

**Roundtable on Sustainable Palm Oil Certification
R S P O****[✓] Surveillance**

Name of Management : Bukit Makmur Palm Oil Mill – PT Karya Makmur Bahagia, subsidiary of
Organisation Bumitama Agri Limited
Plantation Name : Bukit Makmur Estate and Bukit Kecubung Estate
Location : Sungai Hanya Village, Antang Kalang Sub-District, Kotawaringin Timur
District, Kalimantan Tengah Province, Indonesia
Certificate Code : **MUTU-RSPO/140**
Date of Certificate Issue : 27 December 2019 Date of License Issue : 27 December 2022
Date of Certificate Expiry : 26 December 2024 Date of License Expiry : 26 December 2023

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
ASA-3	5 to 7; 10; 12; 13 September 2022	Moh Arif Yusni, Yudhi Yuniarto T, Radytio Puspanjana, and Harry Wahyudi	Hasiholan Sihombing	Leonada

Assessment	Approved by MUTUAGUNG LESTARI on:
ASA-3	27 December 2022

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Figure 1. Location Map of PT Karya Makmur Bahagia

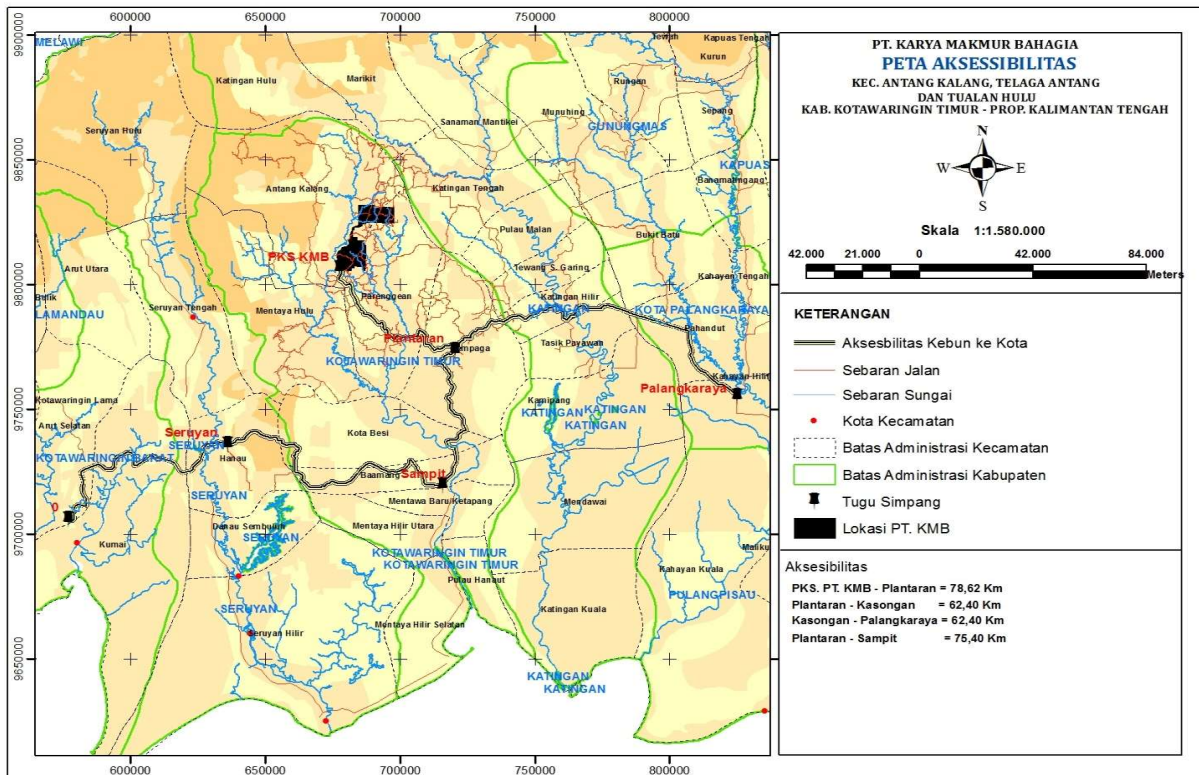
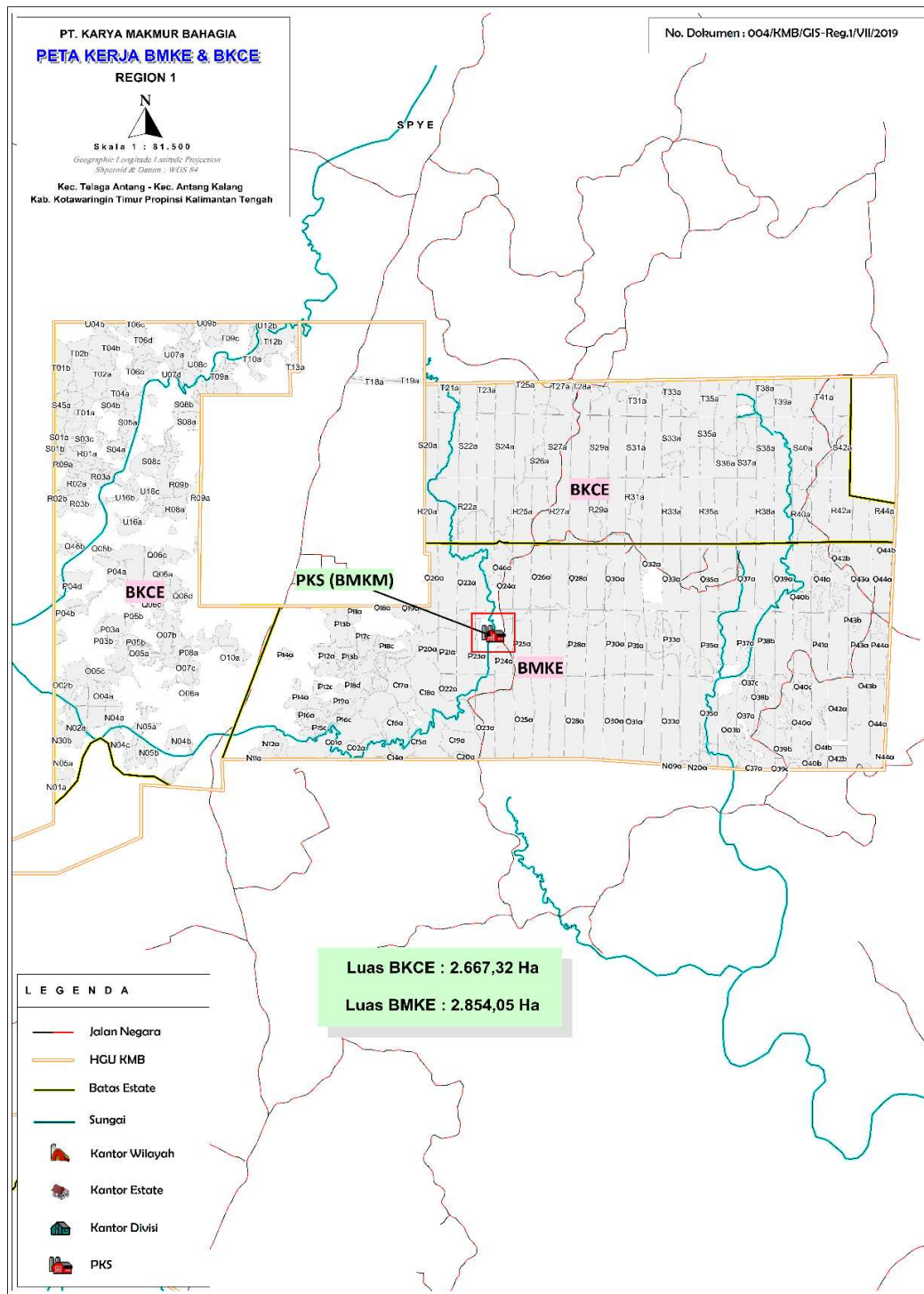


Figure 2. Operational Map of Bukit Makmur Estate and Bukit Kecubung Estate



Abbreviations Used

AK3	:	Ahli Keselamatan dan Kesehatan Kerja (OHS Expert)
AMDAL	:	Analisis Mengenai Dampak Lingkungan
ANDAL	:	Analisis Dampak Lingkungan
APAR	:	Alat Pemadam Api Ringan (fire extinguisher)
BGA	:	Bumitama Gunajaya Agro
BLH	:	Badan lingkungan hidup (environment agency)
BML	:	Baku Mutu Lingkungan
BMS	:	BGA Manuring System
BOD	:	Biological Oxygen Demand
BPJS	:	Badan Penyelenggara Jaminan Sosial (Social Security Agency)
BPN	:	Badan Pertanahan Nasional
CD	:	Community Development
CMNT	:	Central Mentaya 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
GRIT	:	Ganti Rugi Tanam Tumbuh
HCV	:	High Conservation Value
HGB	:	Hak Guna Bangunan
HGU	:	Hak Guna Usaha (Land Use Title)
HIRAC	:	Hazard Identification Risk Assessment and Control
HPT	:	Hama Pengganggu Tanaman
HSE	:	Health, Safety, and Environment
IPM	:	Integrated Pest Management
JHT	:	Jaminan Hari Tua
JKK	:	Jaminan Kecelakaan Kerja
JKM	:	Jaminan Kematian
JP	:	Jaminan Pensiun
KER	:	Kernel Extraction Rendement
KMB	:	Karya Makmur Bahagia
LB3	:	Limbah berbahaya dan beracun (hazardous waste)
LCC	:	Legume cover crop
LSU	:	Leaf Sampling Unit
LTA	:	Lost Time Accident
LUC	:	Land Use Change
LUCA	:	Land Use Change Analysis
MAGE	:	Mulya Agung Estate
MSDS	:	Material Safety Data Sheet
MUSREMBANG	:	'Musyawarah Rencana Pengembangan' – Meeting of Development Plan
NGO	:	Non Government Organization
NPP	:	New Planting Procedure
OER	:	Oil Extraction Rate
OHS	:	Occupational Health and Safety
OHS committee	:	Panitia Pembina Keselamatan dan Kesehatan Kerja (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
SKP	:	<i>Surat Keterangan Penunjukkan</i>
SIA	:	Social impact Assessment
SIO	:	<i>Surat Izin Operator</i>
SMNE	:	Sungai Mentaya Estate
SMRE	:	Sungai Meraya Estate
SOP	:	Standard Operational Procedure
SPK	:	<i>Surat Perjanjian Kerja</i>
SPM	:	<i>Serikat Pekerja Mandiri</i>
SPYE	:	Sungai Penyahuan Estate
SSU	:	Soil Sampling Unit
TPS LB3	:	<i>Tempat Penyimpanan Sementara LB3</i> (Hazardous Waste Storage)
UKL/UPL	:	<i>Usaha Pengelolaan Lingkungan/ Usaha Pemantauan Lingkungan</i>
VOPS	:	Volunteer Oil Palm Seedlings
WHO	:	World Health Organization
WTP	:	Water Treatment Plant
WWTP	:	Waste Water Treatment Pond

1.0	SCOPE of the CERTIFICATION ASSESSMENT		
1.1	Assessment Standard Used	<ul style="list-style-type: none"> Principles and Criteria for Sustainable Palm Oil Production 2018, The Indonesia National Interpretation, Endorsed by the RSPO Board of Governors on 20 April 2020. RSPO Certification Systems for Principles & Criteria and RSPO Independent Smallholder Standard Endorsed by the RSPO Board of Governors on 12 November 2020 	
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	Jonnes Daulay	
1.2.3	Organisation address and site address	RSPO registered company: 10 Anson Road, #11-19 International Plaza, Singapore, 079903 Indonesian Office Jl. Melawai Raya No. 10 Kebayoran Baru Jakarta Selatan 12160 Indonesia .	
1.2.4	Telephone	(62-21) 727 98418	
1.2.5	Fax	(62-21) 727 98665	
1.2.6	E-mail	Jonnes.daulay@bumitama.com	
1.2.7	Web page address	www.bumitama-agri.com	
1.2.8	Management Representative who completed the application for certification	Jonnes Daulay	
1.2.9	Registered as RSPO member	1-0043-07-000-00 – 08 October 2007	
1.3	Type of Assessment		
1.3.1	Scope of Assessment and Number of Management Unit	Palm Oil Mill and Supply Base Bukit Makmur Mill, Bukit Makmur Estate, and Bukit Kecubung 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
			Latitude Longitude
	Bukit Makmur Mill	Sungai Hanya Village, Antang Kalang Sub-District, Kotawaringin Timur District, Kalimantan Tengah Province, Indonesia.	S 01° 34' 04" E 112° 43' 16"
1.4.2	Location of Certification Scope of Supply Base		
	Name of Supply Base	Location	Coordinate
			Latitude Longitude
	Bukit Makmur Estate (BMKE)	Sungai Hanya Village, Antang Kalang Sub-District, Kotawaringin Timur District, Kalimantan Tengah Province, Indonesia.	S 01° 34' 23" E 112° 45' 15"
	Bukit Kecubung Estate (BKCE)	Waringin Agung Village, Antang Kalang Sub-District, Kotawaringin Timur District, Kalimantan Tengah Province, Indonesia.	S 01° 33' 22" E 112° 43' 00"

1.5	Description of Area Statement		
1.5.1	Tenure		
	• State	15,100.24	Ha
	• Community		Ha
	the total land permits that owned by PT KMB are 15,100.24 Ha , however the scope of certifications under Gunung Makmur Mill Are 8,533.57 Ha and the rest of permits area (6,566.67 ha) under scope of Bukit Makmur Mill		
1.5.2	Area Statement		
	• Total area	6,566.67	Ha
	• Mature area	5,533.03	Ha
	• Immature area	0	Ha
	• Emplacement, housing and office	54.68	Ha
	• Mill	43.93	Ha
	• Road, bridge and trench	331.98	Ha
	• HCV Area	7.91	Ha
	• River Riparian	330.67	Ha
	• Occupation area	264.47	Ha
1.6	Planting Year and Cycles		
1.6.1	Age profile of planting year		
	Planting Year	Hectarage (Ha)	
		Bukit Makmur Estate	Bukit Kecubung Estate
			Total
	2000	75.66	75.66
	2002	109.9	109.9
	2003	2.36	2.36
	2005	1.42	10.38
	2006	179.3	115.22
	2007	1,563.24	1,036.32
	2008	460.7	520.42
	2009	194.78	102.28
	2010	121.05	153.49
	2011	109.53	282.29
	2012	16.31	216.23
	2013	17.31	244.84
	TOTAL	2,851.56	2,681.47
			5,533.03
1.6.2	New Planting area after January 2010	-	Ha
1.6.3	Planting Cycle	1 st Cycle	
1.7	Description of Mill and Supply Base		
1.7.1	Description of Mill		
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)
			CPO
			Out put (tonnes)
			Extraction (%)
			Palm Kernel
			Out put (tonnes)
			Extraction (%)

	Bukit Makmur	90	338,265.61	82,811.75	24.48	1,7015.81	5.03
	<i>*Production data source from 12 months before assessment (September 2021 – August 2022)</i>						
1.7.2	Description of Certification Scope of Supply Base						
	Name of Estate	Total Area (Ha)	Production Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)	Supplied to Mill	
						FFB (tonnes/year)	%
	Bukit Makmur	3,173.17	2,851.56	61,832.28	21.68	61,832.28	100
	Bukit Kecubung	3,393.50	2,681.47	49,780.32	18.56	49,780.32	100
	TOTAL	6,566.67	5,533.03	111,612.60	20.17	111,612.60	100
	<i>*Production data source from 12 months before assessment (September 2021 – August 2022)</i>						
1.7.3	FFB description from other source						
	Name of sources/Organisation (RSPO certified / non-certified)	Type of Organisation	number of smallholders	Production Area (Ha)	Supplied to Mill		
					FFB (tonnes/year)		
	Gunung Makmur Estate (RSPO Certified)	PT Karya Makmur Bahagia Subsidiary of Bumitama Agri Ltd	-	3,448.20	2,860.81		
	Bukit Daman Estate (RSPO Certified)		-	1,295.57	506.76		
	Sungai Mentaya Estate (RSPO Certified)		-	2,674.52	6,374.19		
	Gunung Makmur Estate (Non certified RSPO)	PT Tanah Tani Lestari Subsidiary of Bumitama Agri Ltd	-	393.12	192.18		
	Mulya Agung Estate (Koperasi Sekartani, Koperasi Marga Rahayu, Koperasi Hapakat (Non certified RSPO)		1443	3,670.19	56,547.48		
	Sungai Penyanuhan Estate (Koperasi Usaha Bersama Koperasi Eka Kaharap) (Non certified RSPO)		551	2,446.90	45,331.55		
	Sungai Mentaya Estate (Non certified RSPO)		-	469.16	501.20		
	Bukit Daman Estate (Koperasi Usaha Bersama) (Non certified RSPO)		310	1,295.56	13.38		
	Bukit Kecubung Estate (Koperasi Waringin Jaya) (Non certified RSPO)		500	689.24	4,328.72		
	Bukit Makmur Estate (Non certified RSPO)		-	245.62	5,376.72		
	Bukit Bahagia Estate (Koperasi Berkat Usaha Bersama) (Non certified RSPO)		471	1,681.23	20,716.00		
	Sungai Puring Estate (Non certified RSPO)		-	1,726.30	38,670.15		
	Bukit Harapan Estate (Non certified RSPO)		-	2,333.31	45,318.76		
	TOTAL					226,737.90	

	<i>*Production data source from 12 months before assessment (September 2021 – August 2022)</i>							
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 (September 2021 to August 2022) (MT)				
	FFB Processed		109,200	121,354.35				
	CPO Production		26,500	25,703.52				
	Palm Kernel (PK) Production		5,600	5,404.28				
1.8.2	Product selling							
	Type of selling product		Actual selling product for last year (September 2021 to August 2022) (MT)					
	CSPO sold as RSPO certified product		0					
	CSPK sold as RSPO certified product		5,335.68					
	CSPO sold under other scheme		0					
	CSPK sold under other scheme		0					
	CSPO sold as conventional		21,255.00					
	CSPK sold as conventional		0					
1.8.3	Estimate of Certified FFB Claim							
	Name of Estate(s)	Total Area (Ha)	Production Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)			
	Bukit Makmur	3,173.17	2,851.56	64,300.00	22.55			
	Bukit Kecubung	3,393.50	2,681.47	51,700.00	19.28			
	TOTAL	6,566.67	5,533.03	116,000.00	20.97			
<i>*Projected FFB production for 12 months of certificate</i>								
1.8.4	Estimate of Certified Palm Product Claim							
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO Out put (tonnes)	CPO Extraction (%)	Palm Kernel Out put (tonnes)	Palm Kernel Extraction (%)	Supply Chain Module
	Bukit Makmur	90	116,000	28,420	24.50	5,800	5.00	MB
<i>*Projected CSPO & CSPK production for 12 months of certificate</i>								
1.9	Other Certifications							
	ISO 9001:2015		-					
	ISO 14001: 2015		-					
	ISO 45001:2018		-					
	ISCC		-					
	Others							
1.10	Time Bound Plan							
1.10.1	Time Bound Plan for Other Management Units							
	Management Unit		Estate (Supply		Time	Location		Status

Mill	Time Bound Plan	Base)	Bound Plan		
Pundu Nabatindo (PT Windu Nabatindo Lestari)	2014	Pundu Nabatindo	2014	Kotawaringin Timur Regency Kalimantan Tengah	Certified
		Koperasi Harapan Abadi	2023	Kotawaringin Timur Regency Kalimantan Tengah	-
		PT Fajar Bumi Nabati (FBI)	2021	Kotawaringin Timur Regency Kalimantan Tengah	-
		PT Gemilang Subur Maju (GSM)	2023	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			ST-2 Audit (June 2019)
		Bukit Daman			ST-2 Audit (June 2019)
		KUD Mekar Jaya	2023		ST-2 Audit (June 2019)
		KUD Sekar Tani	2023		ST-2 Audit (June 2019)
		KUD Lestari	2023		ST-2 Audit (June 2019)
		KUD Marga Rahayu	2023		ST-2 Audit (June 2019)
		KUD Usaha Bersama	2023		ST-2 Audit (June 2019)
		KUD Tani Santoso	2023		ST-2 Audit (June 2019)
		PT Tanah Tani Lestari	2023		NPP Audit (2018)
		Koperasi Hapakat (PT TTL)	2023		-
		Koperasi Rika Bersatu (PT TTL)	2023		-
		Koperasi Usaha Bersama (PT TTL)	2023		-
		Koperasi Eka Kaharap (PT TTL)	2023		-
		Koperasi Berkat Usaha Bersama (PT TTL)	2023		-

		Koperasi Bina Tani (PT TTL)	2023		-
		Kelompok Tani Karya Bersama (Independent Smallholders)	2022		-
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)	2023		No NPP have got sanction
		Koperasi Telawang Bersatu	2023		-
		Koperasi Hinje Ate	2023		-
		Koperasi Eka Kaharap (PT LMS)	2023		-
Kotawaringin (PT Bumitama Gunajaya Abadi)	2019	Sepantaian	2022	Kotawaringin Barat Regency, Kalimantan Tengah	No NPP have got sanction
		Danau Merah			
		Kotawaringin			
		Tonam Raya			
Lamandau Mill (PT Bumitama Gunajaya Abadi)	2022	(PT Bumitama Gunajaya Abadi)	2022	Lamandau Regency, Kalimantan Tengah	-
		Kumai Hilir Estate (PT Andalan Sukses Makmur)	2022	Kotawaringin Barat Regency, Kalimantan Tengah	NPP Was Complete
		PT Investa Karya Bhakti	2023	Lamandau Regency, Kalimantan Tengah	NPP Was Complete
		Koperasi Kompak Maju Bersama	2023	Lamandau Regency, Kalimantan Tengah	-
		Koperasi Mitra Bahaum	2023	Lamandau Regency, Kalimantan Tengah	-
		Koperasi Tanjung Biru	2023	Lamandau Regency, Kalimantan Tengah	-
		Koperasi Seberang Jaya Sejati	2023	Lamandau Regency, Kalimantan Tengah	-
		Koperasi Pulai Sejahtera	2023	Kotawaringin Barat Regency, Kalimantan Tengah	-
Kendawangan Mill (PT. Gunajaya Karya Gemilang)	2015	Mekar Utama	2015	Ketapang Regency, Kalimantan Barat	Certified 2015
		Kendawangan			
		Banjar Sari			
		Seriam Jaya			
		Membuluh Jaya			
	2021	Koperasi Serba Usaha Bersama	2021	Ketapang Regency, Kalimantan Barat	-
		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	2021	Rokan Hulu Regency, Riau	-
		Koperasi Karya Melayu Sehati	2019	Rokan Hulu Regency, Riau	Certified 2019
Pembangunan Raya Mill (PT Agro Sejahtera Mandiri)	2018	PT ASM – 4,861.48 Ha	2019	Ketapang Regency, Kalimantan Barat	Certified 2019
		Teluk Rengit (PT Gunajaya Harapan Lestari)	2023	Ketapang Regency, Kalimantan Barat	-
		PT ASM – 768.72 Ha the area which suspect into liability mechanism	2023	Ketapang Regency, Kalimantan Barat	-
		KopBun Agro Seriam Mandiri	2018	Ketapang Regency, Kalimantan Barat	Certified 2019
		Koperasi Bawal Sejahtera Mandiri	2023	Ketapang Regency, Kalimantan Barat	-
		PT ASM – 494.49 Ha	2020	Ketapang Regency, Kalimantan Barat	Certified 2020
		Kelompok Tani Sawit Maju Sejahtera (1,427.09 Ha)	2022	Ketapang Regency, Kalimantan Barat	-
Sungai Rasau Mill (PT Karya Bakti Agro Sejahtera)	2020	Marau Raya	2021	Ketapang Regency, Kalimantan Barat	ST-1 (2014)
		KUD Rangkong Bertuah	2021	Ketapang Regency, Kalimantan Barat	-
		KUD Rasau Tiga Bersama	2021	Ketapang Regency, Kalimantan Barat	-
		PT Agriplus	2022	Ketapang Regency, Kalimantan Barat	-
Selucing Mill (PT. Windu Nabatindo Abadi)	2022	Serawak Damai (PT Windu Nabatindo Sejahtera)	2022	Central Kalimantan	Have not obtained the HGU
Sungai Cempaga Mill (PT. Windu Nabatindo Abadi)	2022	PT. Windu Nabatindo Abadi	2022	Central Kalimantan	No NPP have got sanction
		PT Nabatindo Karya Utama	2022	Central Kalimantan	NPP was complete
		KSU Sehati Pundu	2022	Central Kalimantan	-
		Koperasi Koling Hapakat	2022	Central Kalimantan	-
Bukit Tunggal Jaya Mill (PT Ladang Sawit)	2022	PT Ladang Sawit Mas	2022	Ketapang Regency, West Kalimantan	NPP
		KopBun Bukit Tunggal Sejahtera	2022		

