.

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

The Company has not been able to demonstrate a mechanism to ensure compliance with RSPO standards for all contractor workers.

**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**
**:**

<b>NCR No.</b>	<b>:</b>	<b>2019.03</b>	<b>Issued by</b>	<b>:</b>	<b>Brigitta Prita</b>
<b>Date Issued</b>	<b>:</b>	<b>5 July 2019</b>	<b>Time Limit</b>	<b>:</b>	<b>ASA 1.1</b>
<b>NC Grade</b>	<b>:</b>	<b>Minor</b>	<b>Date of Closing</b>	<b>:</b>	<b>23 September 2019</b>
<b>Standard Ref. &amp; Requirement</b>	<b>:</b>	<b>4.4.1 An implemented water management plan shall be in place.</b>			
<b>Evidence observed (filled by auditor):</b>					
<ul style="list-style-type: none"> <li>• The company shows evidence of a request for technical services from the Banjarbaru Industrial Standardization and Research Center in South Kalimantan for testing clean water at the Estate and Mill dated on November 28<sup>th</sup>, 2017.</li> <li>• Letter of Submission of GMKE Region 1, BDME Region 1, SMNE Region 1, &amp; BDME Region 1 domestic samples, 2 liters in a closed condition in 2018.</li> <li>• Minister of Health Regulation No.32 of 2017 concerning Quality Standards for Environmental Health and Water Health Requirements for Sanitation Hygiene, Swimming Pools, Solus per Aqua, and Public Bathing.</li> </ul>					
<b>Non-Conformance Description (filled by auditor):</b>					
The company has not been able to show the results of the clean water quality test period 2018 in accordance with Permenkes No.32 of 2017 article 5 which states that external testing is conducted once every 1 year.					

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

Less effective control of records from RSPO Administration.

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

Provide evidence of recorded environmental quality test results for check items of clean water quality in worker housing environments that are in accordance with minister of health regulation Number 32 of 2017.

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

Control of the results of monitoring & measuring the quality of clean water (domestic water) in accordance with minister of health regulation Number 32 of 2017 article 5 (once every 1 year).

The company carries out the effectiveness of the filling system to the relevant PIC (Administration of RSPO) and is listed in the recording control procedure. Based on this explanation, this was stated fulfilled.

**Assessor Evaluation and Conclusion** *(filled by auditor):*
**Verification, September 19, 2019.**

The company shows records of clean water quality testing conducted on July 20, 2018 by the Research and Industrial Standardization Laboratory of the Banjarbaru Commodity and Environmental Testing Laboratory in South Kalimantan, located at Gunung Makmur Estate, Sungai Mentaya Estate and Bukit Daman Estate. Based on the test results, the parameters of TDS, organic matter, hardness (CaCO<sub>3</sub>), iron (Fe), manganese (Mn), nitrate (NO<sub>3</sub>), lead (Pb) do not exceed the quality standards set by the relevant regulations.

**Verification, September 23, 2019.**

The company carries out the effectiveness of the filling system to the relevant PIC (RSPO administration) and is listed in the recording control procedure. Based on this explanation, this was stated fulfilled.

**Verified by** : **Brigitta Prita**

<b>NCR No.</b>	<b>: 2019.04</b>	<b>Issued by</b>	<b>: Brigitta Prita</b>
<b>Date Issued</b>	<b>: 5 July 2019</b>	<b>Time Limit</b>	<b>: ASA 1.1</b>
<b>NC Grade</b>	<b>: Minor</b>	<b>Date of Closing</b>	<b>: 23 September 2019</b>
<b>Standard Ref. &amp; Requirement</b>	<b>: 4.4.3 Records for monitoring of effluent especially BOD (Biochemical Oxygen Demand) and efforts to comply with legal requirements, shall be available (see criteria 2.1 and 5.6).</b>		
<b>Evidence observed</b> (filled by auditor): <ul style="list-style-type: none"><li>• The company shows evidence of liquid waste testing conducted by the Research and Industrial Standardization Laboratory of the Banjarbaru Commodity and Environmental Testing Laboratory in South Kalimantan that has been accredited by KAN (LP 543) on February and March 2019.</li><li>• Permit to extend the utilization of palm oil industry wastewater on land in PT KMB with number 660/437 / DLH-EK-SDA / VI / 2017, in the appendix it states that the results of the liquid waste testing are conducted once a month and reported every 3 months.</li></ul>			
<b>Non-Conformance Description</b> (filled by auditor):			

Based on the description above, the company has not been able to show evidence of testing results wastewater for January, April, May and June 2019 in accordance with the applicable permits.

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

Lack of control Laboratory Assistant for carrying out monthly WWTP wastewater testing and controlling the evidence of monthly WWTP liquid waste testing results.

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

Provide recorded evidence of liquid waste water testing results for the month of January, April, May and June 2019 and for the next month.

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

Implementation of environmental quality monitoring & testing (for WWTP wastewater check items) according to the Monitoring & Measurement procedure.

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

**Verification, September 19, 2019.**

The company shows a liquid waste test for the period of January - June 2019 conducted by the Research and Industrial Standardization Laboratory of the Banjarbaru Commodity and Environmental Testing Laboratory in South Kalimantan.

Parameter	Unit	Threshold	Test results (2019)					
			Jan	Feb	Mar	Apr	May	June
Ph	-	6-9	8.12	7.78	8.32	8.62	8.25	7.70
BOD	mg/l	5000	372	228	288	420	453	330
COD	mg/l	-	1,072.5	530.90	649.56	1,015.8	1,070.7	871.81

\*Threshold based on Decision of Environment Minister Number 29 year 2003.

The test results showed no parameter that exceed the quality standards set by Decision of Environment Minister Number 29 year 2003.

**Verification, September 20 2019.**

Corrective Actions:

1. Implementation of environmental quality monitoring & testing (for WWTP wastewater check items) according to the Monitoring & Measurement SOP.
2. Implementation of Internal Audit and Management Review.

**Verification, September 23, 2019.**

Internal audit report of PT KMB held on 25 February to 1 March 2019 conducted by the Sustainability Team BGA Group. The internal audit results explain evidence of non-conformity, category, Principle Number, Criteria & Indicator, area & information. In addition, management reviews are available in the corporate sustainability department document for the 2019 period. Based on the above explanation, this is stated as being fulfilled.