	Mas)		KopBun Mitra Perjalanan Permai	2022		NPP was complete
			PT Lestari Gemilang Intisawit	2022		
			Koperasi Kayong Sekayuk	2022		
			Koperasi Mitra Sejati	2022		
			PT Ago Manunggal Sawitindo	2022		NPP was complete
			PT Nabati Agro Subur	2022		
			PT Sejahtera Sawit Lestari	2022		
			PT Karya Makmur Langgeng	2022		
			PT Gemilang Makmur Subur	2022		NPP on Process
			Koperasi Istana Pawan Mandiri	2022		
			Koperasi Rungau Sejahtera	2022		
			PT Dmai Agro Sejahtera	2022		
	Bukit Belaban Mill (PT Sentosa Prima Agro) **Replanting from Acquisition	2022	PT Sentosa Prima Agro	2022	Ketapang Regency, West Kalimantan	-
			PT Raya Sawit Manunggal	2022	Ketapang Regency, West Kalimantan	-
			PT Wahana Hijau Indah	2022	Ketapang Regency, West Kalimantan	-
			PT Hungarindo Persada	2022	Ketapang Regency, West Kalimantan	-
	*Time bound plan was updated on 21 November 2022 and approved by Dep. Group Corporate Sustainability					
1.10.2	Progress of Associated Smallholders and Outgrowers for Certifiable Standard					
	PT Karya Makmur has smallholder scheme. In 2019 the scheme smallholders has been conducted RSPO audit, but due to legal issue and major issue the certificate of compliance RSPO is not published and based on Time Bound Plan for the scheme smallholders of PT KMB planned in 2023					

2.0	ASSESSMENT PROCESS
2.1	Assessment Team
ASA-3	<p>1. Moh Arif Yusni (Lead Auditor). Indonesian citizen. Bachelor of Agriculture, majoring in Plant Protection. Has experience as an operational staff at a private oil palm plantation company in Indonesia on 2010 to 2012. Has attended several trainings, i.e.: ISO 19011, ISO 9001; ISO 14001, SA 8000, RSPO lead auditor, ISPO lead auditor, OHS expert, OHS auditor based on National Government No. 50/2012, SCCS, etc. Has conducting ISPO, RSPO and MSPO audit as an auditor and lead auditor with expertise on best management practices for estate and mill, legality, worker welfare, safety, social, environment, conservation, transparency, long term economic management plan and supply chain for palm oil mill aspects. During the audit, he verified Legality, Social, TBP and Partial certification.</p> <p>2. Yudhi Yuniarto Tallutondok (Auditor). Indonesian citizen, Bachelor of Fisheries, Padjadjaran University. Have experience of working over three years since 2013 as plantation operations staff in private palm oil plantation company in Indonesia. Training have been followed including Lead Auditor of ISO 9001:2015, Lead Auditor of ISO 14001:2015, ISPO Auditor Training, RSPO P&C Lead Auditor Training Course, RSPO SCC Lead Auditor Course, Social Accountability 8000, Basic Management Development Program Agronomy, Fire Anticipation on Land and Forest, Potential Mapping and Conflict Resolution in Production Forests, Awareness of OHS aspects, ISO 45001:2018, ISO 22000:2009, ISO 19011:2011, ISO 17021:2011, dan ISO 17065:2012. Has participated in audit activities for ISPO and RSPO scheme since 2017 for BMP, OHS, labour, social and legal aspects. In this audit activity performs the assessment of best management practices, OHS, worker welfare, social, legality and SCCS.</p> <p>3. Radytio Puspanjana (Auditor). Indonesian Citizen. Bachelor of agriculture, majoring in Soil Science. Agriculture Faculty. He was working as honorarium Officer at the Riau Province Plantation Agency in the division of huge estate for 1 year. The participated trainings are Survey and Mapping (GIS) Training which was held by National GMIT, ISPO auditor training, ISO 9001/2008 auditor training, ISO 14001/2004 auditor training, IHT Geospatial Information System, IHT High Conservation Value, IHT Environmental Impact Assessment, IHT Green House Gas and RSPO Lead Auditor Course by Checkmark Training. Since 2015 has been following many audit as auditor base on Best Management Practice and Environment. During the audit, he verified environment aspect, waste management, GHG and conservation aspect.</p> <p>4. Harry Wahyudi (Auditor Trainee). Indonesian citizen, Bachelor of Agricultural Technology, Department of Agricultural Engineering, Bogor Agricultural University. He has 8 years of working experience as a Field Assistant and Internal Audit Operational in a palm oil company and 3 years working experience as a Supervisor Internal Audit operational in a Industrial Forest Plantation Company. Has attended several trainings such as ISO 19011:2018, ISO 9001:2015, ISO 17021:2015, ISO 17065:2015, ISO 45001:2018, ISO 14001:2015 and OHS General Supervisor. During this audit, has verified best management practices and safety aspect under the supervision of the Lead Auditor.</p> <p>Curriculum vitae (CV) of the members and the assessment team is available at the PT Mutuagung Lestari office.</p>
2.2	Assessment Methodology, Assessment Process and Locations of Assessment
2.2.1	Figure of person days to implement assessment
ASA-3	<p>Number of auditors: 3 auditor and 1 auditor trainee</p> <p>Number of days for ASA-3: 4 days</p> <p>Number of working days for ASA -3: 12 Working days</p>
2.2.2	Assessment Process
ASA-3	<p>The assessment was conducted by measuring the implementation of certification system and standard conducted by PT Karya Makmur Bahagia, Bukit Makmur Mill based on:</p> <ul style="list-style-type: none"> RSPO Principles and Criteria for Sustainable Palm Oil Production 2018, The Indonesian National Interpretation, Endorsed by the RSPO Board of Governors on 20th April 2020 RSPO Certification Systems for Principles & Criteria and RSPO Independent Smallholder Standard, Endorsed by the RSPO Board of Governors on 12 November 2020

PT Karya Makmur Bahagia (PT KMB) it's a subsidiary of Bumitama Agri Ltd, that consisting of two Mills (Gunung Makmur Mill and Bukit Makmur Mill)) and five Estate (Gunung Makmur Estate, Sungai Mentaya Estate, Bukit Makmur Estate, Bukit Daman Estate and Bukit Kecubung Estate). In 2014 PT KMB obtained RSPO Certificate with scope of certification is Gunung Makmur Mill with supply base Gunung Makmur Estate, Sungai Mentaya Estate, Bukit Makmur Estate, Bukit Daman Estate and Bukit Kecubung Estate. Furthermore, in December 2020 Bukit Makmur Mill received RSPO received RSPO Certificate with the supply base is Bukit Makmur Estate and Bukit Kecebung Estate. Therefore, since 2020 the PT Karya Makmur Bahagia has obtained two RSPO Certificate, as follow:

- Gunung Makmur Mill with supply base Gunung Makmur Estate, Sungai Mentaya Estate, and Bukit Daman Estate
- Bukit Makmur Mill with the supply base is Bukit Makmur Estate and Bukit Kecebung Estate.

The ASA 3 Audit of Bukit Makmur Mill are carried out simultaneously with ASA 1.3 Gunung Makmur Mill. This assessment carried together due to the two certification units are one company (PT KMB), so the documents related legal, social, environmental, CSR, SOP / work instructions and company policy are same. the difference from both certification units is related to the field implementation. in addition, every work agreement with an external party is made on behalf of PT Karya Makmur Bahagia.

The audit program is included as Appendix 2. The approach to the audit was to treat the mill and its supply base as an RSPO Certification Unit. Mill was audited together with the sample estates. A range of environmental and social factors were covered. This includes consideration of topography, palm age, proximity to areas with HCVs, declared conservation areas and local communities.

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 directly observe the sufficiency of implementation on site.

Team of auditor started their trip from Jakarta to Palangkaraya and continued to site on 05 September 2022. Once arrived, team auditor conducted Opening Meetings in the Meeting Room of Region office of PT Karya Makmur Bahagia. Opening meeting attended by Area Controller, Estate manager, Mill Manager, Senior Assistant, the Assistant, the Head of Administration, Sustainability staff and the other related personnel.

During the COVID-19 pandemic, there were several modifications to the audit activity due to health protocols. Audit process carried out with high safety protocol procedure that developed by Certification Body and the unit of certification. Before an onsite audit carried out, there are several meetings to discuss health protocol procedures. There are several activities that are not possible to do face to face, such as public consultations with government agencies, communities, or previous landowners so that these activities are carried out by telephone. Furthermore, during field observation auditor only verification the activity and interview process carried separately by telephone. Document verification conducted separately through the electronic files.

Public Stakeholder Notification was made on MUTU Website. There is no written negative feedback receive. Stakeholder consultation involved internal and external stakeholders. Discussion was held with stakeholders to seek their views on the performance of the company with respect to the RSPO requirements and aspects where they considered that improvements could be made. At the start of each discussion, the interviewer explained the purpose of the audit followed by an evaluation of the relationship between the stakeholder and the company before discussions proceeded. The interviewer recorded comments made by stakeholders and these have been incorporated into the assessment findings. The comments made by external stakeholders were also considered in the assessment.

Structured worker interviews with male and female workers and staff were held in private at the workplace in the mill and the estates. Fieldworkers were interviewed informally in small groups in the field. Company officials were not present at any of the internal or external stakeholder interviews. A list of Stakeholders contacted is included as Appendix 1.

Closing Meeting conducted in the region office of PT Karya Makmur Bahagia on 13 September 2022 through zoom meeting. Closing meeting attended by Area Controller, Estate manager, Mill Manager, Senior Assistant, the Assistant,

the Head of Administration, Sustainability staff and the other related personnel.

Commonly, the audit activities went smoothly with good cooperation from the unit management. The presentation of documents is presented quite well by involving related personnel. During closing meeting, the unit management agree with recommendations of auditor regarding certification process.

Some opportunities for improvement of the results ASA 3 delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase (ASA .4). Improvement of findings from main assessment findings were observed by auditors at this ASA 3 assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of ASA 3 report

All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU).

The assessment program please find Appendix 2.

2.2.3	Locations of Assessment
ASA-3	<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>Bukit Makmur Mill</p> <ul style="list-style-type: none"> • Security Post. Observation and interview with security related personnel understanding over the applicable SOP, the implementation of occupational health and safety, medical examination, trainings from company and worker welfare. • Weighbridge station. Observations and interviews related to workers welfare, training, FFB traceability and supply chain system. • Sorting Station. Observation of FFB sorting work practices according to SOPs, implementation of OHS and environmental aspects • Sterilizer Station. Observation of the FFB boiling process according to SOPs, implementation of OHS and environmental aspects • Press Station. Observation of the pulp compression process according to the SOP, the application of OHS and environmental aspects • Boiler Station. Observation of boiler work process according to SOP, implementation of OHS and environmental aspects • Clarification Station. Observation of boiler work process according to SOP, implementation of OHS and environmental aspects • Engine Room Station. Observation of work processes in the Engine Room according to SOPs, implementation of OHS and environmental aspects • Laboratory. Observations and interviews related to operations, understanding of emergency response, OSH aspects and employment. • WTP. Observations and interviews related to water management, recording of water use, health checks, PPE and waste management. • Empty Bunch Area. Observation of the management of EFB to composting management the production process of mill. • Chemical Warehouse. Observations and interviews related to operations, understanding of emergency response, OSH aspects and employment. • Hydrant at Auto Feeder. Simulation the function of hydrant and team readiness. • Schedule Waste Storage. Observations and interviews related to operations, understanding of emergency response, OSH aspects and employment. • Workshop. Observations and interviews related to operations, understanding of emergency response, OSH aspects and employment. • Material Storage. Observation and interview related stock of PPE.

- **WWTP.** Field observations related to Ban to entry to WWTP, run off, testing of effluent.

Bukit Makmur Estate

- **Generator House.** Interviews of working procedure, OHS, employment, and environmental (hazardous waste management).
- **Worker's housing complex, Division 2 & 3.** Observation and interview with residents about housing, sports, worship, clean water and electricity facilities, domestic waste management, and complaint mechanism.
- **BGA Harvesting System Division 2 & 3,** Observation related works tools for harvesting activity and OHS aspect
- **BGA Manuring System Division 2 & 3,** Observation related works tools for Manuring activity, PPE Storage, Rinse House, environmental and OHS aspect
- **BGA Spraying System Division 2 & 3** Observation related works tools for spraying activity, PPE Storage, Rinse House, environmental and OHS aspect
- **Day-care Division 2 & 3.** Observations and interviews related to the facilities provided to workers such as employee housing, clean water, day-cares, school, employment and interview related complaint mechanism.
- **Landfill.** Observations related to domestic waste management.
- **Harvesting, Block P03A, Division 2.** Observation and interview with work procedure, employment and OHS aspect.
- **Spraying, Block L04A, Division 2.** Observation and interview with work procedure, employment and OHS aspect.
- **Manuring, Block Q01A, Division 3.** Observation and interview with work procedure, employment and OHS aspect.
- **Fertilizer Storage.** Observation and interview related management of fertilizer.
- **Chemical Storage.** Observation and interview related management of chemical.
- **Material Storage.** Observation and interview related stock of PPE.
- **Terrace Area.** Observation to the terrace area as a form of soil conservation.
- **EFB Application, Block P02, Division 2.** Observations to the EFB application area.
- **Riparian Penyahuan River Block D03 division III.** Observations marking of HCV areas and RTE information signboard, prohibition of burning, hunting and illegal logging of natural trees.
- **Land application, Blok G04A division I.** Observation for waste water management and nutrient cycle strategy
- **Boundaries Pole No 54 and 55.** Observation the conditions and position of legal boundary.

Bukit Kecubung Estate

- **Harvesting, Block J01, Division 2, block A06, Division 3.** Observation and interview with work procedure, employment and OHS aspect.
- **Spraying, Block A02, Division 2.** Observation and interview with work procedure, employment and OHS aspect.
- **Manuring, Block H03, Division 2.** Observation and interview with work procedure, employment and OHS aspect.
- **Housing Complex division I.** Observation the availability of infrastructure such as housing, water and electricity facilities, fire extinguisher, education facilities, religious facilities, health facilities, daycare domestic waste management, childcare and sports facilities.
- **Fertilizer Storage.** Observation and interview related management of fertilizer.
- **Chemical Storage.** Observation and interview related management of chemical.
- **Material Storage.** Observation and interview related stock of PPE.
- **BGA Harvesting System Division 1,** Observation related works tools for harvesting activity and OHS aspect
- **BGA Spraying System Division** Observation related works tools for spraying activity, PPE Storage, Rinse House, environmental and OHS aspect
- **Day-care Division 2 & 3.** Observations and interviews related to the facilities provided to workers such as employee housing, clean water, day-cares, school, employment and interview related complaint mechanism.
- **Boundaries Pole No 973 and 975.** Observation the conditions and position of legal boundary.

2.3

Stakeholder Consultation and Stakeholders Contacted

2.3.1	Summary of stakeholder consultation process.
ASA-3	<p>Summary of stakeholder consultation process</p> <p>Consultation of stakeholders for PT KMB was held by:</p> <ul style="list-style-type: none"> • Public Notification on website Mutu International on 22 August 2022 • Public consultation with NGOs (by email) such as WALHI, WWF, AMAN, and Sawit Watch on 31 August 2022 • Public consultation meeting with government institution on 06 September 2022 • Public consultation meeting with communities on 06 September 2022 • Public consultation meeting with internal stakeholders and contractor on 06 September 2022 <p>Numbers of input from stakeholders were clarified by PT Karya Makmur Bahagia</p>
2.3.2	Stakeholder contacted
	Please find appendix 1
2.4	Determining Next Assessment
	The next visit (ASA-4) will be conducted eight (8) months to twelve (12) months after date of annual license.

3.0 ASSESSMENT FINDINGS

3.1 Summary of Assessment Report of the RSPO Certification

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

During the assessment, there were four (4) Nonconformities were assigned against Major Compliance and three (3) opportunity for improvement were identified.

Further explanation of the non-conformities raised and corrective actions taken by the company are provided in section 3.5. The company has already prepared and implemented the corrective action(s) that had been reviewed and accepted by Auditor(s) in form of documentation evidence(s) e.g. (document record/photographic/etc...). Those corrective actions taken that consist of three (3) Major non-conformities and one (1) Minor non-conformity had been closed out shall be verified during next assessment.

MUTUAGUNG LESTARI found that Bukit Makmur POM – PT Karya Makmur Bahagia, subsidiary of Bumitama Agri Limited complied with the requirements Principles and Criteria for Sustainable Palm Oil Production 2018, The Indonesia National Interpretation, Endorsed by the RSPO Board of Governors on 20 April 2020 and RSPO Certification Systems for Principles & Criteria and RSPO Independent Smallholder Standard Endorsed by the RSPO Board of Governors on 12 November 2020.

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

Ref Std.	VERIFICATION RESULT of MUTU-Certification	
PRINCIPLE #1 BEHAVE ETHICALLY AND TRANSPARENTLY		
1.1	The unit of certification provides adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.	
1.1.1	<p>The company has types of documents and information that can be accessed by the public listed in the SOP of Communication No. BGA-SUST-SOP-09 Rev. 00 was approved by Regional Head 2 dated 08th February 2017. In the procedure stated that documents that can be accessed by the public include:</p> <ul style="list-style-type: none"> • Land Use Title, Environmental Permit, and Environmental Management and Monitoring Plan. • Company Policies and Manuals. • HSE and social improvement programs. • HCV documents and SIA documents. • Details of grievance and complaints • Summary of general reports on the results of certification assessments. • Etc. <p>The document contains a list of accessible information covering relevant legal, social and environmental aspects related to the sustainability system. This document includes land certificates, OSH plans, environmental and social impact plans and assessments, HCV documentation, pollution prevention and reduction plans, complaints, negotiation procedures, continuous improvement plans, public summary reports on certification assessments, and human rights policies. PT KMB has shown documents related to mandatory reports that are carried out regularly and sent to government agencies, for example: Environment Management and Monitoring (<i>RKL-RPL</i>), Report of PT KMB for Semester 1 of 2022, POME & Hazardous waste management and monitoring quarterly 2 years 2022 submitted to Environment Agency of Kotawaringin Timur Regency on 9</p>	

September 2022. Electronic receipt number 1662718328-8236.

Based on interviews with local communities, local contractors, and internal stakeholders, it is known that the company has conducted socialization regarding the procedures for requesting information and has assigned a person in charge to respond to requests for information. Each party also knows the types of general information that can be accessed. It was further explained that publicly accessible documents are specific documents for each operational unit.

Employment Aspect

- a. Employment mandatory report with the number 74352.20220527.0005 on behalf of PT Karya Makmur Bahagia – Bukit Makmur Mill dated May 27, 2022 and is required to report back on May 27, 2023.
- b. Employment mandatory report with the number 74352.20220530.0001 on behalf of PT Karya Makmur Bahagia – Bukit Makmur Estate dated May 30, 2022 and is required to report back on May 30, 2023.
- c. Employment mandatory report with the number 74352.20220527.0003 on behalf of PT Karya Makmur Bahagia – Bukit Kecubung Estate dated May 27, 2022 and is required to report back on May 27, 2023.

1.1.2

The company has a list of documents that are publicly available. The types of information provided to the public are contained in the Document Master List, for example: land use title certificate, environment document, monitoring and management plan of environment, OHS document, HCV document, complaint document, and others. The list of documents that can be accessed by the public is available in Bahasa.

Based on the results of document review and interviews with agencies, such as the Kotawaringin Timur Regency the Environment Service, Land Office and Manpower Office, it is known that the information presented by the certification unit has been presented in an appropriate language and can be accessed by the agency.

1.1.3

The Company has an Information Service SOP which is contained in procedure of Communication (KMB-SUST-SOP-09) revision on 3 December 2019. The procedure informed that some documents relevant to RSPO Criteria is can be accessed by stakeholder. The objective of this procedure is to provide practical guidance for handling communications in the field of Occupational Safety, Health and Environmental Protection (OHS & environment) and RSPO both internally and with external parties with a maximum response of 15 days after information request letter received by certificate holder. The PIC appointed to take care of this matter is the CSR Staff.

Company has documented incoming letter from external stakeholder in "Incoming Letter Logbook". Based on that document, the letter mostly about assistance request and meeting invitation. Company also records the response of incoming letter, for example letter from Wonosari village dated March 1, 2022 regarding the application for financial assistance for the improvement of infrastructure for the Wonosari Village Office and the company has responded to on March 2, 2022 according to letter number BGA-REG Mentaya/III/2022 regarding the provision of financial assistance to Wonosari village.

1.1.4

The Company has the procedure for communication which is written in Communication Procedure (KMB-SUST-SOP-09) revision on 3 December 2019. The objective of this procedure is to provide practical guidance for handling communications in the field of Occupational Safety, Health and Environmental Protection (K3L) and RSPO both internally and with external parties with a maximum response of 15 days after information request letter received by certificate holder. The PIC appointed to take care of this matter is the CSR Staff.

Records of communication with stakeholders are in minutes of meeting of regular/incidental meeting, as well as log book of communication. Based on consultation with stakeholders (agencies, villagers, contractors, labor union, gender committee, etc) it is known that the stakeholders have understood the mechanism and PIC of communication and consultation to the company. There are no obstacles in communicating with person in charge.

1.1.5

The company shows list of stakeholder 2022 that prepared by Sustainability Region Mentaya and CSR Region Mentaya, which consist of 7 representatives from Kalimantan Tengah Province; 14 representatives from Kotawaringin Timur Regency;

23 representatives from Kotawaringin Timur District; 26 representatives from surrounding villages; 3 contractors; 5 education institutions; 8 hospitals; 5 NGO; 13 internal stakeholders (Bipartite, Gender Committee, UPS, etc.); as well as 34 community representatives (Cooperative Committee, Customary Elders). List of stakeholders has informed name, PIC, address and phone numbers

Based on the results of interviews with the company, information was obtained that the renewal of the Stakeholder list was carried out by the CSR Region and checked by Area Controller 2A.

Based on the results of the verification of the PT KMB stakeholder list document which was updated in 2022, there are still several stakeholders that have not been included in the list, for example BPJS, hazardous waste management contractor (PT Sinar Bintang Albar), nearby companies, environmental testing laboratory, OHS trainer (PT Patrarijaya) and several outside FFB suppliers.

Based on the results of document verification and interviews, the company already has information about stakeholders that has not been included in the list, but is documented separately according to their respective PICs. Companies are encouraged to update regularly related to stakeholders, contact numbers and level of interest with the company in an integrated manner. **OFI.**

Status: Comply

1.2

The unit of certification commits to ethical conduct in all business operations and business transactions.

1.2.1

The certification unit has Code of conduct No. BGA-COC-HC-333.1-R0, dated October 28, 2014. Code of conduct explain code of conduct principles, conflict of interest, bribery and illegal or unethical practices, entertainment and gifts, misuse of position, insider trading, confidentiality, restriction on solicitation, media relations, worker union, political and social activities, installation of illegal computer software, anti-money laundering, trade compliance & export controls and sanctions, and commitment to human rights.

The certification unit shows documentation of socialization of policies and regulations that apply in unit certification to relevant stakeholders, some examples include:

- Minutes of socialization on 18 July 2022 regarding Code of Conduct Policy to contractors attended by 16 employees at estate office. The certification unit can show the documentation, attendance list and socialization materials during the audit.
- Minutes of socialization on 25 April 2022 regarding Code of Conduct Policy to estate and mill employees attended by 54 employees at estate office. The certification unit can show the documentation, attendance list and socialization materials during the audit

The certification unit shows examples of the application of a code of business ethics in terms of recruitment and work contracts, for example: job vacancy information submitted through representatives of each village to be further submitted to each of its residents, the selection process for prospective employees is carried out the following week for 3 days, and announcement of the results of the recruitment of new employees which is then followed by the preparation and signing of the work agreement.

1.2.2

The certification unit has code of conduct No. BGA-COC-HC-333.1-R0, dated October 28, 2014. This policy regulates about the guideline behaviour for BGA worker, such as not allowed to accept and/ or give gifts, souvenirs, business meals or other facilities that can affect decision making in violation of applicable provisions in the certification unit. This policy is implemented in all operation unit, therefore the whistle blowing complaint channel is a system for monitoring the implementation of business ethics policies.

The certification unit also has mechanism to monitor the compliance and implementation of the policy and overall ethical business through performance assessment. The Performance assessment was conducted to certification unit personnel (employees) or third party (contractors) regularly. The results of the performance assessment will deliver to the Administration Dept Head from each department.

For contractors and FFB suppliers, the certification unit also carry out performance assessment when having a work agreement with the certification unit. The performance assessment was conducted after the work finished by the certification unit base on SOP of performance evaluation of contractors or suppliers. The performance assessment including implementation of the policy and ethical conduct by third party.

Based on the interviews with mill and estate workers known that information was obtained that there was no charge to employees or deductions to employee wages. In addition, the average employee who enters the certification unit is done individually without going through the agent/ labour supplier.

Status: Comply

PRINCIPLE #2 OPERATE LEGALLY AND RESPECT RIGHTS

2.1

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

2.1.1

The company has list of regulations of 2022 that includes local regulations and national regulation updated annually. List of laws/regulations listed has covers several aspects such as land permit and legality, manpower, occupational health and safety, best management practices and environment. Some examples of regulations compliance that have been done such as:

Land Legality

Certificate Holder has had land use permit as follows:

- Land Use Title/HGU No. 19 dated on October 22nd 2001 for area 15,056.31 Ha valid until October 22nd 2036.
- Building use title/HGB No. 1 dated on January 18th 2005 for area 439.329 M² valid until January 18th 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 4th 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.

Employment Aspect

- Employee wages have been referred to the Decree of the Governor of Central Kalimantan No. 188.44/445/2021 concerning the 2022 Regency Minimum Wage. The decree stipulated the minimum wage for plantation and the processing sector with a value of IDR 3,014,732.66
- The certification unit has implemented a structure and scale of employee wages based on years of service and work assessment of each employee.
- Company Regulation for the period 2021-2023 which has been ratified based on the Decree of the Head of the Manpower and Transmigration Office of Kotawaringin Timur Regency.

OHS Aspect:

- Occupational Health and Safety Committee (OHS committee): has a OHS committee organizational structure and emergency response that has been approved by the *Dinas Tenaga Kerja Kabupaten Kotawaringin Timur*, has a OHS committee program, organizes Occupational Health and Safety training programs, quarterly OHS committee reports, has procedures related to OHS and Emergency Response, etc.
- Provision of Personal Protective Equipment (PPE) from the company for all workers and regulate the use of PPE according to the type of work based on the pre-determined HIRAC. Provision of PPE from the company for all workers and regulate the use of PPE according to the type of work based on the pre-determined HIRAC.
- Conduct an internal audit of the Occupational Health & Safety Management System.

Best Management Practice Aspect:

- The company has submitted a report on the development of the plantation business on a regular, namely every semester to the relevant agencies.
- Using oil palm seeds from seed-producing companies that are recognized and certified by the authorized agency

2.1.2

Procedure of legal requirement which presented in document No: SUST-KMB-LAW-53, dated 1 March 2018 mentioned that sustainability officer has responsibility to arranged and monitored legal related laws and/or regulation. Internal audit of regulations compliance is conducted annually as example on 7 June 2021. The procedure mentioned that in order to monitor and update of laws and/or regulations, the sustainability officer required to actively check and make coordination with Government Agencies or Institutions.

The implementation of this procedure is the issuance of a law register document containing regulations that must be fulfilled and relevant to the company's operational activities, including for third parties working with the company (contractors). The law register is divided into several aspects, namely: Occupational safety and health, the environment, employment, and plantations. To ensure whether there are additions and subtractions to relevant regulations, a review is conducted every once a year with the latest updated on 31 January 2022

To ensure compliance with the Company and third-party laws in the Company, routine monitoring is carried out once a year by means of compliance audit / internal audit. The last internal audit for RSPO and SCCS was conducted on 05 – 07 July 2022. In addition to going through a compliance audit / internal audit, the company conducts monitoring and evaluation of third parties (contractors) through contractor evaluation activities which are conducted at least once a year. The types of evaluations carried out include contract compliance, contractor quality and performance, accuracy of work completion, compliance with labor regulations, OHS, housekeeping and the environment. The unit of certification can present evaluation for contractors as described in indicator 2.2.2

2.1.3

Procedure of legal boundary poles monitoring, and maintenance is presented in document No. KMB-GIS-SOP-01, dated 27 July 2017. Procedure mentioned that maintenance was carried out by division assistant, Geographic Information System staff, Estate Manager and Legal Manager. Monitoring the boundaries of the HGU is done every 4 months.

During audit ASA -2 there are non-conformity (NCR No 2022.01) while the company have not been able to show sufficient evidence that they have marked the boundaries of legal areas with clear boundary markings in accordance with the latest published field maps. That's NC has been verified during this assessment where the certification unit can show a list of required boundary markers in each estate in Bukit Makmur Estate total boundaries pole are 803 poles and in Bukit Kecubung total 906 poles. Furthermore, the certification unit can also show evidence / plan to install boundaries poles which are carried out in stages every month and are planned to be completed in the next 3 years (until 2025), where the total poles need to be installed are at PT KMB (a total of 5 estates) is approximately 4000 poles.

Furthermore, the units of certifications have been able to shown the realization of the installation of stakes in 2022, for example:

- Minutes of the installation of HGU stakes No. BT 48 and BT 49 at Bukit Makmur estate on April 22, 2022
- Minutes of the installation of stakes for HGU No BT 72 in amethyst estate on April 22, 2022

During audit the unit of certification also present the monitoring of boundaries stone in Bukit Makmur and Bukit Kecubung with latest monitoring in August 2022.

During field observation it was known the current boundaries was installed in accordance with map that owned in example boundaries No 973; 975, 54 and 51 and it was known there is no planting beyond the boundaries and the scope of the certification were directly adjacent to non-certified plantations, namely PT Tanah Tani Lestari.

Based on that's explanation the non-conformity no 2022.01 declared closed.

Status: Comply

2.2

All contractors providing operational service and supplying labour, and Fresh Fruit Bunch (FFB), comply with relevant legal requirements.

2.2.1

The certification unit already has a list of local contractors for 2022 that updated on 1 February 2022, which informs stakeholder category, name of PIC, relation, address and contact number. Currently, certification unit has 5 contractors. Based on

document verification show that the number of contractors is in accordance with the list of stakeholders where the number of contractors is 5 stakeholders which also includes hazardous waste transporting and machine maintenance contractors at the mill.

2.2.2

The certification unit shows a list of contractors that are still active in 2022, for example CV Catur Borneo Abadi and PT Sinar Bintang Albar. The certification unit in this case shows the work contract documents with the certification unit for each FFB supplier in which each contract contains the fulfilment of legal obligations including:

- a. Provision of PPE for employees.
- b. Include employees in the BPJS Employment/Health program.
- c. Receive wages in accordance with the provisions of the City/ Regency Minimum Wage.
- d. Do not employ workers under 18 years of age.

Monitoring of law or regulation pursuant by contractors is presented in document of evaluation of contractor and form of evaluation and contractor. Sighted contractors' evaluation dated 30 June 2022.

Based on the verification of employee salary slip documents period of July 2022 for CV Catur Borneo Abadi, it is known that each employee has received wages in accordance with applicable regulations, for example, employees with initial GS receive wages with a value of IDR 3,650,000.

Previously there are NC Minor (2022.02) regarding the certification unit has not been able to show sufficient evidence that all contracts have their own clauses regarding the fulfilment of relevant legal obligations, and can be proven by the third party concerned and its verify during this assessment where the certification unit shows evidence of improvement as follows:

1. Work Agreement Letter No. 007/KMB/SPK/III/2022 dated March 1, 2022 between PT KMB and CV Catur Borneo, which is a PK transporter. The SPK has explained the company's obligations to comply with OHS and Manpower provisions, for example: prohibition of hiring employees under 18 years of age, prohibition of forced labor, prohibition of paying wages below the minimum wage, providing PPE for employees and complying with labor, environmental and OHS regulations.
2. Work Agreement Letter No. 001/CBA/SPK/I/2022 dated January 1, 2022 between CV Catur Borneo Abadi and employee initials GS who is an administrative employee. The SPK has explained the employer's obligations to comply with the provisions of OHS and Manpower, for example: prohibition of hiring employees under 18 years of age, prohibition of forced labor, prohibition of paying wages below the minimum wage provisions, providing PPE for employees and complying with labor, environmental and OHS regulations.
3. Proof of payment for BPJS Health and Employment for the July 2022 period, which was paid on August 24, 2022 via an interbank transfer system. The company can show proof of payment at the time of the audit activity.
4. Employee salary slip with the initials GS for the period July 2022 paid on August 6, 2022 with a value of IDR 3,650,000.
5. The company shows the evaluation documents and recommendations for the PK transport contractor on behalf of CV Catur Borneo Abadi with the number SPK 007/KMB/SPK/III/2022. There are 5 things that are evaluated including: willingness to access operations and information for audit purposes by certification bodies, product safety and preservation from the factory to the buyer are well maintained, roadworthy vehicle conditions, drive in factories and on estate roads in an orderly manner and pay attention to safety. general, and positive feedback. From the evaluation results, the company got a score of 91/100.
6. Conduct socialization to CV Catur Borneo Abadi contractors regarding K3 policies, code of ethics, human rights and employment on April 11, 2022. The company can show documentation, materials and attendance lists for the socialization.
7. Conducting contractor evaluation of CV Catur Borneo Abadi on 30 May 2022.

Based on the foregoing, the discrepancy is stated to be fulfilled with the observation notes in the next assessment.

2.2.3

Based on verification to several work agreements with labour service provider, for example through agreement No. 007/KMB/SPK/III/2022 dated 01 March 2022 with CV Catur Borneo Abadi and Agreement No. 043-SPK/KMB-SBA/PLB3/Mei-22 dated 04 May 2022 with PT Sinar Bintang Albar, it was known that clauses of prohibition of hiring children, forced and trafficked labour is presented in Article 12 about manpower protection Point 1.

Previously there are NC Minor (2022.03) regarding the certification unit has not been able to show sufficient evidence that contracts with third parties have separate clauses that prohibit practices involving child labor, forced labor, and workers from human trafficking, and it has been verify where the certification unit shows evidence of improvement as follows:

1. Work Agreement Letter No. 043-SPK/KMB-SBA/PLB3/May-22 dated May 4, 2022 between PT Sinar Bintang Albar (SBA) and PT Karya Makmur Bahagia, which is the transportir for LB3. The SPK has explained the company's obligations to comply with OHS and Manpower provisions, for example: prohibition of hiring employees under 18 years of age, prohibition of forced labor, prohibition of paying wages below the minimum wage, providing PPE for employees and complying with labor, environmental and OHS regulations.
2. Conduct socialization to contractors PT Sinar Bintang Albar related to OHS policies, code of ethics, human rights and employment on April 11, 2022. The company can show documentation, materials and attendance lists for the socialization.
3. Conducting contractor evaluation of PT SBA on May 30, 2022.

Based on the foregoing, the discrepancy is stated to be fulfilled with the observation notes in the next assessment.

Status: Comply

2.3

All FFB supplies from outside of the unit of certification are from legal sources.

2.3.1

Bukit Makmur Mill accepting FFB from own estate under scope under certification and other estate or company subsidiary of Bumitama Agri Ltd. FFB Sources of Bukit Makmur Mill originally from:

- Certified FFB originating from own plantations in the certification area, namely Bukit Makmur Estate and Bukit Kecubung Estate
- Certified FFB originating from estate under Bumitama Agri Ltd, namely Gunung Makmur Estate, Bukit Daman Estate and Sungai Mentaya Estate
- Uncertified FFB originating from their company under subsidiary of Bumitama Agri Ltd namely PT Tanah Tani Lestari
- Scheme smallholders of PT Tanah Tani Lestari
- Scheme smallholders of PT Karya Makmur Bahagia

Based on explanation above it was known there are FFB from outgrowers or direct suppliers. All FFB accepted by mill are originally from estate under scope of certifications and Scheme Smallholders of PT KMB and others estate as well as scheme smallholders of Bumitama Agri Ltd that planned to be certified as described in the time bound plan.

2.3.2

The unit of certification does not receive FFB indirectly, Bukit Makmur Mill accepting FFB from own estate under scope under certification and other estate or scheme smallholder's subsidiary of Bumitama Agri Ltd.

Status: Comply

PRINCIPLE #3 OPTIMISE PRODUCTIVITY, EFFICIENCY, POSITIVE IMPACTS AND RESILIENCE

3.1

There is an implemented management plan for the unit of certification that aims to achieve long-term economic and financial viability.

3.1.1

The company shows a record of long-term planning in the 5 Years Financial Projection document of PT Karya Makmur Bahagia 2022-2027 which is approved by the Head Administration. The document contains information on plantation business including projected production of FFB, CPO, Kernel Oil, projection of CPO and Kernel extraction, CPO prices, kernel prices, FFB purchases from plasma and also from external parties.

	2022	2023	2024	2025	2026	2027
Production (ton)	145,743	145,220	146,153	146,274	146,437	147,908
CPO (ton)	34,978	34,853	35,077	35,106	35,145	35,498
OER (%)	24.0	24.0	24.0	24.0	24.0	24.0
PK (ton)	6,558	6,535	6,577	6,582	6,590	6,656

KER (%)	4.5	4.5	4.5	4.5	4.5	4.5
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Based on the description above, it is concluded that the company already has a long-term planning document that includes the feasibility of a jointly developed business for plasma farmers through the purchase of FFB from *plasma* farmers.

3.1.2

Based on document review, interviews with management representatives and field observations, it was found that PT KMB area 2 (BKCE and BMKE) had no plans and realization of replanting activities.

3.1.3

The company shows a recording of the implementation of management reviews to conduct periodic evaluations contained in the Monthly Meeting Report document for certification and operations which was ratified on September 1, 2022 by the Regional Head and attended by 27 staff. In the Minutes of the results of the Management Review meeting, they discussed the achievements of follow-up to previous management reviews, results of internal audits, claims from buyers, complaints from stakeholders, process performance, status of corrective and preventive actions, recommendations for improvement.

Status: Comply

3.2

The unit of certification regularly monitors and reviews their economic, social and environmental performance and develops and implements action plans that allow demonstrable continuous improvement in key operations.

3.2.1

The company shows evidence of implementation for continuous improvement. of which are shown as follows:

- Records of the implementation of management reviews to conduct periodic evaluations contained in the Monthly Meeting Report document for certification and operations which was ratified on September 1, 2022 by the Regional Head and attended by 27 staff. In the Minutes of the results of the Management Review meeting, they discussed the achievements of follow-up to previous management reviews, results of internal audits, claims from buyers, complaints from stakeholders, process performance, status of corrective and preventive actions, recommendations for improvement.
- Records of the results of the internal audit of PT Karya Makmur Bahagia RSPO which was conducted on 5 – 8 July 2022. with 8 non-conformities. Then also shown the document of proof of improvement against non-conformances, all non-conformities have been fulfilled on September 2, 2022.
- Operational Internal Audit Report No.003/ACS-R/IAO/IV/2022 March 2022, which discusses findings, criteria, causes, impacts, recommendations, corrective action, target date, PIC. The scope of the audit includes regional and estate operational business processes related to cash & bank, payroll, inventory, fertilization and production.

Environmental Aspects:

- EFB Management on composting station
- Maximize the use of renewable fuels.
- Enrichment and maintenance of woody plants in river border areas.
- Record the use of GHG sources and Perform GHG calculations using the RSPO GHG. explained in more detail in indicator 7.10.1.
- Management of HCV areas by monitoring, enrichment and periodic socialization to the surrounding community.

BMP aspects:

- Reducing harvest losses from 4% to 0.6% in December 2022 in Division 4 BKCE
- Improve BHS performance from 78.8 to 91 in December 2022 in Division 3 BMKE

3.2.2

Base on document verification, for The RSPO metric template known annual data 12-month period use on year 2021 for schedule reporting annual data social and environmental, included monitoring data of water consumption, management dan monitoring HCV.

Status: Comply

3.3

Operating procedures are appropriately documented, consistently implemented and monitored.

3.3.1

The company shows the SOP documents for Plant Cultivation, Mill and safety aspects, namely:

Oil Palm Agronomy Procedures

There is no revision on the current procedure of oil palm agronomy since issued by company Director on 25 May 2011. The procedure (Ref. No. BGA-AGR-KS-SOP-xx) consist of three volumes, as follows:

- Volume I has covers nursery (SOP-01), land preparation (SOP-02), installation and maintenance of road and bridge (SOP-03), installation and maintenance of drainage system (SOP-04), conservation of water and soil (SOP-05), planting of legumes or land cover crop (SOP-06) and planting of oil palm (SOP-07).
- Volume II has covers weeds management control (SOP-08), manuring or fertilizer application (SOP-09) and integrated pest management (SOP-10).
- Volume III has covers castration and canopy management (SOP-11), census of palms and FFB production (SOP-12), harvesting (SOP-13), pesticide management (SOP-14), transportation management (SOP-15), marginal soil management (SOP-16) and replanting (SOP-17).

Oil Palm Processing Procedure

There is no revision on the current procedure of oil palm processing technique since issued by COO, CSO and CFO on 17 January 2013. The procedure consist of three (3) volume, as follows:

- Volume I have covers Weighbridge (BGA-SOP-OP-1001.1-RO).
- Volume II has covers technical matters on several stations such as Loading Ramp (BGA-SOP-OP-1002.1), Sterilizer (BGA-SOP-OP-1002.2), Thresher (BGA-SOP-OP-1002.3), Digester and Press (BGA-SOP-OP-1002.4), Clarification (BGA-SOP-OP-1002.5), Nut and Kernel Separation (BGA-SOP-OP-1002.6), Boiler (BGA-SOP-OP-1002.7) and Power Supply (BGA-SOP-OP-1002.8).
- Volume III has covers technical matters on several stations such as Storage Tank and Bulk Silo (BGA-SOP-OP-1002.9), Final Effluent (BGA-SOP-OP-1002.10), Commodity Dispatch (BGA-SOP-OP-1002.11), Water Treatment (BGA-SOP-OP-1002.12), Mill Maintenance (BGA-SOP-OP-1002.13) and Mill Laboratory (BGA-SOP-OP-1002.14)/

Safety Aspect Procedure

Unit of certification has safety procedure as follows:

- Procedure No. BGA-SOP-KMB-08-R0 dated 17 September 2012 about OSH Committee.
- Procedure No. BGA-SOP-KMB-12-R0 dated 17 September 2012 about hazard identification risk analysis and control.
- Procedure No. BGA-SOP-KMB-14-R0 dated 17 September 2012 about fire management and emergency situation.
- Material Safety Data Sheet (MSDS) of pesticide products.
- Hazard Identification Risk Assessment Control (HIRAC).

Based on procedure documents review, it could be concluded that the oil palm agronomy, processing and safety procedures are still relevant with current situation and covers all main aspects from the field to the factory. All procedures are available in Bahasa. Furthermore, based on observation to estate and mill activities during onsite audit, it was known that training or refreshment on the technical matters has conducted annually and always refers to the applicable procedures.

3.3.2

The company shows a record of the mechanism to check the consistent implementation of procedures contained in the SOP Internal Audit No. KMB-SUST-SOP-35, the document explains that the scope of supervision carried out by Internal Audit includes audits of RSPO – SCCS, RSP, ISPO, ISO 9001, ISO 14001, OHSAS 18001 in PT KMB's operating unit. The implementation of each audit is at least once a year or carried out based on the status of the interest of the area to be audited. The results of the internal audit will then be discussed in the management review meeting according to the procedures for the Management Review Meeting. The company also has a Quality Assurance division, which is tasked with conducting monthly checks on the quality of operational work both at the Mill and at the Estates.

3.3.3

The company shows monitoring and follow-up records to check the consistent implementation of procedures, for example:

- Records of the implementation of management reviews to conduct periodic evaluations contained in the Monthly Meeting Report document for certification and operations which was ratified on September 1, 2022 by the Regional Head and attended by 27 staff. In the Minutes of the results of the Management Review meeting, it has been discussed including the achievement of follow-up to previous management reviews, results of internal audits, claims from buyers, complaints from stakeholders, process performance, status of corrective and preventive actions, recommendations for improvement.
- Records of the results of the internal audit RSPO of PT Karya Makmur Bahagia which was conducted on 5 – 8 July 2022. with 8 non-conformities. Then also shown the document of proof of improvement against non-conformances, all non-conformities have been fulfilled on September 2, 2022.
- Operational Internal Audit Report No.003/ACS-R/IAO/IV/2022 March 2022, which discusses findings, criteria, causes, impacts, recommendations, corrective actions, target date, PIC. The scope of the audit includes regional and estate operational business processes related to cash & bank, payroll, inventory, fertilization and production.

Based on the description above, it is explained that the company has a system that ensures the consistency of SOP implementation and follow-up monitoring is preserved and available.

Status:

3.4

A comprehensive Social and Environmental Impact Assessment (SEIA) is undertaken prior to new plantings or operations, and a social and environmental management and monitoring plan is implemented and regularly updated in ongoing operations.

3.4.1

The certification unit has several documents related to social and environmental impact assessments which are carried out independently and in a participatory manner, involving affected stakeholders. The document covers the pre-construction activities, the operation stage and the post-operation stage. Some of the documents held by the certification unit include:

Environmental Impact Assessment (EIA)

- Environmental permit in the form of Environmental Impact Analysis (AMDAL 2002) document number No. 25 / Komisi-Kotim / VIII / 02 which was ratified on August 9, 2002 for the scope of an area of 17.500 Ha and a Palm Oil Mill with a Capacity of 40 Ton FFB/hour.
- Document of environmental management and monitoring legalized by Kotawaringin Timur Regency No: 188.45 / 293 / Huk-BLH / 2013 dated 30 May 2013 of the permit for the construction of the Gunung Makmur Mill with a capacity of 90 Ton FFB / hour at Rantau Tampang Village, Telaga Antang District, Kotawaringin Timur Regency.

Aspects that need to be managed in the document metrics include:

AMDAL 2002 (PT KMB)	UKL-UPL 2013 (Bukit Makmur Mill)
<ul style="list-style-type: none"> Soil erosion Surface water quality and aqua biota Air Quality The Fauna diversity Public health Socio-economic culture 	<ul style="list-style-type: none"> Negative perception Increased employment opportunities and community income Work accident Noise due to Mill operations Air quality due to generators and boilers Wastewater quality Surface water quality Solid waste Clean water quality from the WTP process Hazardous Waste and Domestic Waste Soil quality Monitor well water quality and surface water quality.

As a form of social management, the company has developed/compiled by involving independent parties in conducting social impact assessments related to the company's operational activities. The first social impact assessment was carried out by the Bogor Agricultural Institute on 2012. As an effort to improve and pay attention to the latest situation, the company will carry out a Social Impact Review and Update, due to the dynamic social situation and the seriousness of the company to build and

maintain the company's sustainability.

The company has also conducted a Update social Impact Assessment (SIA) for Palm Oil Plantations and Mills within the scope of PT. Karya Makmur Bahagia and carried out by Lingkar Komunitas Sawit (LINKS) that start in December 2018 and finish in June 2020. the scope of the SIA study is not carried out per unit but the company's overall scope. The methodology used is a qualitative approach and primary and secondary data collection, with the coverage of 20 village the study areas, namely

1. Tumbang Sepayang Village	11. Rantau Katang Village
2. Gunung Makmur village	12. Tumbang Mangkup Village
3. Sungai Hanya Village	13. Agung Mulya Village
4. Mulya Agung Village	14. Rantau Tampang Village
5. Bhakti Karya Village	15. Luwuk Kuwan Village
6. Waringin Agung Village	16. Tumbang Bajanei Village
7. Buana Mustika Village	17. Tumbang Boloi Village
8. Tanjung Harapan Village	18. Bukit Makmur Village
9. Tumbang Sangai Village	19. Wonosari Village
10. Beringin Agung Village	20. Tanjung Jorong Village

The number of external respondents who took part in the activity was 167 participants consisting of village officials, community leaders, managers of oil palm cooperatives, farmers, trade unions, employees and residents of employee cottages. Internal respondents were 145 participants include management, staff and employees. The SIA review includes:

External

- Tenure conflict.
- Provide information to owners of enclave land in land use tittle (HGU)
- Free prior and informed consent (FPIC)
- Improving communication with stakeholders
- Increase human resource capacity
- Job opportunity information.
- Improving community economic empowerment and food security
- Improving the quality of education for the nearest community
- Improving the health quality of the nearest community
- Improving the management and strengthening of plasma institutions.
- Increase the productivity of plasma plantation production

Internal

- Reforming the labor system
- Improve employee housing facilities
- Education on waste sorting and disposal
- Improving public facility services
- Strengthening the institutional gender committee and employee cooperative
- Increase knowledge of SOP and OHS.

The significant positive impact is felt, namely the facilities for PT KMB employees that have been fulfilled, as well as regarding wages that are paid on time. In PT KMB, there is a Workers' Union that functions as a bridge between employees and the company so that if there are complaints, they can be immediately followed up. In the following period, this impact can be maintained and enhanced through good communication between the company and employees.

3.4.2

The implementation of environmental management has been carried out in accordance with all RKL-RPL documents and Environmental Permits owned by the company. The certification unit makes a report on the implementation of the RKL-RPL because the scope of certification for the Bukit Makmur Mill has a UKL-UPL matrix. Environmental management reports are carried out every 6 months and submitted to the relevant agencies, namely the Environmental Service of Kotawaringin Timur Regency, the last report was carried out on August 30, 2022 for the RKL-RPL Report for Semester 1 of 2022.

In Previous assessment there are NC No 2022 .04 regarding The social management and monitoring plan document for 2021 & 2022 does not include a monitoring schedule, PIC, number of repetitions of monitoring, targets or targets in accordance with the recommendations from the 2020 SIA Review/review report and it has been verify during this assessment where The company shows the social management and monitoring plan document for 2021 & 2022 compiled by CSR area 2 and it is known that area controller 2A, the document has included the monitoring schedule, PIC, number of repetitions of monitoring, targets or targets in accordance with the recommendations from the 2020 SIA review report.

The company also shows the implementation documents of the 2021 & 2022 Social management and monitoring plan, namely:

- Socialization of HGU for land tenure issues
- Conflict analysis and negotiation training
- Completion of GAP compliance with FPIC
- Socialization related to enclave community land
- Improved CSR program management
- Management of plasma cooperatives and independent smallholders.
- Office administration system management
- Improvement of housing and sanitation facilities.
- Improved health services
- Improved education management.
- Childcare Improvements
- OHS
- Institutional management of gender committees, employee cooperatives and trade unions

Based on the explanation above, the NCR for SIA is declared to have been fulfilled.

However, during this assessment, it was known if the environmental management and monitoring plan (the scope of PT KMB estate) is described in the 2002 RKL-RPL document with the following details:

AMDAL 2002 (PT KMB)	Implementation and Monitoring Period
Microclimate and air quality	Construction to post construction (operation) at least every 6 months.
Soil erosion	Construction at least every 6 months.
Hydrology and water quality degradation of the Mentaya river	Construction to post construction (operation) at least every 6 months.
Wildlife and aquatic biota	Wildlife at least once a year, while for aquatic biota at least once every 3 months.
Population	Post construction (operation) at least once a year
Socio-economic	Post construction (operation) at least every 6 months.
Socio-cultural	Post construction (operation) at least every 3 months.
Public health	Post construction (operation) at least once every 6 months or once a year
Education	Post construction (operation) at least once a year

Based on the results of the verification report on the implementation of the RKL-RPL in semester 1 of 2022, not all significant impacts have been managed and monitored, which are described in the report, as required in the 2002 AMDAL document, namely for significant impacts:

- Micro Climate
- Aquatic biota
- Socio-economic
- Socio-cultural.