**Verified by** : Brigitta Prita

**NCR No.** : 2019.05 **Issued by** : Satria Adi Putra

<b>Date Issued</b> <b>Tanggal diterbitkan</b>	<b>: 05 July 2019</b>	<b>Time Limit</b>	<b>: 3 October 2019</b>
<b>NC Grade</b>	<b>: Major</b>	<b>Date of Closing</b>	<b>: 3 September 2019</b>
<b>Standard Ref. &amp; Requirement</b>	<b>: 4.7.3</b> <b>Records of training in the Occupational Safety and Health (OHS) program (see 4.8) and Personal Protective Equipment (PPE) in accordance with the results of hazard identification and risk analysis must be available to all workers.</b>		
<b>Non-Conformance Description &amp; Evidence observed (filled by auditor):</b> <ul style="list-style-type: none"><li>- Based on the results of field visits and interviews with Block B01, Division 1 of Gunung Makmur Estate it is known that there are 2 picker who purchase PPE (shoes) in private.</li><li>- Based on the results of field visits and interviews with Block A24, Sungai Mentaya Estate Division 2 found that there were 1 picker and 1 harvester who purchas PPE (shoes) privately/independently.</li><li>- Based on the results of field visits and interviews with Block D31, Sungai Mentaya Estate Division 1 revealed that there were 6 manual wedding workers and 1 foreman who purchases PPE in privately/independently.</li><li>- Based on the HIRAC Document with Harvest Work it is known that the PPE used is shoes (without explaining the specifications of the shoes used).</li><li>- Based on the HIRAC Document with Manual Maintenance Works (Manual Gawangan) not yet explained in detail /specifics about the type of PPE used for the job.</li><li>- Plantation PPE Matrix Document (In accordance with APD Control SOP with Document No. KMB-SUST-SOP-20 Rev 02 dated August 5, 2015, it is known that it does not explain PPE specifications (shoes) for Harvesting and Manual Maintenance activities.</li><li>- Based on the results of a visit to the PPE storage warehouse / BSS &amp; BMS house in Sungai Mentaya Estate, it is known that the company has provided several PPE lockers (Division 2). But there are no clean clothes for Spray workers</li><li>- Based on interviews with BSS employees, it was found that the clothes were taken home and washed at home.</li><li>- PPE Control SOP with Document No. KMB-SUST-SOP-20 Rev 02 dated August 5, 2015 in clause 7.4.2 states that PPE that is contaminated with hazardous chemicals is prohibited from being taken home. In addition, clause 7.4.4 states that the special work clothes of the Spray and Fertilizer Unit Team are stored in a work storage area and washed after work, in a special purification place equipped with chemical traps.</li></ul>			
<b>Non-Conformance Description (filled by auditor):</b> <p>The company has not been able to demonstrate that the provision of PPE is in accordance with applicable procedures and regulations.</p>			
<b>Root Cause Analysis (filled by organization audited):</b> <ul style="list-style-type: none"><li>1. Lack of awareness of Unit Manager in PPE procurement for Employees in accordance with Permenaker No. 8 of 2010: PPE</li><li>2. Lack of control from HSE Officer / Assistent in each Work Unit.</li></ul>			
<b>Correction (filled by organization audited):</b> <ul style="list-style-type: none"><li>1. Revised APD Matrix, PPE socialization &amp; PPE provision.</li><li>2. Revised HIRAC related to Harvesting &amp; Maintenance Manual work.</li><li>3. Issuance of BSS home management policies &amp; control of working hours in landfill &amp; orderly use of PPE</li></ul>			
<b>Corrective Action (filled by organization audited):</b> <p>Dissemination of BSS home management policy &amp; control of working hours in TPA &amp; orderly use of PPE to all relevant employees.</p>			



**Assessor Evaluation and Conclusion** *(filled by auditor):***Verification on August 26, 2019**

The company has shown evidence of improvements including:

- Minutes of the socialization of the Matrix Fertilizer Personal Protective Equipment / BMS on August 14, 2019 to fertilizer employees / BMS Division 4 Gunung Makmur Estate, in which they discussed the purpose of using PPE when working and PPE that must be used in fertilizing activities. The PPE is mandatory for fertilizer workers namely Boots, Apron, Helmets, Masks, face shields and rubber gloves.
- APD Matrix socialization and photo documentation on August 14, 2019 to BMS worker at Division 4 GMKE
- Minutes of the socialization of the Personal Protective Spray / BSS Matrix Tool on August 15, 2019 to spray / BSS employees, Sungai Mentaya Estate, which discussed the purpose of using PPE when working and PPE that must be used in spray activities. The PPE is mandatory for fertilizer workers namely Boots, Apron, Helmets, Masks, face shields and rubber gloves.
- APD Matrix socialization, photo documentation and proof of registration were present on 15 August 2019 to BSS Sungai Mentaya Estate (20 employees). The material for the discussion included the submission of the PPE matrix, the work flow of BSS employees/BSS houses and the Internal Office Memo management of BSS homes.
- Regional Personal Protective Equipment Matrix 1 2019 (Appendix HIRAC 2019) with identification of PPE types per activity. The examples of determining PPE per type of activity are:
  - a. Harvesting activities and picker use boot/rubber shoes, *gambir*/pool shoes, Helmet and cotton/cloth gloves
  - b. Maintenance Activity Activity using PPE boots/rubber boots, *gambir*/pool shoes, helmets and cotton/cloth gloves
  - c. Sprayer/sprayer mixer activities using PPE types of boots/rubber boots, helmets, aprons, particular masks, face shields, rubber gloves and work uniforms
- HIRAC documents that have been updated.
- Internal Office Memo Document Number 04 / INT-KMB / VII / 2019 dated July 20, 2019 which contains the Confirmation of Regional BSS House Management 1. The document contains BSS house building specifications, drawings/layout of BSS buildings and the workflow of the spray unit team and home from work.
- Internal Office Memo Document Number 05 / INT-KMB / VII / 2019 dated July 20, 2019 which contains Confirmation of PPE Compliance through PO Mechanism. The document inside contains the mechanism for purchasing PPE as well as the mechanism for monitoring the handover of PPE to employees.
- Minutes of IOM and HIRAC Socialization, attendance list (11 people) and photo documentation on July 25, 2019 to the Head of Administration of PT KMB 1 which discussed the affirmation of Daycare working hours, BSS home management, fulfillment of PPE and HIRAC document updates.
- News on Bon Request for Goods on July 30, 2019 at Gunung Makmur Estate. Also included are minutes of PPE handover to picker at Gunung Makmur Estate.
- Minutes of PPE handover on 7 August 2019 at Sungai Mentaya Estate to 6 maintenance employees, 2 harvesters and 2 picker.