The company has not been able to show all evidence that the implementation of environmental management & monitoring is in accordance with the prepared program. **This is a non-conformity No. 2022.15 with Minor raised to Major category.**

Meanwhile, the social impact monitoring and management plan has been managed and monitored through the SIA Management and Monitoring Plan for 2021 and 2022 based on the results of the 2018 SIA study. Identification of the needs of the surrounding community is carried out by attending the Village Level Deliberation. The results of the identification of social aspects include social, economic, environmental, land ownership, socio-cultural aspects, employment, stakeholder

aspects, aspects of general conditions and characteristics of the surrounding community such as geographical conditions around plantations, general conditions of the village. environment (health level, population, education, health, economy, agriculture). All aspects have been identified. The document also describes in detail the conditions and characteristics of the community, strategic issues, employment issues and stakeholder relations, company impacts, social impact management, conclusions and recommendations. Participatory recording in the form of attendance lists shows that the SIA study has involved the surrounding community. The SIA management plan is submitted to each unit with a clear PIC and timeline and is made annually. Each unit has monitoring indicators, monitoring methods, PIC, and frequency of activities set out in their framework. In addition to these programs, the company also provides budget/cost estimates for the implementation of each of these programs. These programs are structured according to the identification of the needs of the surrounding community.

Based on interview with stakeholders (Labor Union, Gender Committee, an villagers known that SEIA conducted in participatory manner. Those assessments have identified the positive and negative impacts for internal and external stakeholder, as well as biodiversity, caused by company's operational activities, among others in aspects of livelihood, health, land tenure, employment, education, economy, social, cultural and religious, etc. Based on document review, and stakeholder consultation, known that the SEIA documents has covered all operational area and impacts of its activities.

The social impact management and monitoring plan has been developed with the participation of widely affected stakeholders so that there are several identified, such as: grievance internal & external, social conflict, land tenurial and community satisfaction.

Several representative issues have been covered in the Management and Monitoring implementation report period 2021, such as the absorption of local workers, land fire and land ownership.

Based on the results of document verification and interviews with relevant stakeholders, the participants for SIA adequately compare their operational activities.

3.4.3

The company has documents, the implementation of the results of the environmental permit including reports to agencies in the form of RKL-RPL documents which are conducted every semester. The company can show proof of reporting in the form of a document affixed with a stamp, the name and signature of the recipient which is sent to relevant agencies such as the Environmental Service of Kotawaringin Timur Regency, the last report was carried out on 30 August 2022 for the RKL-RPL Report for Semester 1 of 2022.

The implementation of environmental management and monitoring is carried out in accordance with the direction of the RKL-RPL as described in indicator 3.4.1. The effectiveness of environmental management and monitoring can be seen from the results of environmental management and monitoring analysis, which can also be seen from the suitability between the management and monitoring plans and their implementation in the field.

The RKL-RPL document also shows that the company has managed all the impacts recommended in the UKL-UPL Documents. In general, the forms of evaluation carried out by the company include Trend Evaluation, Critical Level Evaluation and Compliance Evaluation. Several things can be concluded from the RKL-RPL document, among others:

- PT. KMB has carried out environmental management by implementing it in plantations and palm oil processing factories (PKS) with the application of the 3R (Reuse, Recycling and Recovery) and IPM (Integrated Pest Management) principles.
- Environmental management is carried out by utilizing palm oil mill solid waste. Shells are used as boiler fuel, fibers are used as boiler fuel, EFB are used as compost and organic fertilizer in Estate.
- Palm Oil Mill Effluent (POME) is applied as a substitute for liquid fertilizer in Estate. All POME produced is used as fertilizer, nothing is discharged into water bodies / rivers.
- BOD of POME that is applied to the land has met the requirements according to KepmenLH No. 28 of 2003, seen from the monthly tests carried out.
- The measured emission quality of the boiler chimneys is below the required quality standards.
- Ambient air quality and noise are still below the quality standard for employee residential areas and for locations around PKS.
- The quality and quantity of groundwater taken from monitoring wells still meet quality standards. The quality standard

used is Permenkes 32/2017.

- The quality of biota in the waters of PT KMB is moderate and less stable.

Based on the data from the surface water test results for semester 1 of 2022, for example, there are parameters that are not in accordance with the quality standards set by the government (PP 22 of 2021), namely for the BOD and DO parameters in the upstream and downstream Penyahun river. Related to this, the company shows the evaluation described in the RKL-RPL report for semester 1 of 2022, this is caused by high rainfall, housing activities for residents of surrounding villages (Tumbang Boloi village, Tumbang Sepayang village, Tumbang Kalang village and Sungai Hanya village) and mining outside the company's concession. The company has also conducted socialization related to river area management and protection of water sources to surrounding villagers dated 17 January 2022 and 22 November 2022.

Based on the results of field observations, it can be seen that the company has carried out environmental management in accordance with the RKL-RPL by installing warnings for conservation areas, prohibiting hunting and protected animals. In addition, there is also marking in the form of stakes and red paint for spray-boundary areas and other chemical applications. Based on the results of interviews with sprayer and fertilizer workers, they also stated that they were aware of the prohibition on applying chemicals to the buffer zone marked in red. In addition, they do not apply chemicals when they are close to water bodies such as canals, reservoirs or artificial ponds.

The impact identified in SIA has been managed and monitored through SIA Management and Monitoring Plan for PT KMB. The plan describes monitoring indicator, monitoring method, PIC and frequency. The compiled based on the results of reviews of management plan on 15 February 2021, which conducted in a participatory manner. The SIA Management and Monitoring implementation on 2021 has been evaluated and updated, document namely "public consultation of social management plan" on 23 to 24 January 2021.

The management unit shows the realization of the implementation of SIA management in 2021 which is contained in various reports, such as the 2021/2022 CSR Plan and Realization report. Mapping of enclave and occupation areas, recapitulating the land compensation program. Implementation of the SIA management plan has been described in the 2021 SIA management and monitoring implementation report which has been integrated on full report SIA year 2021.

Regarding the social management and monitoring plan owned by the company, the company has carried out a review that is carried out every two years and monitoring every year the last November 2021 the company carried out a review of impact management for the period 2020 - 2021 and the development of a social management plan for the period 2020 - 2023, in which the process was participatory by involving relevant stakeholders.

Based on the results of the study of the document, the company distributes mapping of external stakeholders by paying attention to women, migrants, local residents, youth leaders, contractors and for internal stakeholders by taking into account the wider representation of workers such as local workers, layoffs of employees, migrants, land compensation, women and new workers.

The companies have been developing a comprehensive social management and monitoring plan by integrating between sections/departments covering all impacts and representative samples of the parties established.

Based on an interview via telephone with nearest community known that SIA, management and monitoring plan has been conducted in an involved manner with affected Village with a Forum Group Discussion (FGD) and no issue raised by the community.

3.4.2	Status: Non-conformity No. 2022.15 with Minor raised to Major category.
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3.5

A system for managing human resources is in place.

3.5.1

The certification unit already has Company Regulations that have been ratified by the relevant manpower office based on the decree of the head of the manpower office No. KEP. 4/HI.00.00/00.0000.210714006/B/VII/2021 dated 27 July 2021. The Company Regulation regulates the terms and conditions of employee employment, including the regulation of recruitment

requirements, working hours, wages, social security, leave, termination of employment, work rules and discipline, rules for the process dispute resolution, and other provisions. This Company Regulation has also been socialized to all estate and mill employees on January 10, 2022.

In addition, the certification unit also has an Employee Recruitment SOP which explains the procedures for the recruitment process including job requests based on workforce planning, job vacancies notification, pre-selection and selection process, job interview and fitness, health checks, job offers, hiring decisions and employment agreements

Regarding employee performance appraisal, it is regulated in certification unit policy which is the certification unit's right to improve the quality and productivity of existing human resources by giving awards to employees who excel. Employee promotions are determined according to the results of the work performance assessment and in the interest of the certification unit's strategy and employee career development with the following criteria: having dedication and loyalty in their field of duty, working based on the system and method as well as the stipulated conditions, having the ability to always try to improve abilities and performance and always work with a healthy and dynamic code of ethics.

3.5.2

The certification unit shows the implementation documents for the 2022 employment procedure as follows:

- a. Announcement of job vacancies from Bumitama Gunajaya Agro Group to the surrounding community on January 17, 2022. Job vacancies convey the requirements of the workers sought and the benefits that will be received by employees while working for example: wages, social security, PPE, infrastructure, etc. The announcement of job vacancies is delivered through announcements at the local village hall, regional offices and the offices of each estate.
- b. Job application letter for prospective employees with the initials AM dated July 27, 2022. The application letter also attaches several documents including identity, birth certificate, latest school diploma, police record letter, health certificate, work experience letter and Covid-19 vaccine certificate.
- c. New employee health examination result with the initials AM which was carried out on August 4, 2022, with the results that the employee is in good health and ready to work.
- d. Agreement for new employees dated August 6, 2022 between PT Karya Makmur Bahagia and employee initials AM.
- e. Promotion of employees who previously served as foreman and subsequently promoted to Division Assistant. The promotion proposal has been approved by the Human Capital Group Department Head.
- f. Decision Letter from HR Region Mentaya with No. 089/HR-KMB/SK-PR/VII/2022 dated 28 July 2022 regarding the transfer of employees from BMKE maintenance employees to BBGE harvesters with the initials MA starting on 28 July 2022.

Based on the above, it is known that the certification unit has good documentation regarding the implementation of labor procedures.

Status:

3.6

An Occupational Health and Safety (H&S) plan is documented, effectively communicated and implemented.

3.6.1

The company shows the results of risk identification for the 2022 period which have been approved by the Regional Head which explains the Job, Hazard, Risk (Effect), Risk Control and PIC. The activities identified have included all of the existing Estate and Mill activities of PT KMB.

Examples of HIRAC in Estates include Harvesting Activities with sub-activities of cutting fruit, potentially being injured by falling fruit and falling litter, current control measures are in the form of safety briefings on safe harvesting methods and using a safe (helmet). Examples of HIRAC at the Mill include working in the stew area which has an impact on respiratory problems and work comfort, the current controls are in the form of preventive maintenance, closing all conveyors, using masks and gloves, implementing MCU regularly. HIRAC was socialized to all BDME workers on 20 June 2022 in the form of posting warnings, morning briefings before work, and other socializations.

Based on field observations and worker interviews, there are still workers who do not use the appropriate PPE, namely:

- Bukit Makmur Mill: some employees do not use adequate or damaged PPE for example at sorting stations, sterilizers, and engine rooms
- Bukit Kecubung Estate: harvest workers, do not use PPE according to standards.

Based on the evidence obtained, it is concluded that the application of HIRAC has not been comprehensive for employees, such as some workers have not used the appropriate PPE. **(Non-conformity No. 2022.16 with major category).**

3.6.2

The company shows a recording of the OHS 2021 plan and realization at the Regional Mentaya PT KMB, including: K3 inspections, monthly implementation plans, monthly firefighting inspections, monthly first aid kit inspections, monthly implementation plans, PPE inspections, monthly plans, periodic medical checkups implementation once a year, audit of SMK3 implementation plan once a year.

The company shows a record of the implementation of the OHS plan, such as the implementation of K3 inspections, first aid kits, PAD, and SMK3 audits, but for the implementation of periodic health of harvest employees there has not been any implementation. The company doctor has shown evidence of improvement by compiling a schedule for the implementation of periodic medical checkups in 2022 for all harvest employees. **(OFI)**

3.6.1 Status: Non-conformity No. 2022.16 with Major category.

3.7

All staff, workers, Scheme Smallholders, outgrowers, and contract workers are appropriately trained.

3.7.1

in previous assessment there are an OFI regarding training programs for smallholders, warehouse operators and etc, this OFI has been follow-up where the certification unit has a training plan document for 2022 which includes training for staff, workers, smallholders, and outgrowers, for example training for the use of first aid kits for staff, workers, and smallholders planned on October 2022. It was further explained that the 2022 training plan document can be accessed by all interested parties.

The certification unit showed examples of training documents to plasma worker as follows:

1. Fire extinguisher training held on May 2, 2022.
2. HCV training held on June 8, 2022.

In addition, the certification unit also shows examples of training documents to contractors as follows:

1. Safety training in driving for CPO transporter on August 11, 2022.
2. First aid kit use training held on August 13, 2022.

Based on field observations and interviews with estate and mill workers, known that the workers have understood their work in accordance with the procedures set by the certification unit and their understanding of the duties and responsibilities for each job has been carried out quite well, because the certification unit has routinely conducted training every year according to the type of work each.

Based on the foregoing, it can be concluded that the certification unit has a training program for all workers including stakeholders (contractors, suppliers, local communities and smallholders) related to the RSPO P&C and all of them have been well documented.

Based on observations, interviews and document reviews, it is known that there are working operators who have not used SIO, namely employees at Bukit Makmur Mill, Machine House station, who have a shortage of operators who have obtained SIO licenses for aircraft operators and personnel and production. The engine house has 2 units of Turbine Generators with a capacity of 1800 KW, 2 units of Diesel Generators with a capacity of 500 KVA, and 1 unit of Diesel Generators with a capacity of 250 KVA only 1 operator has SIO Diesel Generator class 1.

The company shows evidence of training held internally by PT KMB for operators in the BMKM engine room on July 8, 2022, followed by 3 operators working in the engine room.

The company also showed evidence in the form of Internal Memo No.01/MEMO-BGA/09/09/2022 dated September 9, 2022 regarding the application for training and operator certification in the engine room to 2 operators. This is an opportunity for the company to improve to be able to have operators who have licenses in accordance with applicable regulations. **(OFI)**

3.7.2

The certification unit shows training documents to employees and the public around the 2022 period as follows:

1. Fire brigade simulation for BMKM employees on June 29, 2022 at the estate office yard. The certification unit can show the materials, documentation and attendance list for the event.
2. Socialization of toxic and hazardous materials/ waste to BMKE employees on April 2, 2022 at the Traction Administration Office. The certification unit can show the materials, documentation and attendance list for the event.
3. Training on the use of first aid kits for BKCE employees on 27 July 2022 at PDCA's house. The certification unit can show the materials, documentation and attendance list for the event.

Based on interviews with representatives of contractors, revealed that they had received routine socialization related to certification unit policies, code of conduct, PPE, communication procedures and complaints were routinely provided by the certification unit which causes stakeholders to understand the procedures and work methods that already exist in the certification unit's operational area.

Based interviews with management revealed that the certification unit compiled a training program based on work units, for example training on spray techniques and poisoning prevention for pesticide applicators which was carried out every month.

Based on field observations and interviews with estate and mill employees show that the certification unit always provides regular training to employees to maintain and improve employee competencies in their respective jobs.

3.7.3

The training program period of 2022 is available including RSPO Supply Chain. Actual training for RSPO Supply Chain in 2022 was conducted in July 2022. The training was subjected to RSPO SCC System. Training attended by relevant personnel in mill and estate. The personnel's who involved training from mill are production clerk, weighbridge clerk, security, assistant, and other relevant staff, furthermore the participants from estate are harvesting supervisor, field assistant, head of administration, transportation clerk, harvesting clerk, production clerk and other staff.

Based on interviews with the workers involved in SCCS operations, such as security (for FFB receiving verification), weighbridge operator (for dividing the amount of certified and uncertified sourced), and Administration Head (for recording and monitoring the MB data), knowing that the workers understood the SCCS mechanism, and the MB record has conducted and monitored well. Furthermore, based on interview with field assistant, production clerk and other estate staff they also have an understanding related to RSPO including the certified and non-certified area as well as adding stamp 'FFB certified' in consignment letter of FFB from certified area.

Status:

3.8

Supply Chain Requirements for Mills

3.8.1 and 3.8.2

The Mill implements the MB Module, which is received both FFB from certified and uncertified sources. Verification of Mass Balance record, the Mill has been recorded well the FFB and products (CPO and PK) from certified and uncertified sources. The Mill only claims certified products from certified sources.

3.8.3

Estimated certified product recorded in the last Assessment Report and Certificate and has been updated in the RSPO Palm Trace. Actual certified produced has been verified during this assessment, and not exceed the estimate. The estimates of certified production for the next license period also have been set, in reasonable amount considering the last year's production. The data are shown in the following table:

Products	Last Year Projected	Last Year Actual	Estimate Production of 12 month
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	Certified Volume (MT)	Certified Volume (September 2021 to August 2022) (MT)	(MT) further
FFB	109,200	121,354.35	116,000
CSPO	26,500	25,703.52	28,420
CSPK	5,600	5,404.28	5,800

3.8.4

The mill has been registered in IT platform palm trace RSPO <https://palmtrace.rspo.org/web/rspo/member-directory> which information as follows:

Member Information	
Member Name	PT Karya Makmur Bahagia - Bumitama
Member ID	RSPO_PO1000001684
Member Country	Indonesia
Member Category	Oil mill
Core Product	Palm Oil
License Information	
License ID	CB128987
Issued By	PT Mutuagung Lestari
Issued On	01/21/2022
Start Date	01/21/2022
End Date	10/20/2022
License Status	Active

All transaction has been announced to RSPO IT Platform and confirmed shipped. During license it was known there is product sold as RSPO certified and non-certified/conventional as described in indicator 3.8.8 and 3.8.16.

3.8.5

The Mill has had procedures related supply chain, such as SOP of RSPO Supply Chain (Unit BGA-SUST-SOP-43-R1). These procedures have referred to the latest RSPO Supply Chain System. The procedure has covered all aspects in SCCS MB model, such as receiving and recording that identify the traceability of RSPO certified and uncertified source and products, FFB processing, the announcement in RSPO Palm trace, key persons such as security, weight bridge clerk, dispatch/kernel officer, production clerk, Administration Head, as well as the training.

In addition, it has been explained in the procedure related to the identification of raw materials (clause 7.1.1), from the field and recorded in the delivery recipient (vehicle number, driver, plantation, division, time of departure, destination, block, planted year, fruit weight released, number of bunches, field number) and identification of FFB at reception at POM (security posts and weighbridges). It was also explained that the identification of raw materials originating from certified and non-certified areas was marked with the FFB Certified stamp on the FFB cover letter.

The regular dissemination and training of the procedures has been conducted 11 July 2022. Based on field interview, obtained information that key persons for SSCS implementation (such as weighbridge operators, security, and Head of Administration) have understood the supply chain implementation.

3.8.6

The procedure to conduct supply chain internal audit already set in the SOP of supply chain. In the SOP mentioned that internal audit will be conducted annually. Internal audit of RSPO supply chain conducted simultaneously with P&C audit on 05 – 08 July 2022. All of supply chain standard and rules on market communication and claim has been assessed, and the CARs

have been complied.

Management Review of RSPO SCCS implementation conducted on 01 September 2022. The management review discussion has covered the input from internal audit result, correction and corrective action, customer feedback, process Performa and product compliance, follow up of previous management review, and recommendation for improvement

3.8.7

The mill has verified and documented the volumes of certified and non-certified FFBs received. Certified and non-certified FFB received period of 12 months before audit:

Month	FFB (MT)		
	RSPO Certified	Non-Certified	Total
Sep-21	9,114.31	15,625.51	24,739.82
Oct-21	8,364.89	12,869.96	21,234.85
Nov-21	8,904.21	16,142.86	25,047.07
Dec-21	8,786.10	18,022.49	26,808.59
Jan-22	8,979.91	17,316.56	26,296.47
Feb-22	8,629.15	16,419.87	25,049.02
Mar-22	10,772.76	18,810.34	29,583.10
Apr-22	11,336.38	20,817.75	32,154.13
May-22	10,166.58	19,705.82	29,872.40
Jun-22	11,970.42	20,871.42	32,841.84
Jul-22	11,755.67	20,343.68	32,099.35
Aug-22	12,573.97	20,049.89	32,623.86
Total	121,354.35	216,996.14	338,350.49

Estimated certified product recorded in the last assessment report Actual certified produced has been verified during this assessment. The data are shown in the following table:

Products	Last Year Projected Certified Volume (MT)	Last Year Actual Certified Volume (September 2021 to August 2022) (MT)	Estimate Production of 12 month (MT) further
FFB	109,200	121,354.35	116,000
CSPO	26,500	25,703.52	28,420
CSPK	5,600	5,404.28	5,800

Mechanism to handling and control nonconformance product are described in SOP that 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. In the procedure described if any occurring of non-conforming of oil product or document, the product is not claimed to be an RSPO certified product.

3.8.8

Documentation for the Sustainable Certified Product (CSPO and CSPK) consists of a daily record of the FFB acceptance, a daily record of certified production, which is classified as the CSPO and CSPK, a sales record, a stock record that has been reconciled with the FFB acceptance, monthly production and sale and annual recapitulation. Based on documents verifications and interviews with management units obtained information since September 2021 until August 2022 it was known all CSPO sold as conventional however for PK there are 5,800 MT CSPK sold as certified products

Documents verification and interview during an audit it was known the claimed RSPO product of CSPO and CSPK is no longer than 3 months since the product delivered. Those documents cover information's of delivery date, description of product and

supply chain model, product quantity, identification number, certificate number, sender's name, and address of the seller, for example selling document for shipping announcement with transaction id TR-6f5a61a0-a33a for CSPK model MB with the volume 300.43 MT on 22 July 2022 with the buyer are PT Sinar Alam Permai, the unit can present several documents as follows:

- The name and address of the buyer (PT Sinar Alam Permai - Sampit);
- The name and address of the seller (PT Karya Makmur Bahagia Bukit Makmur Mill in Kotawaringin Timur)
- Minutes of goods handover (No 025/BAPB-IKS/BMKM/VII/2022) dated 18 July 2022 from Gunung Makmur Mill and accepted by PT Sinar Alam Permai
- The loading or shipment / delivery date during period 13 – 18 July 2022 as presented in the document weighbridge ticket and Consignment letter
- Minutes of delivery of 300.00 MT of goods on 13 July 2022 with described product is RSPO mass Balance
- A description of the product supply chain model (Mass Balance) as well as unique identification number (DO Numbers)
- The quantity of the products delivered (300 ton);
- Any related transport documentation (transport by CV Catur Borneo Abadi);
- RSPO certificate number (MUTU-RSPO/140);

3.8.9

The unit of certification has legal ownership of CPO and PK and did not outsource its milling activities. Only transportation of certified products (CPO and PK) is outsourced to the third parties. Currently, there are 1 contractor for CPO and 1 contractor for PK transport, for instance as shows through several Work Agreement as follows:

- Agreement with CPO Transporter of PT Surya Mentaya Jaya No. 005/KMB/SPK/III/2022 dated 01 April 2022, valid until April 2023.
- Agreement with PK Transporter of CV Catur Borneo Abadi No. 007/KMB/SPK/III/2022 dated 01 March 2022, valid until April 2022.

To ensure the contractors complies with the RSPO Supply Chain, in the agreement, there were clauses that set obligations of the contractor to comply with the supply chain rules. For instance, the responsibility to deliver products only from PT KMB, as well as the willingness to observe by Certification Body and the company internal audit to verify the compliance. One of the mechanisms to ensure that the products delivered only from the Mill, in the vehicle is mounted on a seal that can only be opened at the buyer's location. Based on interview with CPO Transporter (PT Surya Mentaya Jaya) it was known they willing to interview about SCCS process in the term of CPO transportation, the transportations of RSPO certified products etc.

3.8.10 and 3.8.11

The Mill has the record of details of the contractors, covers the contractor's company profile, address, contact person, email and phone number, contract agreement and period, and list of vehicles. The following are the details of the transporters in collaboration with the company:

No.	Contractors Name	Commodity
1	PT Surya Mentaya Jaya	CPO -
2	CV Catur Borneo Abadi	- PK

Based on contractors data it was known there is no new contactors used since previous assessment and its will be verify on the next assessment

3.8.12

The company has had the up-to-date record and report that are kept in mill office, complete, accurate and up-to date. All the record can be accessed by the auditor, such as record of certified product shipping, sales contract, delivery order/invoice, production report and product sales.

In the SOP supply chain stated that all records shall be kept minimum for 5 (five) years. To the auditors the company can show all the required documents covering all aspects of this RSPO Supply Chain Certification Standard requirements such as record of certified product shipping, sales contract, delivery order / invoice, production report and product sales.

Based on document review known that the mill still kept the document according to the procedure, while the records variable cover FFB received from certified and uncertified sources, production of CPO and PK (certified, noncertified, total), products

dispatch (as RSPO certified, sold in another certified scheme, sold as non-certified, total sold), as well as balance/stock of certified products. The summary of Mass Balance data 12 months previous the audit can be seen on the table below:

Mass Balance record of CPO

Period	CPO production (MT)		Total	Cert CPO Dispatch (MT)		
	Cert	Non-Cert		RSPO	Another scheme	Non-Cert
Sep-21	2,193.61	3,760.70	5,954.31	-		-
Oct-21	2,059.55	3,168.76	5,228.32	-		2,255.00
Nov-21	2,140.82	3,881.19	6,022.01	-		5,000.00
Dec-21	2,214.37	4,542.22	6,756.59	-		1,000.00
Jan-22	2,171.72	4,187.88	6,359.60	-		-
Feb-22	2,061.67	3,923.03	5,984.70	-		8,000.00
Mar-22	2,675.73	4,672.10	7,347.83			2,000.00
Apr-22	2,761.87	5,071.80	7,833.66			
May-22	2,471.78	4,791.03	7,262.81			3,000.00
Jun-22	2,981.76	5,198.94	8,180.70			
Jul-22	2,868.34	4,963.78	7,832.12			
Aug-22	3,102.31	4,946.81	8,049.12			
Total	25,703.52	53,108.24	82,811.75			21,255.00

Mass Balance record of CSPK

Period	CSPK production (MT)		Total	Cert CSPK Dispatch (MT)		
	Cert	Non-Cert		RSPO	Another scheme	Non-Cert
Sep-21	463.11	793.95	1257.05	294.20		
Oct-21	443.34	682.10	1125.44	1539.28		
Nov-21	473.03	857.57	1330.60	791.78		
Dec-21	456.32	936.02	1392.33	21.79		
Jan-22	454.53	876.50	1331.03	2.95		
Feb-22	412.84	785.56	1198.40	750.00		
Mar-22	511.39	892.94	1404.34	500.00		
Apr-22	551.38	1012.54	1563.92	450.00		
May-22	510.65	989.79	1500.44	249.60		
Jun-22	603.95	1053.04	1656.99	736.08		
Jul-22	589.57	1020.27	1609.83	464.32		
Aug-22	634.18	1011.24	1645.42			
Total	5404.28	10911.53	16015.81	5335.68		

3.8.13 and 3.8.14

Based on document verifications and interview with management it was known if there is no conversion rate of production of CPO (OER) and PK (KER) that applied by the mill. The production of CPO (OER) and PK (KER) are based on actual daily, monthly, and yearly production.