Regarding the evidence of improvements that have been sent, there are still a number of things that need to be further verified by the auditor team, including:

- What is the realization of the BSS and BMS home management implementation?
- Is there a system/monitoring related to storing PPE in the BSS / BMS house, so it can be ensured workers do not bring PPE to the house/residence?

Based on the above, **the non-conformity No. 2019.05 was declared not fulfilled.**

**Verification on 30 August 2019**

The company has shown evidence of improvements including:

- An Internal Office Memo socialization and implementation regarding the management of BSS houses in the Division 2 SMNE on August 26, 2019 was made by Mantri EHS and known by the Estate Manager of SMNE.
- Attachments in the form of photos of the Internal Office socialization Memo Assertiveness of BSS Management to workers, along with their work flow.

In this regard, the auditor team still needs evidence of further improvements, namely:

- After socialization at Sungai Menyata Estate and Gunung Makmur Estate, what is the supply system for spray employees after completing their work? Is there monitoring that ensures that each worker places and stores PPE in the BSS?

Based on this, **the non-conformity No. 2019.09 declared unfulfilled.**

**Verification is September 3, 2019**

The company has shown evidence of improvement, namely the OHS Inspection Checklist in the Estate in accordance with Attachment 7.16-7.20 Revision No. 02 with the date of September 02 2019, which contains observations of OHS compliance (PPE, first aid kit, etc.) with 73% fulfillment percentage. Related to this, **the non-conformity No.2019.05 is declared to have been fulfilled.**

<b>Verified by</b>	<b>:</b>	<b>Satria Adi Putra</b>
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<b>NCR No.</b>	<b>: 2019.06</b>	<b>Issued by</b>	<b>: Satria Adi Putra</b>
<b>Date Issued</b>	<b>: 05 July 2019</b>	<b>Time Limit</b>	<b>: ASA-1.1</b>
<b>NC Grade</b>	<b>: Minor</b>	<b>Date of Closing</b>	<b>:</b>
<b>Standard Ref. &amp; Requirement</b>	<b>: 4.7.5</b> <b>Emergency response and work accident procedures must be available in Indonesian and workers who have received First Aid Accident (P3K) training in the work area.</b>		
<b>Evidence observed (filled by auditor):</b> <ul style="list-style-type: none"> <li>- Based on the results of field visits at BSS House Division 1 Bukit Daman Estate, it is known that the first aid kit contains 19 items.</li> <li>- Based on the results of the field visit at the Regional Warehouse, it is known that the first aid box contains 7 items.</li> <li>- Based on the results of the field visit in the Harvest activity, Block B01, Gunung Makmur Estate it is known that the first aid box contains 13 items.</li> <li>- Based on the results of the field visit in the Fertilization activity, Block G15, Gunung Makmur Estate it is known that the first aid kit contains 19 items.</li> <li>- Based on the results of the field visit in Harvesting activities, Block A24, Sungai Mentaya Estate it is known that the first aid kit contains 6 items.</li> <li>- Based on the results of a field visit at hazardous warehouse, Gunung Makmur Mill is known that the first aid kit contains 6 items.</li> <li>- Minister of Manpower and Transmigration Regulation No. 15 of 2008 concerning First Aid for Accidents in the Workplace, Appendix II (The contents of first aid boxes are 21 items).</li> </ul>			
<b>Non-Conformance Description (filled by auditor):</b> The company has not been able to demonstrate that the provision of first aid box contents is in accordance with applicable laws and regulations.			
<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> :	2019.07	<b>Issued by</b> :	Brigitta Prita
<b>Date Issued</b> :	5 July 2019	<b>Time Limit</b> :	ASA 1.1
<b>NC Grade</b> :	Minor	<b>Date of Closing</b> :	
<b>Standard Ref. &amp; Requirement</b> :	<b>5.3.3</b> <b>A documented waste management plan to avoid or reduce pollution and its implementation shall be available</b>		
<b>Evidence observed (filled by auditor):</b> <ul style="list-style-type: none"> <li>Field observations at landfill SMNE Block B24-25 Division 3 Sungai Mentaya Estate, domestic waste was carried out by open dumping or there is no garbage hole.</li> <li>SOP for Housing &amp; Office Waste Management with document number KMB-SUST-SOP-41 Revision No. 02 dated August 5<sup>th</sup>, 2015, in point 7.2.3 which states: <ul style="list-style-type: none"> <li>Landfill is made in inter row in plantation area using the sanitary landfill process (Healthy disposal).</li> <li>The hole is made with a width of 2 meters, a minimum depth of 1.5 meters and a maximum length of 9 meters (according to inter row)</li> <li>Excavated soil is placed at the edge of the hole to prevent water from entering the hole. When the height of the garbage reaches 0.5 m, the hole is buried with soil and then marked with the hole number.</li> </ul> </li> </ul>			
<b>Non-Conformance Description (filled by auditor):</b> The company has not yet implemented domestic waste management in accordance with applicable procedures.			
<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>NCR No.</b> :	2019.08	<b>Issued by</b> :	Trismadi N
<b>Date Issued</b> :	5 July 2019	<b>Time Limit</b> :	3 October 2019
<b>NC Grade</b> :	Major	<b>Date of Closing</b> :	15 August 2019
<b>Standard Ref. &amp; Requirement</b> :	<b>6.1.3.</b> <b>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>		

**Evidence observed (filled by auditor):**

Based on draft summary report of Social Impact Re-Assessment there are several internal and external issues, such as:

**External Issues:**

- Information of permit border in accordance to village administration border.
- Job opportunities
- Environment
- Health
- Education
- Population
- Land dispute
- Plasma cooperative problems
- Constraints to CSR program
- Positive and negative impacts

**Internal Issues:**

- Improved the housing conditions
- Water quality from water reservoirs.
- Domestic waste management
- Availability of clinics in mills
- Health insurance registration
- Complaint from workers regarding to BPJS employment transfer procedure
- Drugs distributions mechanism
- Repairing of ambulance conditions and number of ambulance
- Complaints regarding to incentives or bonuses.
- School bus conditions, schedule of shuttle bus, and availability of school buses.
- Number of student in one study group
- Drainage condition around of education complex
- The ratio of babysitter and children on the daycare
- Complaints regarding to incentive of babysitter on the daycare
- Availability of landfill facilities
- 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.