3.8.15

SCSS module used in PT KMB Mass Balance (MB), because the mill receives FFB from the estate and from third party that non-certified RSPO.

3.8.16

Documentation for the Sustainable Certified Product (CSPO and CSPK) consists of a daily record of the FFB acceptance, a daily record of certified production, which is classified as the CSPO and CSPK, a sales record, a stock record that has been reconciled with the FFB acceptance, monthly production and sale and annual recapitulation. Based on documents verifications and interviews with management units obtained information since September 2021 until August 2022 it was known all CSPO sold as conventional however for PK there are 5,800 MT CSPK sold as certified products

Documents verification and interview during an audit it was known the claimed RSPO product of CSPO and CSPK is no longer than 3 months since the product delivered. Those documents cover information's of delivery date, description of product and supply chain model, product quantity, identification number, certificate number, sender's name, and address of the seller, for example selling document for shipping announcement with transaction id TR-6f5a61a0-a33a for CSPK model MB with the volume 300.43 MT on 22 July 2022 with the buyer are PT Sinar Alam Permai, , it was known the product are delivered on 13 – 18 July as presented in the document weighbridge ticket, Consignment letter of CSPK and Minutes of delivery of 300 MT of goods on 18 July 2022 (No 025/BAPB-IKS/BMKM/VII/2022). Furthermore, For CSPO sold as conventional during this period has been removed from certified stock. The unit of certification can present removing allocated product from palm trace, based on documents and verification through RSPO IT Platform.

3.8.17

The company has made claim of RSPO certified product in the off product such as WB ticket, salescontract, and delivery order and it has been meet with RSPO marketing and communication.

Status:

PRINCIPLE #4 RESPECT COMMUNITY AND HUMAN RIGHTS AND DELIVER BENEFITS

4.1

The unit of certification respects human rights, which includes respecting the rights of Human Rights Defenders.

4.1.1

The Company has policy Company Responsibility to Employee, this document was contained of Human Right Protection. This document was approved by Regional Head. This policy has been socialized to the workers on each Estate and Mill. There was also shown documentation of Human Rights Policy Socialization for several levels of workers in each division.

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

4.1.2

The Company has policy Company Responsibility to Employee, this document was contained of Human Right Protection. This document was approved by Regional Head.

Based on field visits and interviews with surrounding communities, it is known that there was no intimidation or use of mercenaries in maintaining peace and order in the company's area. Until this assessment, there were no conflicts and land disputes within the company area. This is also in line with the results of interviews with surrounding communities and related agencies during a public consultation, which stating that there were no land conflicts in the company's operational area.

Status:

4.2

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

4.2.1

Procedure of complaint and grievance delivery was presented in document No. KMB-SUST-SOP-10. The procedure has guaranteed the anonymously and whistle-blower. Procedure is available in Bahasa Indonesia and if there are any complaints/grievances that the resolution that has not found mutually, the complainants can bring that compliance to RSPO Complaints System.

Complaints and grievances were recorded on the Logbook. Confirmed to sample stakeholders during the public consultation with village communities, government agencies, local contractors and FFB suppliers who stated that the SOP was understood by all parties. All complaints conveyed to the mill and estates have been recorded and followed up by the company in accordance with the SOP.

Based on document verification revealed that the certification unit had socialized the policy on March 12, 2022 to employees. Meanwhile, socialization to contractors and their employees was carried out on February 5, 2022.

4.2.2

The certification unit has established a system for handling complaints and complaints for all affected parties which is documented in the Grievance Handling and Complaints Procedure with document number KMB-SUST-SOP-10. There are additional provisions regarding the implementation of communication and consultation procedures to stakeholders, where the socialization of this procedure is carried out by displaying the procedure in writing or by showing pictures so that it can be understood by stakeholders who cannot read and write. The procedure states that all complaints must be registered in the Complaint Form in clear and easy to understand language. All complaint forms will be collected and registered monthly into the Grievance Register Book. Certification unit will respond to each complaint within 14 days from the date the complaint request was received.

The procedure has been socialized to estate and mill workers as well as to the surrounding community on June 27, 2022. Certification units can show the minutes and attendance lists for the socialization.

4.2.3

Based on the verification of employee complaint documents in 2022 are known to have several complaints submitted by employees, for example:

- a. Complaints by employees of Bukit Kecubung Estate with the initials AN on July 10, 2022 regarding the water installation and the pipe connecting to the employee housing broke so that no water flowed into the employee housing. The unit of certification in this case took corrective action on 11 July 2022.
- b. Complaints by employees of Bukit Kecubung Estate with the initials ES on June 6, 2022 regarding the leak of a bathtub and a broken bathroom door. The unit of certification in this case took corrective action on June 8, 2022.

Based on field observations and interviews with worker union, estate and mill worker, it is known that employees already know the mechanisms and channels for submitting complaints and complaints within the certification unit.

4.2.4

The certification unit has a communication procedure No. KMB-SUST-SOP-10. The procedure aims to provide assurance to whistleblowers who have a good will to report suspected abuse or divergent practices. Whistleblowers will be protected from retaliation or actions that may harm the whistleblower. Furthermore, regarding Confidentiality, it is explained that the certification unit encourages the whistleblower to write a clear and complete identity when reporting irregularities that occur. All forms of reporting irregularities will be guaranteed confidentiality by the certification unit. If the complaint cannot be resolved by consultation, it can follow up the next step or go through the process to the RSPO.

The certification unit already has officers who are responsible for handling complaints so that they continue to get further information related to the progress of complaint resolution, in this case the Assistant Public Relations/ CSR. The procedure also explained that the response time related to complaints was 2 weeks after the complaint was submitted.

Based on interview with Rantau Tampang and Wonosari Head of Village sighted that if any conflict resolution, they have access to independent legal and technical advice.

Status:
4.3
The unit of certification contributes to local sustainable development as agreed by local communities.

The results of interviews with management, conveyed that the CSR program was prepared based on the participation of the surrounding community in the form of Development Planning Conference "MUSREMBANG" period 2021 located on sub-district office. The company shows examples of Development Planning Conference on 4 January 2021, involved nearest community included the

- | | |
|-----------------------------|-----------------------------|
| 1. Tumbang Sepayang Village | 11. Rantau Katang Village |
| 2. Gunung Makmur village | 12. Tumbang Mangkup Village |
| 3. Sungai Hanya Village | 13. Agung Mulya Village |
| 4. Mulya Agung Village | 14. Rantau Tampang Village |
| 5. Bhakti Karya Village | 15. Luwuk Kuwan Village |
| 6. Waringin Agung Village | 16. Tumbang Bajanei Village |
| 7. Buana Mustika Village | 17. Tumbang Boloi Village |
| 8. Tanjung Harapan Village | 18. Bukit Makmur Village |
| 9. Tumbang Sangai Village | 19. Wonosari Village |
| 10. Beringin Agung Village | 20. Tanjung Jorong Village |

From the results of meetings with the community, a CSR program was prepared in 2021. For the CSR program in 2021, the company arranged a CSR program in the fields of Economy, Environment, Education, and social culture. The company has also shown the CSR realization record to the communities. For example:

- Supporting educational activities to schools and educational institutions around the company, in the form of providing laptops for schools, COVID-19 PPE, recruitment of local students as employees, and develop of nursery areas for school practices on Wonosari village, Bukit Makmur village, Rantau Tampang village, Agung Mulya village, Beringin Agung village and Waringin Agung village.
- Mechanical and automotive training for Bukit Makmur village, Rantau Tampang village, Agung Mulya village, Beringin Agung village and Waringin Agung village.
- Training on catfish farming in Rantau Tampang village.
- Nursery of fruit and forest plant seeds in Tumbang Mangkup village.
- Assistance for republican Independence Day, sports tournaments and flood disasters.
- Assistance for the covid 19 vaccine and the provision of PPE for covid.
- Assistance with land firefighting facilities and the Forming an organization of fire-aware communities on Waringin Agung village and Mulya Agung village
- Etc.

Base on interview results with representative of nearest community, it was conveyed that the company had provided CSR assistance to the surrounding community in accordance with the identification needs.

Status: Comply
4.4
Use of the land for oil palm does not diminish the legal, customary or user rights of other users without their Free, Prior and Informed Consent (FPIC).
4.4.1

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

1. Land Use Title (HGU) No. 19 dated 22nd 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 22nd October 2036. Based on HGU maps, all over area demarcated by 104 boundary poles.
2. Building Use Title (HGB) No. 1 dated 18th 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 18th 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.

Based on explanation above the total land permits that owned by PT KMB are **15,100.24 Ha**, however the scope of **certifications under Bukit Makmur Makmur Mill** Are 6,566.67 Ha and the rest of permits area (8,533.45 ha) under scope of Gunung Makmur Mill

4.4.2, 4.4.4, 4.4.5

As a guidance during land compensation the company has had a Procedure – Indemnity of Planting and Area (BGA- SOP- GL-903.1-R0)) in the procedure described how to calculate and distribute fair and gender-equal compensation in all activities related to the compensation process for land over the land right cultivated by the Company, the purpose is to ensure the area of plantation free from others right

Based on document verification Social Impact Assessment report and HCV Identification report that knows in PT KMB area there was no land under customary right. The evidence of compensation to land owner in each estate and the participation of head of village 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.

Based on the results of interviews with previous land owner and representative village of Rantau Tampang, Wonosari, Mangkup, Waringin Agung as well as scheme smallholder cooperative obtained id information if all compensation process has been held with fairly transparent regarding to mutual agreement. Whole area that managed by the company has been compensated. The compensation process involved all community witnessed also by the Village Head, Customary leader, Sub district head and others relevant parties. All land acquisition between local people and company representatives conducted as mutual agreement and with Bahasa that understood by all parties involved. All relevant information regarding land acquisition is available in appropriate forms and languages. Until the audit was carried out, there was no written complaint from the community regarding the land dispute.

Based on the results of interviews with parties who have received compensation for land compensation from PT KMB obtained information if the process of land acquisition was done through the following stages; identification of land owners/cultivators, negotiation of the compensation, and payment of compensation. The list below serves as the proof of records of voluntary land acquisition (FPIC – Free, Prior, and Informed Consent) at the early stage of the estate establishment. As evidence of the negotiation process and voluntary land acquisition agreement (FPIC) in the early stages of plantation development, a list of compensation recipients is available in all villages affected by the development of oil palm plantations, accompanied by the following documents:

- Minutes of land payments
- Land release agreement letter
- Certificate of Land Ownership from the Village Head and District representatives.
- Statement Letter of Land Ownership of Ex-Land from the owner / cultivator of the land known by the Village Head and Demang / Customary Head
- Minutes of Land Inspection and Measurement known to the Village Head.
- Map of the area to be compensated based on the company's measurement results and known by the smallholders.
- A letter of agreement between the owner of the arable land and the company for compensation for land with a certain value that is agreed upon and known by other parties (Subdistrict Head, Village Head, *Demang*/Customary Head and Cultivator).

4.4.3

In related to the maps of an appropriate scale that showing legal, customary or user right through participatory mapping and copies of negotiated agreements detailing process of FPIC is not applicable. This is due that PT KMB is long-established plantations company since 1995 which no longer records dating back to the time of the decision making.

Based on document verification such the Social Impact Assessment Study in 2018 and HCV Identification Report, it is known that there is no land under control of customary rights in area of PT KMB. The previous status of land are community lands that have been acquisition and compensated.

4.4.6

Based on the results of interviews with stakeholders it was informed that the company has had a positive impact such as employee recruitment, development of scheme smallholders and CSR assistance. There are no land conflicts between the community and the company.

Status:

4.5

No new plantings are established on local peoples' land where it can be demonstrated that there are legal, customary or user rights, without their FPIC. This is dealt with through a documented system that enables these and other stakeholders to express their views through their own representative institutions.

4.5.1 – 4.5.8

There is no land expansion activity during this audit. Based on document Identification of HCV and stakeholder consultation, there was not found customary/indigenous rights in operational area. There were the records of the process of collecting information on the preparation of the High Conservation Values Identification Report and the Social Impact Assessment Report. The recording evidence comprising of participants' list and photographs.

Status:

4.6

Any negotiations concerning compensation for loss of legal, customary or user 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.

4.6.1; 4.6.2

As a guidance during land compensation the company has had an Procedure – Indemnity of Planting and Area (BGA- SOP- GL-903.1-R0)) in the procedure described how to calculate and distribute fair and gender-equal compensation in all activities related to the compensation process for land over the land right cultivated by the Company, the purpose is to ensure the area of plantation free from others right

Based on document verification Social Impact Assessment report and HCV Identification report that knows in PT KM B area there was no land under customary right. The evidence of compensation to land owner in each estate and the participation of head of village 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.

4.6.3; 4.6.4

The CH has shown that land acquisition has been done through negotiation. Based on the results of interviews with the Previous landowners obtained information if I compensation process has been held with transparency regarding the mutual agreement. The whole area managed by the company has been compensated. Based on interview with previous land owners as well as village head obtained information during land compensation has been pay attention regarding equal opportunities were provided to both men and woman. Whole area that managed by the company has been compensated. The compensation process involved all community witnessed also by the Village Head, Customary leader, Sub district head and others relevant parties. All land acquisition between local people and company representatives conducted as mutual agreement and with Bahasa that understood by all parties involved. All relevant information regarding land acquisition is available in appropriate forms and languages.

Based on the results of interviews with parties who have received compensation for land compensation from PT KMB obtained information if the process of land acquisition was done through the following stages; identification of land owners/cultivators, negotiation of the compensation, and payment of compensation. The list below serves as the proof of records of voluntary land acquisition (FPIC – Free, Prior, and Informed Consent) at the early stage of the estate establishment. As evidence of the negotiation process and voluntary land acquisition agreement (FPIC) in the early stages of plantation development, a list of compensation recipients is available in all villages affected by the development of oil palm plantations, accompanied by the following documents:

- Certificate of Land Ownership from the Village Head and District representatives.
- Statement Letter of Land Ownership of Ex-Land from the owner / cultivator of the land known by the Village Head and Demang / Customary Head

- Minutes of Land Inspection and Measurement known to the Village Head.
- Map of the area to be compensated based on the company's measurement results and known by the smallholders.
- A letter of agreement between the owner of the arable land and the company for compensation for land with a certain value that is agreed upon and known by other parties (Subdistrict Head, Village Head, *Demang*/Customary Head and Cultivator).

In addition, as part of the company's development, the company has also developed palm oil plantations for the community through a smallholder scheme. The development of the smallholder scheme is one of the company's efforts so that the community around the company can benefit from the company's existence. In addition, to facilitate community access, the company has opened and built access roads to the community, where there are several access roads that cross the company connecting the surrounding villages/hamlets. With the existence of this access road, it is easier to access from villages / hamlets that now can pass through the company's access road. this information has been verified through public consultation with village head and government agency as well as workers who still live around the company.

Status:

4.7

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 FPIC and negotiated agreements.

4.7.1; 4.7.2

As a guidance during land compensation the company has had a Procedure – Indemnity of Planting and Area (BGA- SOP- GL-903.1-R0)) in the procedure described how to calculate and distribute fair and gender-equal compensation in all activities related to the compensation process for land over the land right cultivated by the Company, the purpose is to ensure the area of plantation free from others right

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Based on the results of interviews with parties who have received compensation for land compensation from PT KMB obtained information if the process of land acquisition was done through the following stages; identification of land owners/cultivators, negotiation of the compensation, and payment of compensation. The list below serves as the proof of records of voluntary land acquisition (FPIC – Free, Prior, and Informed Consent) at the early stage of the estate establishment. As evidence of the negotiation process and voluntary land acquisition agreement (FPIC) in the early stages of plantation development, a list of compensation recipients is available in all villages affected by the development of oil palm plantations, accompanied by the following documents:

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- Minutes of Land Inspection and Measurement known to the Village Head.
- Map of the area to be compensated based on the company's measurement results and known by the smallholders.
- A letter of agreement between the owner of the arable land and the company for compensation for land with a certain value that is agreed upon and known by other parties (Subdistrict Head, Village Head, *Demang*/Customary Head and Cultivator).
- (Subdistrict Head, Village Head, *Demang*/Customary Head and Cultivator).

Interview results with landowners found that he has free access to information regarding the impacts of the palm oil plantation project. There were a long communication and discussion between community representatives, the government, and the company during the project preparation. Furthermore, they stated that Company never conducted any intimidation/coercion

and never use paramilitary during the negotiation process. They have enough time to negotiate and meet the decision to become part of palm oil plantation development. The process has been made in Bahasa, Local Language, and provided by participatory mapping.

4.7.3

In addition, as part of the company's development, the company has also developed palm oil plantations for the community through a smallholder scheme. The development of the smallholder scheme is one of the company's efforts so that the community around the company can benefit from the company's existence. In addition, to facilitate community access, the company has opened and built access roads to the community, where there are several access roads that cross the company connecting the surrounding villages/hamlets. With the existence of this access road, it is easier to access from villages / hamlets that now can pass through the company's access road. this information has been verified through public consultation with village head and government agency as well as workers who still live around the company.

Status:

4.8

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.

4.8.1- 4.8.1 to 4.8.4

As a guidance to settlement land dispute the company has had Land Conflict Handling procedure no. BGA-SOP-GL-901.5-RO. This procedure is a reference in resolving cases of land conflicts between management units and other parties. The claim settlement process is carried out by involving various parties, including: former land owner/land acquirer, village government, and other parties involved. land owners, witnesses, village government and sub-district governments.

Until this assessment, there were no open conflicts and land disputes within the Certification area. This is also in line with the results of interviews with surrounding communities and related agencies during a public consultation, which stating that there were no land conflicts in the company's operational area. The whole area that managed by the company has been compensated. However, based areal statement documents, interview with managements and stakeholder its known there is area covering ± 264.47 Ha that occupied by community due to the landowner not willing to be compensated. For areas that are currently still controlled by the community (occupational area) and have never been compensated the company respects the existence and didn't force to give the land to the company. The area was clearly bounded by roads and ditches.

Status:

PRINCIPLE #5 SUPPORT SMALLHOLDER INCLUSION

5.1

The unit of certification deals fairly and transparently with all smallholders (Independent and Scheme) and other local businesses.

5.1.1 until 5.1.6 and 5.1.8

Based on document review, field observation and interviews with staff and management, it is known that BMKM does not purchase FFB from third parties/ FFB suppliers, either farmers or plasma. BMKM only accepts FFB from the own estate and plantations from the group as described in indicator 2.3.1,

for Cooperative Sekartani, Marga Rahayu, Hapakat, Mekar Jaya, Tani Santoso, Bina Tani, Rika Bersatu, Usaha Bersama, Lestari, Mekarti Jaya, Waringin Jaya, and Berkat Usaha Bersama cooperative (Small Holders - Non-Certified) still full managed by CH. Based on this explanation, this indicator does not apply to BMKM for the period 2022.

5.1.7

The company has tested the electronic weigh bridge which was carried out on February 7, 2022 and ratified on February 11, 2022 by the Head of Department of Trade and Industry, Kotawaringin Timur Regency and valid until February 7, 2023 with evidence, among others:

- Test Result Certificate number 510.63/054/DPP/SKHP/MET/II/2022 for serial number 120350297 with a maximum capacity of 40,000 Kg.
- Test Result Certificate number 510.63/055/DPP/SKHP/MET/II/2022 for serial number 140350123 with a maximum capacity of 40,000 Kg.

	Status: Comply	
5.2 The unit of certification supports improved livelihoods of smallholders and their inclusion in sustainable palm oil value chains.		
5.2.1, 5.2.2, 5.2.3 and 5.2.5 <p>Based on document review, field observation and interviews with staff and management, it is known that BMKM does not purchase FFB from third parties/ FFB suppliers, either farmers or plasma. BMKM only accepts FFB from the own estate and plantations from the group as described in indicator 2.3.1,</p> <p>for Cooperative Sekartani, Marga Rahayu, Hapakat, Mekar Jaya, Tani Santoso, Bina Tani, Rika Bersatu, Usaha Bersama, Lestari, Mekarti Jaya, Waringin Jaya, and Berkat Usaha Bersama cooperative (Small Holders - Non-Certified) still full managed by CH. Based on this explanation, this indicator does not apply to BMKM for the period 2022.</p> 5.2.4 <p>The certification unit shows the document for socializing the use of pesticides to the surrounding community on June 16, 2022 at the Wonosari Village Hall. The socialization was attended by 37 people who are surrounding community. Based on document verification of the socialization material document revealed that one of the materials provided was related to handling pesticides and how to apply them safely. During audit activities, the certification unit shows attendance lists, documentation, and training materials.</p>		
	Status:	
PRINCIPLE #6 RESPECT WORKERS' RIGHTS AND CONDITIONS		
6.1 Any form of discrimination is prohibited.		
6.1.1 <p>The certification unit has an Employment Policy established on 10 July 2017 which one of the points states that PT Karya Makmur Bahagia is committed to providing equal employment opportunities by not distinguishing race, religion, degree, ethnicity, gender, skin colour, body disability, sexual orientation, affiliation politics, organizational membership, and age. Based on the employee registration document, certification unit has provided equal opportunities and treatment in employment opportunities.</p> <p>Based on interview with estate and mill workers for job vacancies that have been published by the certification unit, there are no requirements that refer to discriminate against gender, race or ethnicity, disability, sexual orientation, age, or belief, so indirectly the certification unit has implemented a non-discrimination policy and also equal opportunity. This is evidenced by the diversity of ethnic accepted to work.</p> <p>Based on interviews with estate and mill workers, labour unions and representatives of the gender committee also obtained information that there was no indication of acts of discrimination based on religion, ethnicity, gender and regional origin in the process of accepting work.</p> 6.1.2 <p>The certification unit shows an employee list document that informs religion, ethnicity and gender for the period June – August 2022. From the document it is known that the employees in each unit come from different regions, for example: Ambon, Bangka, Banyuwangi, Banjarmasin, Boyolali, Jambi, Jember, Kebumen, Karawang, Kediri, Kupang, Lampung, Lombok, Mojokerto, Pontianak, Medan, and Purworejo. From the document it is also known that the employees who work consist of Muslims, Catholics, Protestant Christians, Hindus and Buddhists.</p> <p>In addition, there are no migrant workers. All recruitment is carried out in accordance with the certification unit's employee recruitment SOP.</p> <p>Based on the foregoing, it is known that there is no discrimination against religion, ethnicity and class in obtaining employment.</p>		

6.1.3

During recruitment process, the certification unit had set the standard of competence that required based on the position offers. Selection had included evaluation towards skills, performance, and medical test result. Furthermore, promotion is conducted based on work period, annual evaluation result and availability of position. All workers are treated equally in accordance with company regulation including rights of worker as well.

Records on manpower procedure had been documented, as verified randomly to the several documents, as follows:

- a. Announcement of job vacancies from Bumitama Gunajaya Agro Group to the surrounding community on January 17, 2022. Job vacancies convey the requirements of the workers sought and the benefits that will be received by employees while working for example: wages, social security, PPE, infrastructure, etc. The announcement of job vacancies is delivered through announcements at the local village hall, regional offices and the offices of each estate.
- b. Job application letter for prospective employees with the initials AM dated July 27, 2022. The application letter also attaches several documents including identity, birth certificate, latest school diploma, police record letter, health certificate, work experience letter and Covid-19 vaccine certificate.
- c. New employee health examination result with the initials AM which was carried out on August 4, 2022, with the results that the employee is in good health and ready to work.
- d. Agreement for new employees dated August 6, 2022 between PT Karya Makmur Bahagia and employee initials AM.
- e. Promotion of employees who previously served as foreman and subsequently promoted to Division Assistant. The promotion proposal has been approved by the Human Capital Group Department Head.
- f. Decision Letter from HR Region Mentaya with No. 089/HR-KMB/SK-PR/VII/2022 dated 28 July 2022 regarding the transfer of employees from BMKE maintenance employees to BBGE harvesters with the initials MA starting on 28 July 2022.

6.1.4

The certification unit does not perform a pregnancy test at the time of employee recruitment. Pregnancy checks are only carried out for spray and fertilizer workers on a monthly basis to find out whether workers are pregnant or not.

Based on interviews with representatives of the gender committee and female employees in the field, it is known that pregnant workers will be transferred to jobs that do not endanger pregnancy, for example as guard officers in daycare centres or manual care workers.

6.1.5

The certification unit has a gender committee that has been formed and chaired by the chair of the committee and coordinators in several sections and there are representatives in each unit. The gender committee structure consists of female and male workers. The main purpose of establishing a gender committee is to provide a forum that can accommodate the aspirations or complaints of workers (women and men), as partners of the certification unit in carrying out socialization activities related to gender and other policies related to workers' reproductive rights.

Further explained that the gender committee provides support for female and male employees, including protection and maintenance of women's health, maintenance of family life and welfare, protection from sexual harassment and violence, providing continuing education that gender equality exists in the unit of certification.