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

The CH has not been able to shown management and monitoring of social impacts with a clear timeline, and the Person In Charge for handling above issues.

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

Lack of coordination from the corporate CSR and 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 with reference to the internal and external issues.

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

Providing a Social Impact Management and Monitoring Plan document with clear timelines, and those responsible for referring to these internal and external issues.

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

The CSR management review meeting was coordinated by the corporate CSR Department Head at least once a year.

**Assessor Evaluation and Conclusion** *(filled by auditor):*
**Verification on 15 August 2019**

The company was shown Social Impact Management Plan period of 2019 to 2021 consist of Affected Components, Issues, Strategies, Activities, Outputs, Time Line, and PIC. As follows:

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.
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 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.

**Auditor Conclusions:**

Based on above evidence, this nonconformity has been comply.

**Verified by** : Trismadi N

<b>NCR No.</b>	<b>:</b>	<b>2019.09</b>	<b>Issued by</b>	<b>:</b>	<b>Satria Adi Putra</b>
<b>Date Issued</b>	<b>:</b>	<b>05 July 2019</b>	<b>Time Limit</b>	<b>:</b>	<b>3 October 2019</b>
<b>NC Grade</b>	<b>:</b>	<b>Major</b>	<b>Date of Closing</b>	<b>:</b>	<b>3 September 2019</b>
<b>Standard Ref. &amp; Requirement</b>	<b>:</b>	<b>6.5.1</b> <b>Wage documentation and work conditions must be available in accordance with applicable labor provisions.</b>			
<b>Evidence observed</b> <i>(filled by auditor):</i>					



- Overtime Order Documents and Salary Payment Slips for daycare workers (Initial A) in Division 1 Bukit Daman Estate in April 2019, it is known that the total overtime working hours on holidays are 21 hours with overtime payment of Rp 350,160. While the simulation overtime calculation by the auditor is in accordance with Kepmenakertrans No. 102 of 2004 amounting to Rp 647,053.
- Instruction Documents for daycare work overtime (Initial H) in Division 1 of Bukit Daman Estate in April 2019, it is known that the total overtime hours worked on holidays are 28 hours with overtime payment of Rp 666,000 (includes an allowance of Rp 222,000). While the simulation overtime calculation by the auditor is in accordance with Kepmenakertrans No.102 of 2004 amounting to Rp 898,738.
- Kepmenakertrans No. 102 of 2004 concerning Overtime Working Hours and Overtime Work Wages.

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

The company has not been able to show that overtime payment is in accordance with applicable laws and regulations.

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

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.

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

Improvement of overtime wages for related employees by the relevant Unit Manager (Minutes of payment of underpaid overtime wages for related employees).

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

1. Review and set-up working hours for Daycare employees
2. Socializing the work system for work in daycare centers (TPA)
3. Regular Internal Audit & Management Review

**Assessor Evaluation and Conclusion (filled by auditor):**
**Verification, 3 September 2019**

The company has shown evidence of improvements including:

- Internal Office Memo No. 03 / INT-KMB / VII / 2019 on July 20, 2019 concerning the Affirmation of Daycare Employee Work Hours which contains division of working hours into 2 shifts.
- Minutes of Internal Office Memo No 03 / INT-KMB / VII / 2019 regarding the Affirmation of Daycare Employee Working Hours on August 10, 2019 at Bukit Damai Estate Division 1 (Landfill). Attached photo and attendance list (4 daycare workers).
- Minutes of Internal Office Memo No 03 / INT-KMB / VII / 2019 regarding the Affirmation of Daycare Employee Working Hours on August 8, 2019 at Division 1 Gunung Makmur Estate. Attached photo and attendance list (4 daycare workers).
- Minutes of Internal Office Memo No 03 / INT-KMB / VII / 2019 regarding the Affirmation of daycare employee Work Hours on August 8, 2019 at Sungai Mentaya Estate TPA Division 2. Attached photo and attendance list (1 daycare worker).
- Letter No.118/BDME-KMBL/08/2019 dated August 8, 2019 regarding the follow-up to the RSPO Audit and Letter of Request for Funds for Daycare Employee Premium Funds (No.094KMB/EM-BDME/VIII/2019).
- Expanse Cash Vouchers related to requests for funds lacking in daycare employee premiums amounting to Rp 529,631.
- Minutes of payment of daycare employee overtime costs on 31 August 2019 to employees on behalf of Asmanah and Birah with a total of Rp 529,631.

Based on the results of evidence of improvements that have been given, the **non-conformity No. 2019.09 has been fulfilled.**

<b>Verified by</b>	<b>:</b>	<b>Satria Adi Putra</b>
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<b>NCR No.</b> :	<b>2019.10</b>	<b>Issued by</b> :	<b>Brigitta Prita</b>
<b>Date Issued</b> :	<b>5 July 2019</b>	<b>Time Limit</b> :	<b>ASA 1.1</b>
<b>NC Grade</b> :	<b>Major</b>	<b>Date of Closing</b> :	<b>Open until next surveillance</b>
<b>Standard Ref. &amp; Requirement</b> :	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>Evidence observed (filled by auditor):</b> The company shows Land Use Change Analysis with details: <ul style="list-style-type: none"><li>• HCV Assessment Date Sept-October 2011.</li><li>• Land clearing before HCV assessment November 2005 - September 2010.</li><li>• The total area of the management unit is 15,056 ha.</li><li>• Total raw area of liability is 5,268 ha.</li><li>• Total area of conservation liability is 1,855 ha (net area is 856 ha)</li><li>• Evidence of an email from the RSPO Compensation RSPO Executive to the Head of Sustainability of BGA dated April 25<sup>th</sup>, 2016 informing that the LUCA report has been received and declared PASS.</li></ul> Email from RSPO (@ rspo.org) dated May 27 <sup>th</sup> , 2019 informing that “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”.			
<b>Description of Non-conformity:</b> Based on the explanation above, there is a conservation of liability covering an area of 856 ha, which has not shown evidence that the RaCP compensation plan has been approved by the RSPO.			
<b>Root Cause Analysis (filled by organization audited):</b> The long review process from the HCV Compensation Panel related to the approval RaCP of PT KMB.			
<b>Correction (filled by organization audited):</b> Submitted a proposal to delay the improvement time limit associated with indicators 7.3.1 (Approval of HCV Compensation Panel) to the RSPO Secretariat.			
<b>Corrective Action (filled by organization audited):</b> Intensive communication with the HCV Panel compensation until they immediately approve the HCV Compensation Plan of PT. KMB as soon as possible.			
<b>Assessor Evaluation and Conclusion (filled by auditor):</b> <b>Verification, September 20, 2019.</b> The company showed evidence of communication with the RSPO dated June 20, 2019 regarding the completion			

status RaCP PT KMB, reply from the RSPO (khing.suli@rspo.org) dated August 2, 2019 informing "I have already briefed the Assurance unit especially on the IGC discussion for the certified units and RaCP issues and we will respond to you by next Monday, 5 August 2019 with the decision". But until now there has been no response back from the RSPO regarding RaCP.