Certification unit also showed the policy against sexual harassment, violence, and reproductive rights. It stated that certification unit committed to support the reporting of all incidents of sexual harassment, violence, abuse, and violations of reproductive rights experienced by any individual (regardless of gender and age).

Based on interviews with the management of the gender committee revealed that so far the certification unit supports all activities of the gender committee in terms of operational funding assistance and use of rooms for regular meetings. it was explained further that the certification unit had never intervened in the activities carried out by the gender committee.

6.1.6

The certification unit does not discriminate against workers' rights, this is indicated by the payment of equal wages for workers in the same scope of work. The certification unit issued a decision on the payment of salaries for permanent employees and

daily employees in 2022 based on the Decree of the Governor of Central Kalimantan No. 188.44/445/2021 concerning the 2022 District Minimum Wage. The decree stipulates the minimum wage for the estate and mill sector at IDR 3,014,732.66. The certification unit in this case shows proof of payment of salary that is equivalent to the scope of work by showing the salary slip for engine room operators and boiler operator for the period of August 2022 where overtime payments have been paid in accordance with applicable regulations and the working hours of employees, for example overtime for engine room operators with value of IDR 3,756,611 while overtime for boiler operator with a value of IDR 3,634,454

The certification unit has also developed a salary structure and scale that applies to employees with more than 1 year of service based on the Internal Memorandum from Human Capital Group with No. 003/MEMO-BGA/HC/-POP/1/2022 dated January 07, 2022. In the document it is known that the highest wages are employees of class U8 with a value of IDR 3,289,732 while the lowest salary is employee of class P1 with a value of IDR 3,054,732

It was further explained that the structure and scale of wages were determined based on years of service and an annual performance appraisal by each supervisor.

Status:

6.2

Pay and conditions for staff and workers and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages (DLW).

6.2.1

The certification unit shows a sample of job requirements documents for new employees as follows:

1. Job application letter for prospective employees with the initials AM dated July 27, 2022. The application letter also attaches several documents including identity, birth certificate, latest school diploma, police record letter, health certificate, work experience letter and Covid-19 vaccine certificate.
2. Confirmation of application for new employee acceptance with initials AM. The document explains the work location, position, class and wages that will be received every month.
3. New employee acceptance document with the initials AM. The employee acceptance document consists of a job application letter, identity card, family card, latest education certificate, and a certificate of good health from the certification unit's doctor.
4. Agreement for new employees dated August 6, 2022 between PT Karya Makmur Bahagia and employee initials AM.
5. A doctor's certificate stating that the employee with the initials AM has undergone a medical examination with the results being healthy and ready to work.

In addition, provisions related to work agreements have been contained in the Company Regulation, including regulating the rights and obligations of workers listed in detail, workers accepted have a minimum age according to applicable regulations, PPE obligations, working hours, overtime, maternity leave, facilities provided to workers. and BPJS. It was further explained that the work agreement was written in Indonesian and signed by the worker and the certification unit.

Based on verification document of the estate and mill employees for 2021-2022 show that there are 2 types of employees who work within the certification unit's scope, namely permanent daily workers and permanent monthly workers.

The certification unit already has a Company Regulation (PP) for the period of 2021-2023 which has been approved by the relevant agencies based on the Director General Decree of Industrial Relations Development and Labor Social Security.

Based on field observations and interviews with employees in the estate and mill areas, it is shown that each employee has a work agreement with the certification unit and has understood the rights and obligations of being an employee of the certification unit. It was further explained that each employee had received wages in accordance with Company Regulations. In addition, the basic wages of employees have also referred to the structure and scale of wages.

6.2.2

Provisions related to work agreements have been contained in the Company Regulation (2021-2023), including regulating the rights and obligations of workers listed in detail, workers accepted have a minimum age according to applicable regulations, PPE obligations, working hours, overtime, deduction, maternity leave, facilities provided to workers, BPJS, workforce

development, social security, OHS, work procedures for resolving complaints and industrial relations disputes. It was further explained that the work agreement was written in Indonesian and signed by the worker and the certification unit. Company Regulation have been approved by the relevant agencies based on the Director General Decree of Industrial Relations Development and Labour Social Security.

Based on field observations and interviews with estate, and mill employees showed that all employees had received Company Regulation socialization and understood the contents of the Company Regulation.

Based on the verification of employee salary slips show that the payslips provide good information regarding wages, compensation and deductions for each employee. Based on interviews with estate and mill employees show that the certification unit always provides socialization related to item information in salary slips so that employees are not confused or misinterpreted.

6.2.3

The certification unit shows documents related to evidence of compliance with labor provisions as follows:

1. Estate employee salary slip with employee number 18050117 for August 2022 period. The salary slip explains that employees get a basic salary in accordance with the prevailing wage structure and scale and receive benefits, attendance incentives and overtime whose calculations are in accordance with applicable regulations.
2. Estate employee salary slip with employee number 18090188 for August 2022 period. The salary slip explains that employees get a basic salary in accordance with the prevailing wage structure and scale and receive benefits, attendance incentives and overtime whose calculations are in accordance with applicable regulations.

Auditors verify employee rights, for example:

1. The certification Unit shows documents for submitting overtime work which is planned to be carried out on August 21, 2022, for example for workers with the initials AL as harvesters for Bukit Kecubung Estate. Application for overtime work is submitted by the Divisional Assistant and approved by the Estate Manager on 20 August 2022.
2. The certification unit shows the Sunday Harvest Wage List document, August 21, 2022 Division 1 Bukit Kecubung Estate. From the results of document verification, it is known that workers get wages based on the Determination of Harvest Premiums that have been approved by the Regional Head Mentaya on April 5, 2020, for example, the harvest of employees with the initials AL on August 21, 2022 who works for 8 hours with a wage of IDR. 349,304.
3. The certification unit already has a Harvest Premium Determination which has been approved by Regional Head Mentaya on April 5, 2020. In the letter, it is stated that the wages of harvest employees who work on Sundays are IDR. 120/ Kgs. The results of the verification of the Sunday, August 21, 2022 Harvest Calculation document for the BKCE Division 1, it is known that employees work on Sundays for 8 hours with a wage of IDR 349,304. When compared with the overtime payment system, the payment system set by the certification unit is higher where if the payment uses the overtime system with a monthly basic salary of IDR 3,014,732 (IDR 17,426/ hour), the wages earned by employees are IDR 296,245.

Based on field observations and interviews with mill and estate employees revealed that the certification unit had paid employee wages and overtime in accordance with applicable regulations, further explained by the employee that there were no difficulties in applying for employee leave.

6.2.4

The certification unit provides facilities and infrastructure for employee welfare, such as housing, polyclinics, clean water, sports fields, educational facilities, and places of worship. Based on interviews with estate and mill employees revealed that the infrastructure provided by the certification unit was adequate and proper. Based on field observations to employee housing are known that the house is in good condition, the drainage channel is quite good, and the domestic waste management is regular.

6.2.5

Based on field observations and interviews with estate, and mill employees revealed that in the certification unit's environment there are basic food cooperatives, vegetable vendors and stalls in the employees' homes that provide their daily needs at affordable prices.

6.2.6

The certification unit has calculated the prevailing wages and in-kind benefits based on the guidelines issued by the RSPO. Prevailing wages are taken from prevailing wages such as basic wages/ minimum wages. Meanwhile, in-kind benefits are taken from all costs incurred by the certification unit for the provision and maintenance of facilities provided by the certification unit to employees, such as electricity, housing, water, schools, health facilities, and baby care. For example, to calculate the in-kind benefit of housing, the costs considered in the calculation include building material costs, construction costs, and including maintenance costs for 25 years (technical considerations of buildings are feasible to use). The calculation result of prevailing wages and in-kind benefits received by employees is IDR. 4,174,704/ month (Minimum wages in 2022, IDR. 3,014,732/ month + in-kind benefit, IDR. 1,159,972/ month).

6.2.7

All workers working in the certification unit are permanent workers. Since 2020 until now there are no longer contract workers, casual daily worker and migrant workers. For work that is permanent in its entirety by permanent workers. Non-permanent work employed by contractor workers is maintenance workers in the plantation. For the work given to the contractor, it has completed the regulated requirements such as a work agreement, wages that match the minimum wage, providing PPE, being registered as a member of BPJS, the contractor has a business license (SIUP), certificate of company registration (TDP) and others.

Status:

6.3

The unit of certification respects the rights 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.

6.3.1

The certification unit has had a commitment due to respecting human rights stated in the Human Rights Policy. This policy explained that certification unit is committed to provide all labor's rights specifically to establish free, open, independent, democratic and responsible worker unions. The policy is publicly available on the certification unit website in two languages (Indonesian and English), and has been gradually disseminated to all workers on March 28, 2022. The certification unit can show the socialization documents and documentation of the activity.

Based on interview with *LKS Bipartite* representatives known that the certification unit has accommodated employee rights to argued, associate and organize in *LKS Bipartite*. Employees, including migrant and transmigrant workers and contract workers were allowed to form associations and bargain collectively with their employer. There was no migrant and transmigrant since January 2018.

Company Regulation 2021 – 2023 and direct contracts of employment detailing payments and other conditions was made available in the languages which understood by the workers and explained carefully to them by management official.

Based on field observations and interviews with estate and mill worker revealed that the certification unit routinely socializes related freedom of association and the delivery of employee complaints.

6.3.2

Based on interview with *LKS Bipartite* representatives known that the meeting was only held if there were things that needed to be discussed with other members. In this case, the certification unit shows an example of documenting a *LKS Bipartite* meeting, for example: meeting on July 8, 2022 and August 12, 2022 which took place in the PT KMB meeting room. The meeting was for the election of the new *LKS Bipartite* board for the 2022 period. The certification unit showed the attendance list and documentation of the meeting.

Based on the foregoing, it is known that the certification unit already has good documentation regarding the internal meeting of the worker union.

6.3.3

Based on interviews with *LKS Bipartite* representatives who explained that the certification unit had given freedom of

association and at present *LKS Bipartite* still active. The establishment of the *LKS Bipartite* is in accordance with the applicable laws and regulations. The certification unit is giving freedom for worker to express their opinion and also, it is doing not give any intervention related to *LKS Bipartite* activity.

Based on interviews with estate and mill workers found that workers were satisfied with the performance of *LKS Bipartite* in handling every worker complaint that came in. So that until the audit activities were carried out there was no intention on the part of the workers to form a labour union.

Status:	
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6.4

Children are not employed or exploited.

6.4.1

The certification unit has a Human Rights Policy signed by HR Region, which states that certification unit does not tolerate child labor, any form of child exploitation and child abuse. The certification unit has committed to prohibiting the use of child labor and forced or compulsory labor in its operations. In addition, child labor clauses apply across BGA's global operations, including subsidiaries, joint ventures and third-party suppliers. In addition, the Company Regulation also states that the recruitment requirements for new employees must not be under the age of 18.

This policy has been socialized to all employees in each estate, mill and local contractor. The certification unit can show documentation, attendance list and information dissemination of the policy.

Based on field visits and interviews with workers in mill and estate, known that the minimum age for work is 18 years, and no workers found below the minimum age specified. This is supported by the results of a review of certification unit and contractor workers' document which proves that there are no workers under the age of 18 at the time of entering work, the youngest age of workers is 22 years when entering work.

6.4.2

The certification unit shows a list of employees accompanied by date of entry and date of birth. In addition, an example of proof of recruitment is also shown in the form of a copy of the employee's ID card and family card. From these data it is known that there are no employees under 18 years of age when accepted to work at the certification unit.

Based on field observations and interviews with estate, mill, and contractor employees revealed that there were no employees under the age of 18 when they started working.

6.4.3

The certification unit shows the 2022 Student Internship List document. In the document it is explained that there are 20 students who are interning in the certification unit's operational area and come from different schools.

It was further explained that the students did internships for 3 months starting on August 22, 2022 and November 22, 2022. Based on interviews with management revealed that these students did internships in the administration of the estate and mill offices.

6.4.4

Based on interviews with the gender committee and workers in the field revealed that the workers had understood the rules regarding the prohibition of bringing children to work. The certification unit also showed the news of the socialization and education on child protection and development on August 11, 2022 attended by 37 participants

Status:	
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6.5

There is no harassment or abuse in the workplace, and reproductive rights are protected.

6.5.1 and 6.5.2

The policy on prevention of sexual harassment and violence is contained in the Employment Policy signed on July 10, 2017, which states that certification unit strives to provide a conducive work environment characterized by equality and mutual

respect, and encourages reporting of all incidents sexual violence and harassment, and violations of reproductive rights experienced by every individual. The gender committee was formed to provide support for female workers against sexual harassment and violence and to communicate and communicate the policy to all workers. This policy has been socialized to all employees in each estate, mill and local contractor. Certification unit can show documentation, attendance lists and socialization materials.

This policy has been socialized to all employees in each estate, mill and local contractor. Certification unit can show documentation, attendance lists and socialization materials.

6.5.3

The certification unit shows the document for the list of new mothers in 2022. From the list, it is known that from 2021-2022 there were 50 employees. Furthermore, the certification unit showed the document Identification of the Needs of New Mothers in which the assessment was carried out on 32 employees who were pregnant since 2022. From the results of the assessment, several things were known as follows:

1. Provision of a lactation room.
2. Provide breaks for breastfeeding.
3. Breastfeeding counselling.
4. Job transfer for pregnant and lactating women.

Based on interviews with gender committee and women worker, it is known that the certification unit has provided a certain place for breastfeeding at clinic with special time to breastfeed. There was no prohibition from supervisors in the field related to this matter and specifically workers in the field who do not bring a vehicle will be delivered/ picked up by the foreman at these times.

6.5.4

The certification unit showed the procedure to accommodate complaints and grievances from employees specifically in sexual harassment and violence. In the procedure described that if requested, the certification unit guarantees the confidentiality of the reporting identity and the disclosure of disgrace or incident (whistle blower).

Besides that, the certification unit has formed gender committee for handling the harassment issue around female workers. Complaint can be submitted to board of gender committee, or their foreman. Based on interview with the board of gender committee, the certification unit provides the female worker with menstrual leave, pregnant and nursing leave for about 3 months. Pregnant and nursing female worker is prohibited to work related to chemical. And also, certification unit give special breast-feeding time for female worker, but prohibit the worker from working with chemical material.

Status:	
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6.6

No forms of forced or trafficked labour are used.

6.6.1

Based on interviews with operational staff revealed that all employees were those who passed the recruitment and selection process according to certification unit procedures and requirements. Certification unit post job vacancies then prospective workers come voluntarily to apply for jobs that are available for free and there is no holding of identity documents. Overtime is monitored by the certification unit and workers are given the freedom to choose overtime. The certification unit also does not force or make it difficult for employees to resign. There is no penalty for termination if they wish to terminate the contract early.

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

6.6.2

There are no migrant workers who work in the certification unit's operational area. All workers come from within one country (although from various regions). In addition, each worker has been provided with a clear work contract. The rights and obligations of workers are also clearly stated in certification unit regulations, Company Regulation, and in work agreements. Based on the employee list, it is known that all employees are permanent employees.

Status:

6.7

The unit of certification ensures that the working environment under its control is safe and without undue risk to health.

6.7.1

The company already has an OHS organization in the form of an OHS committee (Occupational Safety and Health Development Committee) in each unit that has been approved by the local manpower office, namely: Decree of the Head of the Manpower and Transmigration Office of Central Kalimantan Province with number Kep.187/DISNAKERTRANS /V/2022 concerning the Ratification of the Occupational Safety and Health Committee of PT Karya Makmur Bahagia. Ratified on May 12, 2022. The organizational structure of the OHS committee consists of: OHS committee Supervisor, Head of OHS committee executive, Secretary and Head of Division and Members. General SKP AK3 on behalf of Chandra Bayu as Secretary with Reg No. 2702/PK3/AJ/62/2022/P2 dated July 25, 2022 with the status still valid until July 2025.

The OHS work program is evaluated every month through regular OHS committee meetings, which include Issue, action plan, current status, action taken by and target date, for example contained in the OHS committee quarterly report, recap of discussions at the OHS committee meeting in April – June 2022, among others related to:

- Work accidents in January – June 2022, by emphasizing the application of HIRAC and continuous PPE discipline.
- PPE inspection activities, Fire and Rescue Service
- Inventory of the use of hazardous and toxic materials.

The company also shows records of reporting on PT KMB's OHS committee activities to the Manpower and Transmigration Office of East Kotawaringin Regency which is routine every quarter, such as the reporting of OHS committee in the second quarter of 2022 No. 02/KMB/LAP-TRI II/VII/2022 dated 17 July 2022

6.7.2

The company has in place an Emergency Preparedness and Response procedure (Document No: BGA-SOP-KMB 13-R0), which was approved by the Area controller and General Manager Plantation in September 2012 regarding instructions for identifying and anticipating accidents and potential situations and responding to them. and prevent and reduce environmental impacts, to mitigate impacts and take disaster recovery actions as a result of emergency events, minimize the level of danger that exists to protect company assets and reduce the impact of losses that can occur due to disasters.

The company also shows the Emergency Response Team Structure in each estate and mill unit that has been approved by the Regional Head, consisting of Emergency Response Manager, Emergency Response Commander, Team Leader, Team members. The company also shows documents for first aid training activities to workers, such as:

- First aid training activities at BKCE were held on May 20, 2022, attended by 56 workers.
- First aid training activities at BMKE were held on 15 July 2022, attended by 23 workers

Based on field observations and document review, it is known that the company has provided first aid kits at strategic and easily accessible places and provided supplies to the foreman in the form of first aid bags. For example, in BMKM the number of first aid kits available is type A with 13 units and approximately 169 employees, this is in accordance with the standards of Permenakertrans regulation No 15 2008 (4 first aid kits per 100 workers). Each Foreman such as the Spray Foreman is provided with a first aid bag and can explain how to use the contents of the first aid kit. The company also shows the results of the first aid kit inspections which are carried out every month at all company locations.

Regarding NCR in previous assessment NCR No 2022.10 regarding the Company has not been able to show sufficient evidence that the first aid kit is available at the workplace in accordance with the identification specified and the first aid kit has been understood by the assigned personnel

Based on field observations and document review, it is known that the company has provided first aid kits at strategic and easily accessible places and provided supplies to the foreman in the form of first aid bags. For example, in GMKM the number of first aid kits available is type A with 12 units and approximately 137 employees, this is in accordance with the standards of Permenakertrans regulation No 15 2008 (4 first aid kits per 100 workers). The results of the field visit revealed that first aid kits were already available in several areas, such as the BMKE child care area, the BKCE division 3 generator house, and in the WWTP area. The company also shows a recorded document of the results of the inventory list, monitoring and checklist of the first aid box inspection which is carried out every month either at the Mill or at the Estate.

Each Foreman such as the Spray Foreman is provided with a first aid bag and can explain how to use the contents of the first aid kit. The company also shows the results of the first aid kit inspections which are carried out every month at all company locations.

Based on the results of document verification, interviews and field visits, on September 9, 2022, the result is that this discrepancy has been declared to have been met and observations will continue to be made in the next assessment related to the consistency of the mechanism that has been made.

Based on interviews and document review, it is known that the number of accidents at PT KMB (BMKM, BKCE & BMKE) for the period January - July 2022 is 421 cases and 12 of them are included in lost time incidents, the company has reported work accidents and is reviewed periodically in the OHS committee's quarterly report to the Office of Manpower and Transmigration.

6.7.3

Regarding the use of personal protective equipment, it is regulated in PPE SOP No. BGA-SOP-CCS-1106. 1-R0, which explains that:

- The company provides all PPE needed by employees according to the risk of danger
- PPE that has been damaged and cannot function properly because it is worn by workers
- If the employee's PPE is damaged, the employee is entitled to a new PPE, by submitting the damaged PPE

The company has conducted socialization related to the policy on the use of PPE, namely:

- BMKE in July 2022 to 10 chemist workers. In the socialization material, there is no information regarding the procedure for replacing damaged PPE
- BMKM in May 2022 to 34 Mill workers. In the socialization material, there is no information regarding the procedure for replacing damaged PPE

The company also shows minutes of hand over of PPE, namely:

- BMKE Division 2, the distribution was carried out in June 2022 and distributed to 10 spray workers in the form of boots, aprons, uniforms, masks and rubber gloves.
- BKCE Division 1, distribution was carried out in May 2022 and distributed to 30 harvest workers in the form of helmets.

Based on field observations in the BGA Ground System building for the spraying team and the BGA Manuring System for the manuring team, it is known that the company has provided sanitation facilities available for workers who use pesticides and fertilizers with working conditions and in accordance with the number of workers of the spraying team and manuring team so that workers can remove PPE, clean themselves and put on their personal clothes.

Based on field observations and interviews with Mill workers at several stations, harvest workers, spray workers and manuring workers, it is known that all of these workers have used appropriate PPE and know the procedures for changing PPE.

Based on the evidence obtained, it is concluded that the company has provided appropriate PPE to workers free of charge.

6.7.4

The certification unit shows proof of payment of *BPJS Kesehatan* and *BPJS Ketenagakerjaan* for estate and mill for the period May – July 2022. From the results of document verification, it is known that all workers have been included in the *BPJS Kesehatan* and *BPJS Ketenagakerjaan* program, for example:

- a. Proof of payment of BMKM *BPJS Ketenagakerjaan* for the period July 2022 for 117 employees paid on August 12, 2022.

- b. Proof of payment of BMKE *BPJS Ketenagakerjaan* for the period July 2022 for 400 employees paid on August 12, 2022.
- c. Proof of payment of BKCE *BPJS Ketenagakerjaan* for the period July 2022 for 356 employees paid on August 12, 2022.
- d. Proof of payment of *BPJS Kesehatan* PT KMB for the period of May 2022 to 1765 workers on May 9, 2022.
- e. Proof of payment of *BPJS Kesehatan* PT KMB for the period of June 2022 to 1713 workers on June 8, 2022.
- f. Proof of payment of *BPJS Kesehatan* PT KMB for the period July 2022 to 1659 workers on July 7, 2022.

Based on document verification show that PT KMB consists of several units, including: Bukit Makmur Mill, Gunung Makmur Mill, Bukit Makmur Estate, Bukit Kecubung Estate, Gunung Makmur Estate, Bukit Daman Estate and Sungai Mentaya Estate. In this case, *BPJS Ketenagakerjaan* is paid per unit (estate and mill) while *BPJS Kesehatan* is paid for 1 company (PT Karya Makmur Bahagia).

Based on field observations and interviews with estate, mill and contractor employees revealed that each employee had been included in the *BPJS Kesehatan* and *BPJS Ketenagakerjaan*, further explained that employees had used *BPJS Kesehatan* for treatment at public health services.

Based on interviews with management, it is known that employees who experience a major category of work accident while working, the certification unit will submit a claim to the Work Accident Service Center. However, if an employee only has a mild accident, the clinic will handle it directly. Based on verification document of work accident recap for the past 1 year period note that there has never been a case of work accident with a major category of employees, the accident that occurred was an accident with a minor category that could be handled by the clinic

6.7.5

The company is still consistent in monitoring the recording of occupational accidents by calculating the lost time accident (LTA). Recapitulation of work accidents with a formula to find the level of severity and frequency of accidents. This document informs the time period, the number of working days, the number of no effective working days, overtime, hours of work in total, the number of accidents, the number of working days lost, hours of work a year, the number of accidents a year, lost days a year, Calculation of Severity Rate and Frequency Rate is reviewed regularly and monitoring will be evaluated at the monthly meeting of OHS Committee. For example, LTA recordings for the July 2022 period are:

Unit	Work Hours	Case	LTI	FR	SR
Area 2 (BMKM, BKCE & BMKE)	488,383	106	-	217.0	-

Based on the description above, the company records work accidents using Lost Time Accident (LTA).

Status: Comply

PRINCIPLE #7 PROTECT, CONSERVE AND ENHANCE ECOSYSTEMS AND THE ENVIRONMENT

7.1

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

7.1.1

The company has a record of the implementation of pest monitoring and control, by showing evidence such as:

- Records of integrated pest control show that the company has carried out observations of pest attacks in August 2022 at BKCE and BMKE with observations, among others, that there were no attacks of rats, *psychidae* and *setora nitens*.
- Planting a beneficial plant, the company has planted a beneficial plant by showing the monitoring document of the beneficial plant for August 2022 in PT KMB area 2 (BKCE and BMKE), namely *Turnera subulata* along 40,000 M. Based on field observations in Division 2 BKCE blocks A02 and B02, Division 3 BKCE block A06 is known to have *Turnera subulata* plants. The company also takes preventive measures against *oryctes* attacks by installing ferrotraps, this is evidenced by the results of field observations in Division 2 BKCE block A02 and block B02 where in these blocks there are ferrotrap orders.
- Development of Owls as natural predators of rats. The results of the study of the report on the condition of the guppies in August 2022 showed that in PT KMB BKCE there were 10 active owl cages out of 32 owl cages and in BMKE 20 owl cages active from 29 owl cages.

From the results of field visits, interviews, and document review, it is known that the company has and has implemented SOPs for pest monitoring and control.

7.1.2

Based on document review and interviews with relevant management, it was found that the company does not use the species mentioned in the Global Invasive Species Database and CABI.org in integrated pest control.

The company shows a recording of the biological pest control implementation document, by showing evidence such as: Planting a beneficial plant, the company has planted a beneficial plant by showing a beneficial plant monitoring document for August 2022 at PT KMB area 2 (BKCE and BMKE), namely *Turnera subulata* with a length of 40,000 M. Based on field observations in Division 2 BKCE blocks A02 and B02, Division 3 BKCE block A06 it is known that there are *Turnera subulata* plants. The company also takes preventive measures against *oryctes* attacks by installing ferrotraps, this is evidenced by the results of field observations in Division 2 BKCE block A02 and block B02 where in these blocks there are ferrotrap orders.

7.1.3

The company has shown its commitment to eco-friendly plantation management. Based on document review, field observation, as well as interview with the workers and external stakeholders, known that the company did not use fire for pest control.

Status: Comply

7.2

Pesticides are used in ways that do not endanger health of workers, families, communities or the environment.

7.2.1

The company has a commitment to reduce pesticides in plantation operations, which is contained in the Sustainability Policy document ratified on August 13, 2015. One of the policies contained in the document is a commitment to implement Integrated Pest Management to reduce pesticide use. Pesticides classified by WHO as class IA or IB listed by the Stockholm or Rotterdam Conventions will not be used, except in certain and urgent situations. It also prohibits the use of paraquat pesticides.

Measures to avoid the development of resistance are to use pesticides selectively (for weeds) and develop biological control (for pests). The company shows a list of all types of pesticides used for the period 2022 in BKCE. These are described in the following table:

Pesticides	Active Ingredients	No. Registration	Objects
Metaprima	Methyl Metsulfuron	RI. 01030120031897	Broadleaf weed Ageratum conyzoides, Calopogonium mucunoides, Clidemia hirta, Synedrella nodiflora
Kleen Up	Glyphosate	RI. 0103011989819	Broadleaf weed Ageratum conyzoides, grass group Setaria plicata, alang alang, Imperata cylindrica
Garlon	Triklopir	RI. 0103011984695	Broadleaf weed Chromolaena odorata

Based on observations and interviews conducted with spray workers in block A02 Division 2 BKCE, it was concluded that workers knew about the function of chemicals used and were selective when spraying activities. such as for example for *Methyl* and *Glyphosate* materials used for path spray.

7.2.2

The company shows a record of pesticide use from January to December 2021, which is included in the monthly pesticide monitoring document containing information on the type of pesticide used, active ingredient, area used, amount used, usage units, period of use and LD-50, and class WHO. For example, at PT. KMB BKCE for the period January - December 2021 as follows:

Pesticides	Active ingredient		LD50 (rat) (mg/kg)	Amount used (Ltr or Kg)	Area used or used (Ha)	Unit/Ha
	Active ingredient name	Active ingredient content				

Metaprima	Metil Metsulfuron	20	%	>5,000	352.7	2,351.33	0.15
Kleen up	Isopropilamina Glyphosate	480	g/l	>5000	7,059.6	2,823.84	2.50
Garlon 480	Triclopyr	480	g/l	1,378- 1,581	280.52	2,550.18	0.11

Based on field observations, it is known that workers understand the principle of selective weed control and the Buffer zone area such as a river border, around 5 trees along the river border, there should be no application of pesticide spraying

7.2.3

The company shows records of pesticide use in 2020 and 2021 at PT KMB BKCE which shows a decrease in pesticide use, such as:

Pesticides	Oum	2020	2021
Metil Metsulfuron	Kg/Ha	0.28	0.01
Kleen Up	L/Ha	13.5	6.43
Garlon	L/Ha	0.54	0.11

The company has also planted beneficial plants, based on field observations in Division 2 BKCE blocks A02 and B02, Division 3 BKCE blocks A06 it is known that *Turnera subulata* plants are found. The company also takes preventive measures against *oryctes* attacks by installing ferrotraps, this is evidenced by the results of field observations in Division 2 BKCE block A02 and block B02 where in these blocks there are ferrotrap orders. Development of Owls as natural predators of rats. The results of the study of the report on the condition of the owl cages in August 2022 showed that in PT KMB BKCE there were 10 active owl cages out of 32 owl cages and in BMKE 20 owl cages active from 29 owl cages. The company does not use pesticides to eradicate pests, because based on observations of pest attacks in August 2022 at BKCE and BMKE with the results of observations including that there were no attacks of rats, *psychidae* and *setora nitens*.

Based on field observations, interviews, and document review, it is known that the company has maintained records of pesticide use and its reduction to a certain extent by substituting environmentally friendly materials/using biological agents for maintenance of crops.

7.2.4

The company shows the Division's work documents and the plan for pest control activities, which consist of detection and census of rats, leaf-eating caterpillars, termites and biological control, such as planting beneficial crops and developing owl populations. The company monitors the effectiveness of biological pest control such as developing crops that are beneficial for oil palm leaf-eating caterpillars and developing owls for mice. The use of insecticides is carried out if the level of pest attack is above the threshold (>5% caterpillars / midrib). Based on the review of integrated pest control documents, it is known that the company has carried out observations of pest attacks in August 2022 at BKCE and BMKE with observations, among others, that there were no attacks of rats, *psychidae* and *setora nitens*.

Based on the results of document review, interviews, field observations, and pest census, the company has not carried out chemical pest control, including not using pesticides for prevention.

7.2.5

The company has justification for the use of selective pesticides according to pest specifications, both in pest, disease and weed control procedures, as well as a management commitment to update 2021. The document contains the type and name of the pesticide, physical form, active ingredient, group according to WHO, LD50, working method, target selective, dose, manufacturer, register number at the Pesticide Commission, and distribution permit. From the review of the document, it is known that the pesticides used do not fall into categories 1A, 1B, the Stockholm/Rotterdam Convention, and there is no paraquat.

The company has a commitment to reduce pesticides in plantation operations, which is contained in the Sustainability Policy document ratified on August 13, 2015. One of the policies contained in the document is a commitment to implement Integrated

Pest Management to reduce pesticide use. Pesticides classified by WHO as class IA or IB listed by the Stockholm or Rotterdam Conventions will not be used, except in certain and urgent situations. It also prohibits the use of paraquat pesticides.

7.2.6

The company has an HSE Work Instruction on the Use & Control of Pesticides Number BGA/KMB-K3/IK-01/03/2012 Revision number 0 approved by Area Controller 3 dated March 14, 2012.

The company shows records of training on the use of pesticides for pest/weed spraying activities, namely:

- Team spraying training activity at BKCE on June 11, 2022 which was attended by 18 workers consisting of the foreman and workers related to pesticides and spraying techniques.
- Team spraying training activity at BMKE on 27 July 2022 which was attended by 13 workers consisting of the foreman and workers related to pesticides and spraying techniques.

The results of field observations at Block A02 Division 2 BKCE, it is known that workers have carried out work in a trained and appropriate manner, using appropriate PPE, chemical-related areas equipped with B3 warnings, limited area warnings, warnings on the use of PPE, emergency response facilities such as APAR, MSDS, HIRAC, washroom, spill control area and cleaning kit.

7.2.7

The company shows the procedures for handling pesticide waste which are presented in the waste disposal procedures no. KMB-SOP-LK-010-RO, which explains, among other things, that the former pesticide packaging from the B3 waste generating unit is sent to the pesticide rinsing site. The used pesticide packaging is rinsed a minimum of 3 times in accordance with the recommendations from the supplier, after being assessed as clean, the waste is stored and arranged in a hazardous waste storage area that has a permit.

Based on field observations in the chemical storage warehouse (pesticides and fertilizers) it is known that the chemical storage area has been equipped with closed containers and labelled with the trademark, MSDS, and there are OHS warnings and hazard symbols, there are channels and spill containers. pesticides, fertilizer storage areas are equipped with ventilation and pallets.

Based on this explanation, it is concluded that the company has stored the chemicals in accordance with the applicable regulations.

7.2.8

The certification unit already has the SOP for the management of pesticide packaging waste, namely the number GA/KMB-K3/IK-01/03/2012, ratified on March 12, 2012 and the SOP for the Management of Hazardous and Toxic waste, namely Number BGA-SOP-CCS-1101.1R0 which was ratified on 22 August 2011. The procedure explains that all used pesticide packaging that is empty must be controlled and managed properly in circulation and cannot be used for employee needs, such as for water containers, food containers, and others. Used pesticide packages that are not reused must be immediately perforated at the bottom and sent to the Hazardous and Toxic Waste Warehouse.

The company have agreement letter for hazardous waste transporting with PT Sinar Bintang Albar Number 043-SPK/KMB-SBA/PLB3/Mei-22 dated 1 May 2022 valid until 1 May 2023.

Based on field visits and interview with pesticide warehouse operator and the temporary storage area for hazardous and toxic waste in the estate, it was found that the pesticide storage area was well managed, oil traps were available, adequate and isolated airways so there was no potential for pesticide exposure to leave the warehouse. Pesticide waste, such as used pesticide packaging which is classified as hazardous and toxic waste, was also found to be stored in a temporary storage warehouse for hazardous and toxic materials which were properly monitored and then collected to licensed collectors. Before being stored in a temporary storage place for hazardous and toxic waste, the used pesticide packaging in the form of jerry cans is shredded first, this is done by management to avoid reuse of pesticide packaging and make storage efficient.

Based on interviews with employees and foremen of pesticide application in estate, it was found that all containers used for pesticide packaging were returned and sent to temporary storage places for hazardous and toxic waste materials that were

not used for purposes other than pesticide application activities. All used containers, work tools and work clothes are stored in a special storage area. Thus, there are no contaminated items to be taken home.

7.2.9

Based on the results of a review of pesticide application documents and interviews with management, spray workers and the village heads, it was found that during ASA-3 the company did not apply airborne spraying.

7.2.10

The company has carried out special medical check up which include checking vital signs (blood pressure, pulse, respiration and temperature) and checking for organophosphate intoxication for pesticide/chemical and fertilizer workers, including:

- Medical check up at BKCE was held on September 3, 2022, to 45 workers with the results of the examination that there were 2 workers in an unhealthy condition. The company shows the minutes of follow-up on the results of the medical check up on September 5, 2022 to the 2 workers in the form of transfers to jobs other than spraying and manuring
- Medical check up at BMKE was held on 3 September 2022, for 41 workers with the results of the medical that there were 7 workers in unhealthy condition. The company showed the Minutes of follow-up on the results of the medical check up on September 8, 2022 to the 7 workers in the form of an appeal to routinely do medical check-ups at the clinic.

The company has not been able to carry out special spirometry examinations based on the Certificate of Implementation of the medical check up of Workers During the Covid-19 Pandemic from the Company Doctor, dated January 3, 2022, which among other things explained that based on the situation during the Covid-19 pandemic, special medical check up for spirometry were not yet available. carried out because the risk of transmission and spread is rather high, namely from respiratory droplets (droplets), air transmission, contaminated surfaces

Based on this explanation, it can be concluded that the company has carried out special annual medical checks for pesticide/chemical operators and documented evidence of follow-up on the results of the inspection.

7.2.11

Based on field observations of fertilization and spraying activities, it is known that workers understand the procedures for pregnancy checks for female workers and the prohibition for pregnant and lactating women to work related to chemicals. In addition, none of the pesticide operators were pregnant or breastfeeding during the audit.

Certification unit has had an internal memorandum that prohibits pregnant and breastfeeding personnel working with chemical material. Based on interview with some female spraying personnel, it's known that there was neither pregnant nor lactating female personnel who work with pesticide. However, unit management conducts pregnancy test and examination every month. Based on interview with the female worker known that the personnel have understood that female personnel cannot work with chemical material if they are pregnant or lactating.

Status: Comply

7.3

Waste is reduced, recycled, reused and disposed of in ways that are environmentally and socially responsible manner.

7.3.1

The company shown evidences that the waste has been identified based on toxicity and hazardous characteristics, and then managed in accordance with waste management procedure and government regulation. The waste identification and management plan stipulated in document of Waste Source Identification and Management. Has been identified the source of waste and pollution from Mill and Estates. For example, engine room produce emission from generator, sterilizer station produces solid waste and scattered loose fruit, chemical storage produces solid waste, such as ex chemical container, etc.

POME

The waste treatment process in the factory with the WWTP pond system. Before being used on plantation land, all wastewater is treated first in the WWTP pond until it reaches the permissible quality standards for wastewater utilization with the provisions of pH 6-9 and BOD ≤ 5000 mg / l. BMKM has a permit for factory waste management, disposal or land application in accordance with stipulated requirements, accordance Permit to utilize palm oil industrial POME on the ground (Land

Application) number 660/43/DLH-Ek.SDA.VII/2017 dated 24 January 2017 valid 5 year.

In this regard, the company shows the progress document for processing the land application permit and hazardous storage permit, which is in accordance with the letter from the Environmental Agency Kotawaringin Timur Regency December, 2021 No.660/DLH-TL/XII/2021 regarding the direction for the extension of PT KMB land application permit and hazardous waste storage, based on the directive it is explained that the land application permit is still valid if there are no changes operational activities.

Solid Waste (Fiber, Shell and EFB)

The company utilizes fiber and shells as boiler fuel, while EFB is applied to plantation land as fertilizer for oil palm plants by EFB composting.

Hazardous and Toxic

The company also has a permit for the Temporary Storage of Hazardous and Toxic Waste by the Regional Government based on the Decree of Regent Kotawaringin Timur Regency Number 660/493/DLH-Ek.SDA.VII/2017 dated 25 July 2017 valid 5 year.

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Permit for temporary storage and/or utilization of hazardous and toxic waste which is valid for 4 hazardous waste storage warehouses within the scope of PT KMB. Permit based on the Decree of Regent Kotawaringin Timur Regency Number 660/493/DLH-Ek.SDA.VII/2017 dated 25 July 2017 valid 5 year. In this regard, the company shows the progress document for processing the land application permit and hazardous storage permit, which is in accordance with the letter from the Environmental Agency Kotawaringin Timur Regency December, 2021 No.660/DLH-TL/XII/2021 regarding the direction for the extension of PT KMB land application permit and hazardous waste storage, based on the directive it is explained that the land application permit is still valid if there are no changes operational activities.

The company have agreement letter for hazardous waste transporting with PT Sinar Bintang Albar Number 043-SPK/KMB-SBA/PLB3/Mei-22 dated 1 May 2022 valid until 1 May 2023. The last transporting of the hazardous waste dated 11 June 2022 on BMKM, the following is proof of transportation documents:

- Hazardous used container 932 kg manifest number AGU 0016684.
- Used Filter 512 kg manifest number AGU 0016685.
- Used oil 926-liter manifest number AGU 0016686.
- Used Battery 31,7 kg manifest number AGU 0016687.

7.3.2

Based on interviews with company management and the Head of the Hazardous and Toxic Waste Warehouse at the sampling location, it is known that they have an understanding of the handling of waste disposal, especially hazardous waste and domestic waste and the management of hazardous waste in accordance with the procedures owned by the management unit. In addition, respondents also stated that these regulations are strictly enforced and there are sanctions for those who violate them. All waste disposal facilities have also been provided by the company such as organic and non-organic waste bins as well as domestic waste transportation which is carried out every 1-3 times a week. The respondent's understanding of the management of hazardous waste is the result of routine and consistent socialization and training as evidenced by the minutes that were held on February 14, 2022 to all BMKE, BKCE staff and employees.

The company have agreement letter for hazardous waste transporting with PT Sinar Bintang Albar Number 043-SPK/KMB-SBA/PLB3/Mei-22 dated 1 May 2022 valid until 1 May 2023. The auditor has been verification of the transporting permit PT Semesta Langgeng Sentosa and still valid. The company has and can show documents for storing and handling Hazardous and Toxic Waste in accordance with SOPs for storing and handling waste. These documents include balance sheets, logbooks and Hazardous and Toxic waste manifests.

The company has identified the source of waste and pollution source and treat the identified source to reduce emission and pollution. The effort taken by the company are:

- Domestic waste: based on field observation, the company has collected domestic waste periodically and dump it to the landfill and it's known that location of landfill is far away from waterways and the housing area.
- Empty fruit bunch is applied to estate plantation area to substitute chemical fertilizer. Based on the results of field

verification, information is obtained that there are 2 types of EFB processing, consisting of intact EFB (directly from the mill) and FFB managed by composting. Based on field visit EFB application is well managed.

- Shell and fibre are reused for engine fuel of boiler. It reduces the carbon emission from the combustion of fossil fuel.
- The managing for clinical waste, the company also has cooperation with licensed parties such as PT Mitra Hijau Asia.

Domestic Waste

The company has a domestic waste management SOP document Number BGA-SOP-KMB 001 dated 28 June 2012, the procedure regulates:

- Every housing, office, public facility must be provided with a trash can of strong material, not leaking, all trash cans must be identified and labelled as trash cans.
- Temporary landfill is a place to temporarily collect waste from housing before going to final disposal.
- All employees who are in office housing are required to dispose of waste in the trash cans provided.
- Estate manager, Mill manager and Head of Administration are responsible for the procurement of cleaners and in their respective work environments.
- Collection and transportation must be provided according to the schedule that has been made in order to avoid accumulation in each area.
- All waste in each work area is sent to the landfill according to the schedule made by the Head of Section. The form is attached to the procedure.

Recording and reporting.

- Every waste sent from trash can to landfill must be recorded the amount and type of waste on the form attached to the SOP.
- Section head collects all waste delivery reports and collects it into a folder and keeps it in the document control room for further use.
- Estate manager, mill manager and coconut administration are responsible for the implementation of this activity.

Based on the results of the field visit, the following information was obtained:

- Domestic waste in one of the housing estates in the BKCE area is dumped behind the house, in the housing ditch and next to the housing.
- Domestic waste from BMKE divisions 2 & 3 housing areas is disposed of behind the house and inside the housing area.
- Housing drainage conditions are not optimal, for example not flowing freely and a lot of garbage is dumped in the housing drainage flow.

Related to this, the company has not been able to show sufficient evidence that the domestic solid waste management is in accordance with the procedures and is fully understood by all workers and managers, so that the non-conformance is declared unfulfilled and becomes a **major non-compliance Number 2022.12**, because it is a minor recurrence in the previous assessment.

7.3.3

The company does not do open burning to destroy waste, this can be proven from field visits to Temporary Waste Disposal Sites where there are no encounters with burnt waste. The results of interviews with factory employees also stated that there was no waste burning activity, because they were aware of the prohibition on burning activities and the sanctions that would be received if burning.

7.3.2 Status: Non conformity

7.4

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

7.4.1

The company has Technical Guidelines for Palm Oil Plantations / Standard Operational Procedures for Palm Oil Agronomy to manage soil fertility which was issued on May 25, 2011 including:

- BGA-AGR-KS-SOP-01 Volume 1 contains about soil and water conservation (SOP-05) and planting of legumes (SOP-06)
- BGA-AGR-KS-SOP-01 Volume 2 contains Fertilization (SOP-09)

- BGA-AGR-KS-SOP-01 Volume 3 contains Management of marginal lands (SOP-16)

The implementation and monitoring of SOPs can be seen from the monitoring of fertilization work by each division, while the monitoring of fertilization performance results is carried out by the agronomy quality control section.

The company has implemented practices to optimize production results in accordance with established procedures, including:

- Sampling of soil and leaves periodically to ensure the elements needed by plants can produce optimally. The results of the analysis of the tested soil and leaves will be the basis for determining the dose of fertilization in each Estate.
- Fertilization activities that prioritize the principles of being on time, right on target, right dose and right application. In addition, for marginal land, additional fertilization is given in the form of empty bunches at BMKE and BKCE as much as 475 tons in March 2022.
- Application of palm oil effluent (POME) to increase soil fertility. For example, the POME application on March 2022 was 23,112 M³.
- Maintenance of cover crops to reduce evaporation (maintain soil moisture). For example, planting legumes (*Mucuna bracteata*) and maintenance of soft ferns (*Nephrolepis bisserata*).
- The company's commitment to no longer use herbicides with the active ingredient paraquat since 2015.
- Monitoring of the implementation of SOPs, among others, is carried out through an internal audit mechanism that is carried out by the OIA Department every semester.

Based on the explanation above, it is concluded that the company has a record of implementing good cultivation practices.

7.4.2

Procedure of leaf and soil sampling analysis for fertilizer recommendation calculation are presented in document of Internal Office Memo No. 004/IOM/RSC/II/15 and No. 53/RSC-ADM/XII/15 dated 07 December 2015, respectively. Both type of sampling has carried out annually by Analysis Laboratory of Research Department of BGA Group, with noted that soil samples has only taken from 20 % of total Blocks. Unit of certification shows leaf sampling unit (LSU) and soil sampling unit (SSU) analysis for PT KMB BMKE and BKCE results that presented in several documents, for example as follows:

- Leaves analysis on 4 June 2022 as many as 24 samples at BMKE and 17 samples at BKCE.
- Soil analysis on 17 July 2022 as many as 17 samples at BKCE and 36 samples at BMKE on 3 May 2022.

Among parameter analysed in leaf sampling are dry matters of macro nutrient (N, P, K, Mg and Ca) and micro nutrient (B, Cu, Zn), as well as status of each nutrient. Meanwhile, parameter analysed in soil sampling are soil type, soil group, depth of sampling, pH, CEC, C-Org, N, C/N ratio, available P, P Total, soil nutrients content (Ca, Mg, K) and soil nutrient status. Visual assessment of palm vigour land field condition by Agronomist was also carried out every year to monitor nutrient status change

7.4.3

The company shows a record of the realization of empty bunches and POME at PT KMB on May 2022, including:

- Fertilization activities that prioritize the principles of being on time, right on target, right dose and right application. In addition, for marginal land, additional fertilization is given in the form of empty bunches at BMKE and BKCE as much as 475 tons in March 2022.
- Application of palm oil effluent (POME) to increase soil fertility. For example, the POME application on March 2022 was 23,112 M³.

Based on the document review, it is known that the company already has a nutrient recycling strategy which includes recycling of empty bunches, and palm oil effluent.

7.4.4

The company shows records of fertilizer use in the period January - July 2022. For example, records of fertilizer use from January – July 2022 are as follows:

Fertilizer	Actual of Fertilizing January – July 2022 (Kg)
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	BKCE	BMKE
Borate (Dose 0.1 Kg/Crop)	13,000	35,770
NPK 13:6:27 (Dose 2.5 Kg/Crop)	532,000	2,096,139
Rock Phosphate (Dose 0.1 Kg/Crop)	438,000	352,991
Kieserite (Dose 1 Kg/Crop)	52,000	323,386

Based on the data above, it is known that the company has a record of the use of fertilizer every month, and the application of fertilizer is in accordance with the recommended dosage.

Status: Comply

7.5

Practices minimise and control erosion and degradation of soils.

7.5.1

The company shows map documents that identify land conditions, topography and soil types, namely:

- Map of soil type scale 1:155,000 No Reg. 008/KMB/GIS-Reg.I/VI/2021, which describes the types of soil in PT KMB, namely:
 - Dystrudepts : BKCE = 1,125.80 Ha, BMKE = 1,417.57 Ha
 - Hapluhumods : BKCE = 47.19 Ha, BMKE = 32.88 Ha
 - Local Alluvium : BKCE = 1,010.21 Ha, BMKE = 1,141.27 Ha
 - Paleudhults : BKCE = 333.66 Ha, BMKE = 72.96 Ha
 - Plinthudults : BKCE = 1.41 Ha, BMKE = 21.62 Ha
 - Quartzpsamments : BKCE = 163.20 Ha, BMKE = 165.26 Ha
 - Udifuvents : BKCE = - Ha, BMKE = - Ha
- Topographic map of PT KMB Region 2 (BCE and BMKE) with a scale of 1:75,000 No Reg.03/KMB/GIS-Reg.1/IX/2022, namely:
 - 0-8% : BKCE = 343.88 Ha, BMKE = 77.11 Ha
 - 8-20% : BKCE = 1,231.35 Ha, BMKE = 1,402.76 Ha
 - >20% : BKCE = 1,115.60 Ha, BMKE = 1,349.61 Ha

7.5.2

Based on the topographic planting map with a scale of 1:225,000, it is known that in area 2 of PT KMB (BMKE and BKCE) there is no area with a steep category (slope >45%). Based on a review of field observation documents and interviews with management representatives, it is known that PT KBM region 2 has not had any new planting and replanting activities.

7.5.3

Based on document review, field observations and interviews with management representatives, it was found that during the ASA-3 Audit activities at PT KMB there were no new land clearing and no new plantings.

Status: Comply

7.6

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.

7.6.1

Companies can demonstrate the long-term suitability of land and oil palm cultivation and identify soils that are classified as marginal and vulnerable, including steep areas through the guidelines contained in semi-detailed land survey reports so that they can be used as references in the construction of drainage channels, roads and other infrastructure, for example. semi-detailed land survey reports include:

- Map of soil type scale 1:155,000 No Reg. 008/KMB/GIS-Reg.I/VI/2021, which describes the types of soil in PT KMB, namely:
 - Dystrudepts : BKCE = 1,125.80 Ha, BMKE = 1,417.57 Ha
 - Hapluhumods : BKCE = 47.19 Ha, BMKE = 32.88 Ha
 - Local Alluvium : BKCE = 1,010.21 Ha, BMKE = 1,141.27 Ha

- Paleudhults : BKCE = 333.66 Ha, BMKE = 72.96 Ha
- Plinthudults : BKCE = 1.41 Ha, BMKE = 21.62 Ha
- Quartzpsamments : BKCE = 163.20 Ha, BMKE = 165.26 Ha
- Udifluvents : BKCE = - Ha, BMKE = - Ha
- Topographic map of PT KMB Region 2 (BCE and BMKE) with a scale of 1:75,000 No Reg.03/KMB/GIS-Reg.1/IX/2022, namely:
 - 0-8% : BKCE = 343.88 Ha, BMKE = 77.11 Ha
 - 8-20% : BKCE = 1,231.35 Ha, BMKE = 1,402.76 Ha
 - >20% : BKCE = 1,115.60 Ha, BMKE = 1,349.61 Ha
- Area statement scale 1:75,000 scale area statement map depicting block names, roads, block boundaries, rivers, emplacements, offices, mills, etc.

7.6.2

Based on a review of field observation documents and interviews with management representatives, it is known that PT KBM region 2 has not had any new planting and replanting activities.