**Verification, September 23, 2019.**

The results of the communication with the RSPO in accordance with the email (aimy.nadiah@rspo.org) on September 23, 2019 stated that:

*"The compensation plan of the management unit is still under progress and we are hoping to close the case soonest. With the consideration of time taken to complete the whole process, we agreed for you to proceed with the certification of this management unit with the Major NC 7.3.1 open until the next Surveillance audit. Do let your client know to work towards getting the compensation plan completed soonest. Do keep this email as records of evidence that RSPO agreed with such arrangement. This is a case to case basis approval."*

Based on the explanation above, the certificate can be continued with OPEN status until the next surveillance audit.

<b>Verified by</b> :	<b>Brigitta Prita</b>
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<b>NCR No.</b>	<b>:</b>	<b>2019.11</b>	<b>Issued by</b>	<b>:</b>	<b>Brigitta Prita</b>
<b>Date Issued</b>	<b>:</b>	<b>5 July 2019</b>	<b>Time Limit</b>	<b>:</b>	<b>3 October 2019</b>
<b>NC Grade</b>	<b>:</b>	<b>Major</b>	<b>Date of Closing</b>	<b>:</b>	<b>18 September 2019</b>
<b>Standard Ref. &amp; Requirement</b>	<b>:</b>	<b>General Chain of Custody</b> <b>5.9.1</b> 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.  <b>E.5.1.</b> a. The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a three-monthly basis. b. All volumes of palm oil and palm kernel oil that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO. c. The site can only deliver Mass Balance sales from a positive stock. Positive stock can include product ordered for delivery within three months. However, a site is allowed to sell short.(ie product can be sold before it is in stock.)			
<b>Evidence observed (filled by auditor):</b> The CH shows several documents as follows: <ul style="list-style-type: none"><li>- Production data of RSPO &amp; Non RSPO products (FFB, CPO, PK) period of 1 July 2018 till 30 June 2019.</li><li>- RSPO claim Data and Credit Allocation Data period of 1 July 2018 till 30 June 2019.</li><li>- CPO &amp; PK Shipment Data period of 1 July 2018 till 30 June 2019.</li><li>- SCCS internal audit result, there are nonconformity Module E.5.1 related to the unavailability of quarterly mass balance records (production, sales, and positive stock of RSPO Certified products). However till this</li></ul>					

assessment, the correction evidence is not available. To ensure that the delivery/sales of CSPO & CSPK claims from the positive stock.

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

The CH has not been able to show the accurate and up-to-date data regarding to all RSPO SCCS requirements.

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

Lack of understanding of Commercial Region and Unit Manager staff in controlling CSPO & CSPK Mass Balance data related to accuracy between CSPO & CSPK sales data in Palm Trace and CSPO & CSPK sales transaction data by GMKM.

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

Review & correction of CSPO & CSPK sales data between data presented at Palm Trace and CSPO & CSPK sales transaction data by the commercial department.

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

Review the accuracy of CSPO & CSPK sales from GMKM in the Palm Trace by the commercial department to be balanced and accurate.

**Assessor Evaluation and Conclusion (filled by auditor):**
**Verification on 18 September 2019**

The company showing several correction data, such as:

1. Shipping announcement (claim sales) for period 1 July 2018 to 30 June 2019, CSPO: 3,200 MT. All CSPO sales to the PT Asianagro Agungjaya.
2. Shipping announcement (claim sales) for period 1 July 2018 to 30 June 2019, CSPK: 3,241.27 MT. All CSPK sales to the PT Wilmar Nabati Indonesia.
3. Credit Allocation for period 1 July 2018 to 30 June 2019, CSPO: 17,800 MT.
4. Mass Balance Table period of 1 July 2018 to 30 June 2019 sighted that CSPO Production: 21,415 MT; CSPO Claim (Shipping Announcement): 3,200 MT; CSPO Credit Allocations: 17,800 MT; Total CSPO Sales: 21,000 MT. PK Production Total: 14,776 MT; with opening stock of PK: 2,171.90 MT; CSPK Production: 4,205 MT; Non RSPO: 10,679 MT. CSPK Sales (Shipping Announcement): 3,241.27 MT.

**Auditor Conclusions:**

Based on above evidences, this nonconformity has been comply.

**Verified by** : **Brigitta Prita**

<b>NCR No.</b>	<b>2019.12</b>	<b>Issued by</b>	<b>Brigitta Prita</b>
<b>Date Issued</b>	<b>5 July 2019</b>	<b>Time Limit</b>	<b>3 October 2019</b>
<b>NC Grade</b>	<b>Major</b>	<b>Date of Closing</b>	<b>18 September 2019</b>
<b>Standard Ref. &amp; Requirement</b>	<b>General Chain of Custody 5.13.2.</b> <b>The input to management review shall include information on:</b>		

	<ul style="list-style-type: none"> <li>• <b>Results of internal audits covering RSPO Supply Chain Certification Standard.</b></li> <li>• <b>Customer feedback.</b></li> <li>• <b>Status of preventive and corrective actions.</b></li> <li>• <b>Follow-up actions from management reviews.</b></li> <li>• <b>Changes that could affect the management system.</b></li> <li>• <b>Recommendations for improvement.</b></li> </ul>
<p><b>Evidence observed (filled by auditor):</b> Based on internal audit report dated 25 February to 1 March 2019, there are several SCCS nonconformities. For example: There are nonconformity Module E.5.1 related to the unavailability of quarterly mass balance records (production, sales, and positive stock of RSPO Certified products). However till this assessment, the correction evidence is not available. To ensure that the delivery/sales of CSPO &amp; CSPK claims from the positive stocks. The management review of the internal audit was conducted on May 22, 2019 by 16 management and staff members participating.</p> <p><b>Non-Conformance Description (filled by auditor):</b> The CH has not been able to show evidence that the Management Review has discussed about correction and corrective action for all SCCS nonconformities and also their follow up as recommendations for continuous improvement.</p>	
<p><b>Root Cause Analysis (filled by organization audited):</b> Lack of effective control of CSPO &amp; CSPK Mass Balance in GMKM related to the accuracy between CSPO and CSPK Sales data in Palm Trace and CSPO&amp;CSPK sales transaction data.</p>	
<p><b>Correction (filled by organization audited):</b> Review and correction of CSPO &amp; CSPK mass balance data related to the accuracy of CSPO&amp;CSPK sales in GMKM and palm trace.</p>	
<p><b>Corrective Action (filled by organization audited):</b> Improving coordination between Certification &amp; Compliance Department with the Commercial Department of GMKM related to CSPO and CSPK with three monthly bases to ensure that CSPO &amp; CSPK on positive stock.</p>	
<p><b>Assessor Evaluation and Conclusion (filled by auditor):</b> <b>Verification on 18 September 2019</b> The company showing several correction data, such as:</p> <ol style="list-style-type: none"> <li>1. Shipping announcement (claim sales) for period 1 July 2018 to 30 June 2019, CSPO: 3,200 MT. All CSPO sales to the PT Asianagro Agungjaya.</li> <li>2. Shipping announcement (claim sales) for period 1 July 2018 to 30 June 2019, CSPK: 3,241.27 MT. All CSPK sales to the PT Wilmar Nabati Indonesia.</li> <li>3. Credit Allocation for period 1 July 2018 to 30 June 2019, CSPO: 17,800 MT.</li> <li>4. Mass Balance Table period of 1 July 2018 to 30 June 2019 sighted that CSPO Production: 21,415 MT; CSPO Claim (Shipping Announcement): 3,200 MT; CSPO Credit Allocations: 17,800 MT; Total CSPO Sales: 21,000 MT. PK Production Total: 14,776 MT; with opening stock of PK: 2,171.90 MT; CSPK Production: 4,205 MT; Non RSPO: 10,679 MT. CSPK Sales (Shipping Announcement): 3,241.27 MT.</li> <li>5. There are CAR report with number CSC NCR/001 dated 5 October 2018 regarding to negative stock of CSPK on period of July 2018 to September 2018: -1,076.26 MT, - 694.26 MT; and -299.26 MT respectively. However on October 2018 is back to positive stock amount 89.74 MT. Management review and preventive action on this matter is controlling the mass balance of CSPK with positive stock on a three monthly bases to meet the requirements of clause 5.13.2.</li> </ol>	

**Auditor Conclusions:**

Based on above evidences, this nonconformity has been comply.

<b>Verified by</b>	<b>:</b>	<b>Brigitta Prita</b>
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**3.5.3. Opportunity for Improvement**

No	Ref. Std.	Description
1	4.6.7	The company has the opportunity to ensure and equalize the implementation of BSS & BMS procedures for core management and plasma management units.
2	4.6.11	Follow-up on employee health checks (IOM No. 02 / INT-KMB / VII / 2019 dated July 5, 2019).
3	4.7.3	<i>Hyperkes</i> training for paramedics.

**3.5.4. Noteworthy Positive Components**

No	Ref. Std.	Description
1	-	Has realized partnerships with farmers in a fully managed and independent manner.
2	-	Has obtained an ISPO certificate.

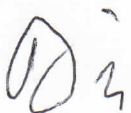

**3.6 Summary of Arising Issues from Public and Auditor Verification**

Stakeholders Issues	Auditor Response
<b>Mekar Jaya Cooperative Board</b> <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 (<i>Dinas Perkebunan</i>). The company has 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.</li> <li>- There is no wildlife conflict with the company.</li> <li>- There is no new plasma in the year of 2018.</li> </ul>	Regarding to transparently and Payment system has been verified on indicator 6.10.2.
<b>Makarti Jaya Cooperative Board</b> <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 (<i>Dinas Perkebunan</i>). The company has 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.</li> <li>- There is no wildlife conflict with the company.</li> <li>- There is no new plasma in the year of 2018.</li> </ul>	Regarding to transparently and Payment system has been verified on indicator 6.10.2.
<b>Tani Santoso Cooperative Board</b> <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 (<i>Dinas Perkebunan</i>). The company has 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.</li> <li>- There is no wildlife conflict with the company.</li> <li>- There is no new plasma in the year of 2018.</li> </ul>	Regarding to transparently and Payment system has been verified on indicator 6.10.2.

Stakeholders Issues	Auditor Response
<b>Head of Tumbang Mangkub Village</b> <ul style="list-style-type: none"> <li>- The company has empowered the surrounding community, among others by building smallholder partnership, employment of villager, and participatory CSR programs.</li> <li>- There are no land dispute.</li> <li>- There is no environment pollution issues.</li> <li>- 10 % of community is work as employees of PT KMB.</li> </ul>	<p>The Company has provided evidence of comunity development programs.</p> <p>The results of the assessment there are no cases of land disputes or environmental pollution that affect the village community.</p>
<b>Head of Rantau Tampang Village, Secretary, and community leaders.</b> <ul style="list-style-type: none"> <li>- The company has empowered the surrounding community, among others by building smallholder partnership, employment of villager, and participatory CSR programs.</li> <li>- There are no land dispute.</li> <li>- There is no environment pollution issues.</li> <li>- 20 % of community is work as employees of GMKM.</li> </ul>	<p>The Company has provided evidence of comunity development programs.</p> <p>The results of the assessment there are no cases of land disputes or environmental pollution that affect the village community.</p>
<b>Head of Wonosari Village</b> <ul style="list-style-type: none"> <li>- The company has empowered the surrounding community, among others by building smallholder partnership, employment of villager, and participatory CSR programs.</li> <li>- There are no land dispute.</li> <li>- There is no environment pollution issues.</li> <li>- 30 % of community is work as employees of PT KMB.</li> </ul>	<p>The Company has provided evidence of comunity development programs.</p> <p>The results of the assessment there are no cases of land disputes or environmental pollution that affect the village community.</p>
<b>Head of Agung Mulya Village</b> <ul style="list-style-type: none"> <li>- The company has empowered the surrounding community, among others by building smallholder partnership, employment of villager, and participatory CSR programs.</li> <li>- There are no land dispute.</li> <li>- There is no environment pollution issues.</li> <li>- 30 % of community is work as employees of PT KMB.</li> </ul>	<p>The Company has provided evidence of comunity development programs.</p> <p>The results of the assessment there are no cases of land disputes or environmental pollution that affect the village community.</p>
<b>Head of Beringin Agung Village and Secretary</b> <ul style="list-style-type: none"> <li>- The company has empowered the surrounding community, among others by building smallholder partnership, employment of villager, and participatory CSR programs.</li> <li>- There are no land dispute.</li> <li>- There is no environment pollution issues.</li> <li>- 30 % of community is work as employees of PT KMB.</li> </ul>	<p>The Company has provided evidence of comunity development programs.</p> <p>The results of the assessment there are no cases of land disputes or environmental pollution that affect the village community.</p>

Stakeholders Issues	Auditor Response
<p><b>Two persons of Previous Land Owner from Tumbang Sepayang Village.</b></p> <ul style="list-style-type: none"> <li>- On behalf Mese was released land to the company year of 2012.</li> <li>- On behalf Nelis were released land to the company year of 2010 to 2018.</li> <li>- The company has been conducted FPIC process on the land compensation.</li> <li>- Field mapping were conducted with involving community leaders, land owner and adjacent land owners as witnesses.</li> <li>- There are no paramilitary using on land compensation process.</li> <li>- The price of land compensation in accordance to negotiation process.</li> </ul>	<p>It has been verified on criteria 2.2; 2.3 and 6.4.</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>Mitra Mentaya Mandiri Employee Cooperative</b></p> <ul style="list-style-type: none"> <li>- There are 40 members of the Cooperative</li> <li>- Mandatory Deposits are 25,000</li> <li>- 200,000 principal savings</li> <li>- Distribution of SHU has not been done yet, there will be discussions regarding the time of business result/awarding</li> <li>- Engaged in the provision of food supplies</li> <li>- The last annual report meeting was carried out on 5 January 2019, a discussion on the development of a cooperative business for groceries.</li> </ul>	<p>There are no negative issues that need further verification. Has been described in Criterion 6.5</p>
<p><b>Labor Agency, Kotawaringin Timur District</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</p>	<p>There are no negative issues that need further verification. The company has paid wages in accordance with the regulations. This is in</p>

Stakeholders Issues	Auditor Response
<p>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>accordance with criteria 2.1.1 and 6.5.1</p>

4.0	<b>CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY</b>
4.1	<b>Formal Sign-off of Assessment Findings</b>
	<p>Hereunder sign by management representative from inspected company to acknowledge a field assessment and agree for all content explained in this assessment report, included of non-compliance findings.</p> <p>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>Diar Damanik</u></b> Wednesday, 18 September 2019</p> </div> <div style="text-align: center;"> <p>Mutuagung Lestari Lead Auditor</p>  <p><b><u>Trismadi Nurbayuto</u></b> Wednesday, 18 September 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	02 July 2019		√
2	Land Office Regency of Kotawaringin Timur	Regency of Kotawaringin Timur	-	Interview by phone	02 July 2019		√
3	Environmental Agency Regency of Kotawaringin Timur	Regency of Kotawaringin Timur	-	Interview by phone	02 July 2019		√
4	Manpower Agency Regency of Kotawaringin Timur	Regency of Kotawaringin Timur	-	Interview by phone	02 July 2019	√	
5	Head of Bukit Makmur Village	Kotawaringin Timur Regency	-	Direct Interview	02 July 2019	√	
6	Head of Tumbang Mangkub Village	Kotawaringin Timur Regency	-	Direct Interview	02 July 2019	√	
7	Head of Rantau Tampang Village, Secretary, and community leaders.	Kotawaringin Timur Regency	-	Direct Interview	02 July 2019	√	
8	Head of Wonosari Village	Kotawaringin Timur Regency	-	Direct Interview	02 July 2019	√	
9	Head of Agung Mulya Village	Kotawaringin Timur Regency	-	Direct Interview	02 July 2019	√	
10	Head of Beringin Agung Village and Secretary	Kotawaringin Timur Regency	-	Direct Interview	02 July 2019	√	
11	Two persons of Previous Land Owner from Tumbang Sepayang Village.	Kotawaringin Timur Regency	-	Direct Interview	02 July 2019	√	
12	Board of Makarti Jaya Cooperative	Kotawaringin Timur Regency	-	Direct Interview	02 July 2019	√	
13	Board of Mitra Mentaya Mandiri Cooperative	Kotawaringin Timur Regency	-	Direct Interview	02 July 2019	√	
14	Board of Tani Santoso Cooperative	Kotawaringin Timur Regency	-	Direct Interview	02 July 2019	√	
15	Board of Mekar Jaya Cooperative	Kotawaringin Timur Regency	-	Direct Interview	02 July 2019	√	
16	Gender Committee	Kotawaringin Timur Regency	-	Interview	02 July 2019	√	-
17	Bipartite PT KMB	Kotawaringin Timur Regency	-	Interview	02 July 2019	√	-
18	Sawit Watch	-	info@sawitwatch.or.id	Quiesioner via Email	21 <sup>th</sup> June 2019	-	√
19	WWF	-	supporter-service@wwf.or.id	Quiesioner via Email	21 <sup>th</sup> June 2019	-	√

20	Aliansi Masyarakat Adat Nusantara	-	<a href="mailto:rumahaman@cbn.net.id">rumahaman@cbn.net.id</a>	Quiesioner via Email	21 <sup>th</sup> June 2019	-	✓
21	Walhi	-	<a href="mailto:info@walhi.or.id">info@walhi.or.id</a>	Quiesioner via Email	21 <sup>th</sup> June 2019	-	✓
22	<b>Gunung Makmur POM</b> <ul style="list-style-type: none"> <li>- Sterilizer : 1 Operator</li> <li>- Boiler Room : 1 operator</li> <li>- Press Room : 1 operator</li> <li>- Engine Room : 1 operator</li> <li>- Kernel Room : 1 operator</li> </ul>	PT Karya Makmur Bahagia	-	Wawancara Langsung	03 July 2019	✓	
23	<b>Bukit Daman Estate</b> <ul style="list-style-type: none"> <li>- Pemanen : 3 orang</li> <li>- Pembrondol : 3 orang</li> <li>- Operator Semprot : 10 orang</li> <li>- Operator Pupuk : 9 orang</li> </ul>	PT Karya Makmur Bahagia	-	Wawancara Langsung	03 July 2019	✓	

**Appendix 2. Assessment Program**

DATE	1 – 5 July 2019	
PROGRAM	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
<b>Monday, 1 July 2019</b>		
05.40 – 07.35 07.35 – 13.00	JAKARTA → PALANGKARAYA (GA 550) PALANGKARAYA → SITE	<ul style="list-style-type: none"> <li>• TNB/BRP/HRK</li> <li>• TNB/BRP/HRK</li> </ul>
06.15 – 07.50 09.00 – 12.00	JAKARTA → SAMPIT (IN 172) Stakeholders consultation with Government Agency	<ul style="list-style-type: none"> <li>• SAP</li> <li>• SAP</li> </ul>
12.00 – 14.00	<b>BREAK</b>	
14.00 – 15.00 15.00 – 17.00 14.00 – 19.00	<ul style="list-style-type: none"> <li>• OPENING MEETING</li> <li>• Document Review and Review of Previous Visit Non-conformance (Surveillance 4)</li> <li>• SAMPIT → SITE</li> </ul>	<ul style="list-style-type: none"> <li>• TNB/BRP/HRK</li> <li>• TNB/BRP/HRK</li> <li>• SAP</li> </ul>
<b>Tuesday, 2 July 2019</b>		
08.00 – 12.00	<b>Stakeholders consultation:</b> <ul style="list-style-type: none"> <li>• External stakeholder to surrounding village (stakeholders of own estates and smallholders scheme), Previous Land Owners, Board &amp; Member of Cooperation (Lestari, Mekar Jaya, and Sekar Tani).</li> <li>• Interview with local contractor, Gender Committee, Workers Union/Bipartite, Worker Cooperation</li> </ul> <b>Field Observation Gunung Makmur Estate</b> <ul style="list-style-type: none"> <li>• Manuring, Spraying, Harvesting, IPM, best agricultural practices</li> <li>• Worker Welfare (payments, complaint mechanism)</li> <li>• Hazardous Waste Material management</li> <li>• Worker facilities (housing, health clinic, clean water, etc) and</li> <li>• Firefighting facilities, Storage, ect..</li> </ul>	<ul style="list-style-type: none"> <li>• TNB</li> <li>• SAP</li> <li>• HRK</li> <li>• HRK</li> <li>• BRP</li> <li>• BRP</li> <li>• BRP</li> </ul>
12.00 – 14.00	<b>BREAK</b>	
14.00 – 17.00	<ul style="list-style-type: none"> <li>• Clarification of Field Observation&amp;Continued of Completion Check List</li> </ul>	<ul style="list-style-type: none"> <li>• All Team</li> </ul>
<b>Wednesday, 3 July 2019</b>		
08.00 – 12.00	<b>Field Observation Sungai Mentaya Estate &amp; Bukit Daman Estate</b> <ul style="list-style-type: none"> <li>• Manuring, Spraying, Harvesting, IPM, best agricultural practices</li> <li>• Worker Welfare (payments, complaint mechanism)</li> <li>• Hazardous Waste Material management</li> <li>• Worker facilities (housing, health clinic, clean water, etc) and</li> <li>• Fire Fighting facilities, Storage, ect..</li> <li>• Legal operational and Conservation Area</li> </ul>	<ul style="list-style-type: none"> <li>• HRK/SAP</li> <li>• HRK/SAP</li> <li>• TNB/BRP</li> <li>• TNB/BRP</li> <li>• TNB/BRP</li> <li>• TNB/BRP</li> </ul>
12.00 – 14.00	<b>BREAK</b>	
14.00 – 17.00	<b>Field Observation to Gunung Makmur POM</b> <ul style="list-style-type: none"> <li>• Processing &amp; Occupational Health and Safety (OHS)</li> <li>• Effluent Pond, Land Application, Well Control, Water Intake</li> </ul>	<ul style="list-style-type: none"> <li>• SAP</li> <li>• BRP</li> <li>• HRK</li> </ul>

DATE	1 – 5 July 2019	
PROGRAM	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
	<ul style="list-style-type: none"> <li>Hazardous Waste Material, Workshop, WTP, Chemical Store, Fire Fighting Facilities</li> <li>Supply Chain</li> </ul>	<ul style="list-style-type: none"> <li>TNB</li> </ul>
<b>Thursday, 4 July 2019</b>		
08.00 – 12.00	<b>Field Observation Beringing Agung Estate &amp; Batang Hijau Estate</b> <ul style="list-style-type: none"> <li>Manuring, Spraying, Harvesting, IPM, best agricultural practices</li> <li>Worker Welfare (payments, complaint mechanism)</li> <li>Hazardous Waste Material management</li> <li>Fire Fighting facilities, Worker facilities (housing, health clinic, clean water, etc) and</li> <li>Land Fire facilities, Storage, ect..</li> <li>Legal operational and Conservation Area</li> </ul>	<ul style="list-style-type: none"> <li>HRK/SAP</li> <li>HRK/SAP</li> <li>TNB/BRP</li> <li>TNB/BRP</li> <li>TNB/BRP</li> <li>TNB/BRP</li> </ul>
12.00 – 14.00	<b>BREAK</b>	
14.0 – 17.00	<ul style="list-style-type: none"> <li><b>Clarification of Field Observation &amp; Continued of Completion Check List</b></li> </ul>	<ul style="list-style-type: none"> <li>All Auditor</li> </ul>
<b>Friday, 5 July 2019</b>		
08.00 – 11.30	<ul style="list-style-type: none"> <li><b>Field Observation &amp; Continued of Completion Check List</b></li> </ul>	<ul style="list-style-type: none"> <li>All Auditor</li> </ul>
12.00 – 14.00	<b>BREAK</b>	
14.00 – 15.00	<ul style="list-style-type: none"> <li><b>Audit finding preparation</b></li> </ul>	<ul style="list-style-type: none"> <li>All Auditor</li> </ul>
15.00 – 17.00	<ul style="list-style-type: none"> <li><b>Closing Meeting</b></li> </ul>	<ul style="list-style-type: none"> <li>All Auditor</li> </ul>
19.00 – 24.00	<ul style="list-style-type: none"> <li><b>SITE → PALANGKARAYA</b></li> </ul>	
<b>Saturday, 6 July 2019</b>		
08.20 – 10.00	<ul style="list-style-type: none"> <li><b>PALANGKARAYA → JAKARTA (GA 551)</b></li> </ul>	<ul style="list-style-type: none"> <li>All Auditor</li> </ul>