7.6.3

Companies can demonstrate the long-term suitability of land and oil palm cultivation and identify soils that are classified as marginal and vulnerable, including steep areas through the guidelines in the semi-detailed land survey report so that it can be used as a reference in the construction of drainage channels, roads and other infrastructure, for example. semi-detailed land survey reports include:

- Map of soil type scale 1:155,000 No Reg. 008/KMB/GIS-Reg.I/VI/2021, which describes the types of soil in PT KMB, namely:
 - Dystrudepts : BKCE = 1,125.80 Ha, BMKE = 1,417.57 Ha
 - Hapluhumods : BKCE = 47.19 Ha, BMKE = 32.88 Ha
 - Local Alluvium : BKCE = 1,010.21 Ha, BMKE = 1,141.27 Ha
 - Paleudhults : BKCE = 333.66 Ha, BMKE = 72.96 Ha
 - Plinthudults : BKCE = 1.41 Ha, BMKE = 21.62 Ha
 - Quartzpsamments : BKCE = 163.20 Ha, BMKE = 165.26 Ha
 - Udifluvents : BKCE = - Ha, BMKE = - Ha
- Topographic map of PT KMB Region 2 (BCE and BMKE) with a scale of 1:75,000 No Reg.03/KMB/GIS-Reg.1/IX/2022, namely:
 - 0-8% : BKCE = 343.88 Ha, BMKE = 77.11 Ha
 - 8-20% : BKCE = 1,231.35 Ha, BMKE = 1,402.76 Ha
 - >20% : BKCE = 1,115.60 Ha, BMKE = 1,349.61 Ha

Status: Comply

7.7

No new planting on peat, regardless of depth after November 15th, 2018 and all peatlands are managed responsibly.

7.7.1, 7.7.2, 7.7.3, 7.7.4, 7.7.5, 7.7.6, and 7.7.7

Based on environment impact analysis (EIA) report in 2002, soil survey by GIS and research team dated 04 April 2017, as well as field observation to estate areas, it was known that there is no peat soil within PT KMB estate operational areas. Thus, this Indicator is not applicable.

Status: Comply

7.8

Practices maintain the quality and availability of surface and ground water

7.8.1

Based on the 2002 AMDAL document for PT KMB, the 2013 UKL-UPL for the BMKM, the document identification of the HCV high conservation value area (2012), as well as a map of river flows and water sources that have been mapped at a scale of 1:63000 and it can be seen that there is three point of water source in the operational area of PT KMB unit BMKM, namely the Penyahunan. Based on the document, it is also known that the management plan for water sources is to test the quality of surface water and monitoring wells every 6 months. All tests are carried out by a KAN accredited laboratory (LP-024-IDN).

Regarding this, the company shows the results of surface water quality testing for all identified water sources contained in all RKL - RPL reports for the first semester of 2022 (2 reports) and have been reported to the environmental service of Kotawaringin Timur Regency on 11 August 2022 with evidence of news handover ceremony number 56/EXT/Sust/KMB/VIII/2022.

Based on the data from the surface water test results for semester 1 of 2022, for example, there are parameters that are not in accordance with the quality standards set by the government (PP 22 of 2021), namely for the BOD and DO parameters in the upstream and downstream Penyahun river. Related to this, the company shows the evaluation described in the RKL-RPL report for semester 1 of 2022, this is caused by high rainfall, housing activities for residents of surrounding villages (Tumbang Bolo village, Tumbang Sepayang village, Tumbang Kalang village and Sungai Hanya village) and mining outside the company's concession. The company has also conducted socialization related to river area management and protection of water sources to surrounding villagers dated 17 January 2022 and 22 November 2022.

The unit of certification also does not limit access to clean water, and workers also have adequate access to clean water. Based on the results of field observations in the estate housing area as well as interviews with fertilizer workers, spraying workers, and harvest workers, information was obtained that clean water facilities for housing were obtained from drilled wells provided by the company and for factory workers who lived in factory housing, the water source came from reservoirs which has been processed in WTP.

The unit of certification has consistently had a water management plan for mills and plantations that is stated in the Environmental Management and Monitoring document as well as riverbank management programs and other water sources. Testing for drinking water is also carried out by the company to see the quality and quantity of ground water taken from monitoring wells and drilled wells. The guidelines used in measuring and testing drinking water quality use the Minister of Health Regulation Number 32 of 2017, concerning Environmental Health Quality Standards and Water Health Requirements and it appears that all parameters are below the standard quality standards. The realization of water quality improvements that have been carried out by the company include:

- Conduct socialization to all employees and the surrounding community not to use the surface water for consumption activities.
- Maintain a hygienic environment around water sources so that sources of pollutants can be minimized.
- Create a program to improve water quality gradually with the provisions of the applicable laws.
- Report the results of the examination in accordance with the provisions of the applicable laws.
- Testing the quality of river water and boreholes listed in the RKL/RPL report.
- Management of riparian and water sources in the form of reservoirs.
- POME management using WWTP and utilizing it in licensed application areas as well as monitoring the quality of wastewater and monitoring wells.
- Monitoring the use of water for palm oil processing and evaluating its use.

7.8.2

Base on field visit during audit, for examples on Penyahun River Riparian Area, Block P03 division III BMKE and Hanyak River Riparian Area, Block B06A divisi 1, acquired information that company shown proper ways for maintain and protect the catchment area for example manual weeding and marking the boundary riparian as sign in the form of red paint with a width of 20 until 30 meters and buffer zone pole according to the width of the river.

7.8.3

The POME quality testing document review shown for January 2021 to June 2022 all of POME testing parameters are compliant to the standards quality (for examples BOD on June 2022 are 726 mg/l with threshold 5000 mg/l and pH 8.00 with threshold 6-9), and all of POME management and monitoring has been reported to related institutions for regular basis per 3 months. The POME quality testing still accordance minister environmental number 28 year 2003.

Permit to utilize palm oil industrial POME on (Land Application) number 660/043/DLH-ek.SDA/VI/2017 which was legalized on February 24, 2017 and is valid for 5 years. In this regard, the company shows the progress document for processing the land application permit and hazardous storage permit, which is in accordance with the letter from the Environmental Agency Kotawaringin Timur Regency December, 2021 No.660/DLH-TL/XII/2021 regarding the direction for the extension of PT KMB

land application permit, based on the directive it is explained that the land application permit is still valid if there are no changes operational activities.

7.8.4

The Mill water use has been monitored and recorded in document of Recapitulation of Water Usage and Distribution. The record has been covered the FFB process, detail of water usage for process and non-process, total water usage, and water usage per ton of FFB. For instance, the total water usage in 2021 (January- December) was 0.89 – 1.10 m3 water /ton FFB, still under the annual budget, which is 1.20 m3 water/ton FFB.

The unit of certification has a mechanism for measuring factory water use described in IOM No.: 048/IOM/EN-BGA/IX/2016 dated September 13, 2016, it is explained that the measurement uses a flowmeter (recording in the morning and evening).

The results of the field visit to the Water Treatment Plan (WTP) also showed that the flowmeter used was still functioning well, and the officer responsible for the WTP was very understanding about how the WTP works and recording flowmeter data. Officers can also show data in and out of water which is recorded every day.

Status: Comply

7.9

Efficiency of fossil fuel use and the use of renewable energy is optimized.

The unit certification already maximizing the use of renewable energy (fiber & shell) as boiler fuel. For example, use of shells and fiber period January to December 2021 POM has produces 1,275,890 kWh of electricity from turbine. Renewable energy use per ton of palm product in the mill is 10.26 kwh / ton CPO. Result Direct fossil fuel used is 0.10 kWh/ ton CPO.

Status: Comply

7.10

Plans to reduce pollution and emissions, including greenhouse gases (GHG), are developed, implemented and monitored and new developments are designed to minimise GHG emissions.

7.10.1

The company has identified source of pollution and air emission sources, including gaseous, particles and shoot emissions and effluent covering emissions and pollution sources from estate and mill operations. The emission source identified from estate and mill operation among others are land use change, vehicle operation, machine operation, fertilizer and pesticide application, use of AC/refrigerator, waste piling and electricity consumption.

Identification of significant GHG gas emission source is identified and the mitigation plan has been developed by the company covering mill and estate. The significant GHG emission among others are land use change, POME, use of fertilizer and pesticide, use of fossil fuel for operation and transport. The mitigation plan among others is correct dosage use for fertilizer and application as recommended, reduce reuse and recycle action, electric use limitation, transport and engine maintenance, periodic air quality test.

Fossil fuel reducing on BMKM have been implemented by fiber/shell usage for boiler. POME has been monitored every month and monitoring periods January 2021 to June 2022 shown that all of waste water testing parameters is compliant to the standards quality.

Based on document review for examples: pesticides usages monitoring, diesel fuel monitoring, HCV identification and etc found that accurate data has been put into the RSPO palm GHG Calculator. Summary of net GHG emissions from PalmGHG calculator of the audit report which calculation option is applied "Apply full Version".

The calculation of GHG and its monitoring has conducted by EHS department. GHG emission calculated using RSPO palm GHG calculator 4.0 Summary of GHG emission for BMKM and its supply base are listed as follows:

Emissions per product	tCO2e/tProduct
CPO	1.46
PK	1.46

Production	t/yr
FFB processed	333,888.00
CPO produced	81747,72
PK produced	17069.38

Extraction	%
OER	19.09
KER	3.96

Land use	Ha
Planted area on mineral	213114.37
Planted on peat	0
Total area planted	213114.37
Conservation Area (Forested)	713.46
Conservation Area (Non-Forested)	23.07
FFB Production per hectare	24.31

Summary of field emission and Sinks

Description	Own crop		Group		3rd	Total
Emissions Sources	tCO2e	tCO2e/ tFFB	tCO2e	tCO2e/ tFFB	tCO2e	
Land conversion						
CO2 emissions from fertilizer	58434.67	0.46	74030.03	0.37	13245.70	145710.40
NO2 emissions from peat	6035.54	0.05	9605.81	0.05	3357.48	18998.84
N2O2 from Fertilizer	0	0	0	0	0	0
Fuel consumption	3026.30	0.02	4463.01	0.02	1575.81	9065.13
Peat oxidation	0	0.01	2910.30	0.01	296.96	0
Sinks						
Crop sequestration	-66884.06	-0.52	-44900.45	-0.23	-1.99	-125758.71
Sequestration in	-2504.98	-0.02	-1819.88	-0.01	0	-4324.86
Conservation area						
Total	-542.96	-0.00	44288.83	0.22	0.64	48247.63

Summary Oil Mill Emissions and Credits

Remarks	tCO2e	tCO2e/t FFB
Emissions sources		
POME	65447.70	0.20
Fuel consumption	696.91	0
Grid electricity	0	0
Credits		
Export of grid electricity	-3.74	0
Sales of PKS	-1687	-0.01
Sales of EFB	0	0
Total	64453.80	0.19

Palm Oil Mill Effluent (POME) Treatment

Divert to compost (%)	0
Divert to anaerobic digestion (%)	100

POME Divert to Anaerobic Digestion

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

Based on the verification results of the calculation results of the RSPO GHG calculator for the 2021 period (already approved on ASA-2) the area of Conservation Area (Forested) is 713.46 Ha and Conservation Area (Non-Forested) is 23.07 Ha which is the total area of HCV (certified and non-certified), when the ASA-3 audit was conducted, information was obtained, that the total area of HCV included in the certification area was 7.91 Ha located in the BMKE.

7.10.2

Based on interview with company management and document verification, it is known that there has been no new land clearing since 2014.

The company no longer undertakes new developments after 15 November 2018 so that the HCV document is still valid and does not require an HCS assessment.

7.10.3

The company has identified pollutions and emissions sources of BMKM for the period 2021, such as CO₂ (boiler, generator, transportation), CH₄ (POME), hazardous waste (WTP, chemical storage), noise (machinery). The sources of pollution and emissions for the estate are listed on the identification documents and management plans for pollution sources for the period 2021 and 2022, such as emissions (CO₂, CO), noise, chemical waste, organic and inorganic waste, and infectious waste.

Plans to reduce or minimize have been implemented and monitored as explained in RKL-RPL semester 2 the year 2021 and 1 years 2022. Fossil fuel reduction on BMKM have been implemented by fiber/shell usage for the boiler.

Status: Comply

7.11

Fire is not used for preparing land and is prevented in the managed area.

7.11.1

The certification unit has a no-burn policy contained in the Policy on Environment and Biodiversity and was approved by the Regional Head on June 1, 2016 which states that PT BGA in running its business is committed to land clearing implementing a zero burning system in all plantation development activities and waste disposal. The company also has SOP No. BGA-AGRKS-PTKS-PLH has been approved by the Director on January 4, 2011 regarding Land Preparation, where the procedure explains that land clearing is carried out by mechanical means and Zero Burning

During the audit activity, the certification unit had not carried out any replanting or new development activities. Based on the interviews with management and the Environment Agency, it was also stated that the company is committed not to carry out burning activities for land clearing.

7.11.2

The certification unit has a no burning policy contained in the Policy on Environment and Biodiversity and was approved by the Regional Head on June 1, 2016 which states that PT BGA in running its business is committed to land clearing implementing a zero burning system (no burning) in all development activities. gardens and waste disposal. The certification unit also has procedure on fire prevention:

- SOP for Fire Management and Prevention (BG-KMB-KRD/PRO-19/03/2012) was ratified on March 21, 2012 by the Area Controller 3. Emergency response conditions identified include: fire, explosion, pollution, natural disaster, civil commotion violence, demonstrations, work accidents. Broadly speaking, the SOP contains fire prevention procedures (with APAR, Hydrant), fire prevention, coordination, communication, training and socialization processes.
- The Work Instruction for Land Fire Management and Prevention (BGA-KMB-KRD/IK-20/03/2012) was ratified on March 21, 2012 by the Area Controller 3. The procedure describes land fire prevention, formation of a firefighting team, and land fire prevention, and activities after the blackout.

In carrying out fire prevention and control activities, the certification unit has carried out several activities, including:

- Establish an internal emergency response structure for PT KMB
- Annually the Health Fire Fighting Department together with Estate management analyze fire hazards and risks to assess the level of danger and protected areas by determining the priority scale according to the hazard.
- Fire-prone locations are marked on the map and assigned different grades and colors according to hazard based on the level of fire hazard and limiting factors in Fire control.
- The field team will monitor the daily level of vulnerability based on weather behaviour by counting days without rain, fuel conditions in the field, rainfall in the last 15 days and also the level of relative humidity (relative humidity).
- PT KMB plans, carries out fire prevention patrols whose frequency is adjusted to the daily fire hazard level and carries out patrols with a priority scale to areas with higher danger levels
- Establish clear handling procedures in the context of Land Fire Control
- PT KMB through the DARKAHUTLA Brigade (Forest and Land Fire Awareness) also monitors fires using Hotspot monitoring satellite data every day
- Conduct training involving competent parties and create applications to monitor Hotspots in the certification unit's area and its surroundings
- The certification unit has also formed a Forest and Land Fire Brigade, stratified according to the scale and extent of the fire as well as the severity and equipped with a support team such as logistics, planning, heavy equipment, medical, work safety, security, public relations and others. updated to ensure preparedness.
- Conduct socialization of the dangers of forest and land fires directly and indirectly, namely through warning boards.

The results of the field visit also showed that socialization regarding the prohibition of burning land had been conveyed through direct socialization to employees during morning apples and symbols posted in places that were easy for everyone to read. Field observations at the fire extinguisher storage location also show that the available tools are quite complete and in good condition, this is evidenced by the simulation of water pumps and hydrants.

7.11.3

The certification unit routinely conducts socialization and training to employees for fire prevention and control activities, some examples of activities that have been carried out include documentation in the form of socialization reports, simulations, and training for land, plantation, and forest firefighters in collaboration between Manggala Agni and PT KMB on 28-29 Agustus 2021 with 54 participants.

Status: Comply

7.12

Land clearing does not cause deforestation or damage any area required to protect or enhance High Conservation Values (HCVs) or High Carbon Stock (HCS) forest. HCVs and HCS forests in the managed area are identified and protected or enhanced.

7.12.1

Based on plantation management information and a review of the hectare's statements, it was found that there was no additional planting or expansion of the plantation operational area after November 15, 2018. However, the Company cleared land after November 2005 without prior HCV assessment so that remediation and compensation procedures apply. Based on the results of the previous audit, the company explains the land used change analysis with the following explanation:

- HCV Assessment Date Sept-October 2011.
- Land clearing prior to the November 2005 - September 2010 HCV assessment.
- The total area of the management unit is 15,056 ha.
- The total raw area is 5,268 ha.
- The total area of conservation responsibility is 1,855 ha (net area of 856 ha)
- E-mail evidence from the RSPO Compensation RSPO Executive to the Head of Sustainability BGA dated 25 April 2016 informing that the LUCA report has been received and declared as PASS.
- An email from RSPO (@rspo.org) dated 27 May 2019 informed that "kindly note that there is a land liability issue for this certified unit where the compensation plan has yet to be endorsed.
- The company can show evidence of communication between the BGA and the RSPO regarding the completion of the RaCP which is carried out regularly from March to June 2021. The results of the last communication with the RSPO are based on an email from aryo.gustomo@rspo.org on 17 June 2021, which is in an email The statement describes internal inspections and discussions at the RSPO Integrity Unit, decided to grant Conditional Approval with a maximum time of 16 December 2021, i.e. 6 months from the date of the email for Companies under the BGA group to continue annual

surveillance audits to continue and allow all ongoing progress of the RaCP process is completed by the Company as quickly as possible. Conditional approval.

- In the ASA 1.3 activity, the company again showed the Compensation Plan process for BGA on behalf of PT BGA, according to the email from the RSPO dated 10 February 2022 which explained that the certified management unit allowed to complete the RaCP process and continue the annual supervisory assessment (conditional approval). This conditional approval will only be valid for 6 months from the time the email is sent (10 February 2022).

Based on the results of the RSPO verification announcements on 08 September 2021 regarding Disclosure and Continuity of Certification for RSPO P&C and RSPO ISH Standard and the supply base data and hectare statement in 2022, PT BGA's RaCP process is included in scenario 1 so that the surveillance activity process can be continued.

7.12.2

BMKM Certification Unit already has a document identification of areas that have high conservation value with a scope of study, namely the entire PT BGA Management area and not separate for each certification unit. The HVC assessment was carried out by the Bogor Agricultural Institute (RSPO Approve Assessor) in September – October 2011 with the final document year 2012. The company no longer undertakes new developments after 15 November 2018 so the HCV document is still valid and does not require an HCS assessment. The HCV analysis uses the 2008 Toolkit for HCV Area Identification and the Management and Monitoring Plan for HCV areas is in accordance with the 2010 Indonesian RSPO Guidelines. The results of the HCV assessment have passed the peer review conducted by Dr. Kunkun Jaka Gurmaya in February 2012 with the result that no major issues were found and 3 minor issues were all fixed.

From the results of the document review, the following information was obtained, HCV identification on 2012 results 693.48 Ha. Based on the results of the re-delineation (ASA - 3 Audit BMKM) of the HCV area included in the company's HGU, which is 7.91 Ha (on certification scope) on BMKE.

7.12.3

Base on document submitted by Proforest namely RSPO No deforestation consultancy: high forest cover countries, Consultancy report on definitions and recommendations to the RSPO June 2018 as known not set HFCL for Indonesia.

7.12.4

The company already has a 2021 – 2021 HCV management and monitoring plan which is stated in the 2021 HCV Management Plan document for PT KMB, namely:

- Monitoring and maintenance of HCV attributes 2 times a year
- Install/rehabilitate HCV attributes 2 times a year
- Socialization of HCV to Employees and Contractors 1 times a year
- Socialization of HCV to the Community 1 times a year
- Routine patrols every month
- Monitoring of protected species 2 times a year
- Monitoring and maintenance of water surface 2 times a year

The realization of the management plan has been included in the report on the implementation of management and monitoring of high conservation value areas 2021. Based on the results of the document review, the Company has carried out management and monitoring in accordance with the established management plan consist of:

- Establishment of HCV boundaries through the installation of HCV attributes, for example signboards related to HCV, HCV forested, Boundary Signs of chemical use in oil palm plants.
- Direct and indirect socialization by conducting, for example, indirect socialization in the form of warnings / prohibitions or references to animal protection regulations, direct internal socialization to staff and employees of the plantation and factory base supplier as well as direct external socialization to the community around the plantation which was carried out during 2021 between another socialization for company staff on 10 June, 2021, outreach to mill and plantation employees on 17 July 2021, outreach to the surrounding community on 8 September 2021 and outreach to contractors on 21 September 2021.
- Protection of water resources by determining boundary boundaries with HCV environmental services attributes, not applying chemical fertilizers within the defined river boundaries, Planting bamboo on the river's lips to avoid high erosion.
- Monitoring reports on animal/plant species for the period January until June 2022. Based on the results of the monitoring,

it is known that there are types of (Permenlhk P.106 tahun 2018) i.e *elang tikus (elanus caeruleus)* and *Macan Akar (Prionailurus bengalensis)* and other species is *Macaca Fascicularis*, *Callosciurus Notatus*, *Python Reticulatus* and *Varanus Salvator*.

The HCV management and monitoring implemented that taken by the management unit such as maintain HCV attributes (HCV boundary, sign board), HCV socialization (community and worker), maintain HCV area, regular patrols for maintain HCV security, species monitoring, enrichment in riparian. Management plan HCV 2020 and 2021 has developed in consultation with relevant stakeholders (The last forum group discussion on 6 December 2021) and covers areas consist of:

- | | |
|----------------------------|---------------------------|
| - Tumbang Sepayang Village | - Rantau Katang Village |
| - Gunung Makmur village | - Tumbang Mangkup Village |
| - Sungai Hanya Village | - Agung Mulya Village |
| - Mulya Agung Village | - Rantau Tampang Village |
| - Bhakti Karya Village | - Luwuk Kuwan Village |
| - Waringin Agung Village | - Tumbang Bajanei Village |
| - Buana Mustika Village | - Tumbang Boloi Village |
| - Tanjung Harapan Village | - Bukit Makmur Village |
| - Tumbang Sangai Village | - Wonosari Village |
| - Beringin Agung Village | - Tanjung Jorong Village |

The company has implemented the HCV management in accordance with the management plan/ procedure for the period 2021 and 2022. The management plan is reviewed every year, for example, the review on period 2021 involved government, village heads, community leaders, traditional leaders, local communities around the operational area.

Base on field visit during audit, for examples on Penyahuan River Riparian Area, Block D03 division III BMKE. acquired information that company shown proper ways for maintain and protect the catchment area for example manual weeding and marking the chemical boundary border. The auditor found that companies have marked perform revegetation with *ketapang* and bamboo, and HCV signboard placement. During field visit also found riparian condition were managed well and there is no chemical activity indications on those riparian that become sampling audit

7.12.5

The BMKM Certification Unit already has a document identification of areas that have high conservation value with a scope of study, namely the entire PT KMB Management area and not separate for each unit of certification. The HVC assessment was carried out by the Bogor Agricultural University (RSPO Approve Assessor) in September – October 2010 with the final document year 2012. The company no longer undertakes new developments after 15 November 2018 so that the HCV document is still valid and does not require an HCS assessment.

Based on the results of the study of the HCV identification document, it is known that there is no area needed by the community to fulfil basic needs. In addition, based on interviews with village officials, it is known that the community no longer fulfils their basic needs from the forest but from local markets. The livelihoods of the surrounding community include farming with rubber or oil palm plantations. Based on the results of field visits to scared tree and sacred stone, it also shows that there are still community activities that use the location as a place for cultural rituals, the condition of the location is also quite good and well-maintained by the management carried out by the company.

7.12.6

The Certification Unit already has an SOP for the HCV Management Program Number KMB-SUST-SOP-18 dated March 1, 2018 as well as a company policy on Protection of High Conservation Values which was ratified on June 1, 2016 by region head 2. The document states that in accordance with the principles of According to the company's sustainability principle, all employees are advised not to hunt, capture, kill and sell endangered protected animals and plants and report any such activities. Maintain and not disturb the area designated as HCV area and report any illegal acts. Employees who do not comply will be subject to sanctions in accordance with applicable laws and regulations. The company also installs no hunting signboards with photos of species and sanctions for violating government regulations in all HCV areas.

The company has a sustainability policy explained related to monitoring any Endangered all vulnerable species and looking for any signs of illegal activity. Bumitama Agri is committed to conserving natural resources and protecting and enhancing the existing natural environment and its biodiversity. <https://bumitama-agri.com/sustainability/environment/>.

The company have established HCV management plan, and implemented it well. Regularly patrols record shown company has been monitored illegal hunting, and other illegal activities. All of records for daily patrols on each estate are available and verified by auditors.

For example, RTE patrols summary results on 2021 for conservation area on Penyahuan River Riparian Area, Block D03 division III BMKE such as types of (Permenlhk P.106 tahun 2018) i.e *elang tikus (elanus caeruleus)* and *Macan Akar (Prionailurus bengalensis)* and other species is *Macaca Fascicularis*, *Callosciurus Notatus*, *Python Reticulatus* and *Varanus Salvator*.

The company have established HCV management plan, and implemented it well. Regularly patrols record shown company has been monitored illegal hunting, and other illegal activities. All of records for daily patrols on each estate are available and verified by auditors.

7.12.7

The HCV management activities that taken by the management unit for period 2021 are maintain HCV attributes (HCV boundary, sign board), HCV socialization (community and worker), maintain HCV area, regular patrols for maintain HCV security, species monitoring, enrichment in riparian. The company has also submitted a report related to the biodiversity database and monitoring & management HCV of PT KMB to the Natural Resources Conservation Centre of Kalimantan Tengah Province dated 25 August 2022.

The company conducted a management review related to the management of the HCV area on 2021. The company has evaluated the results of management of river boundaries and HCV areas in 2022, among others, as input in the preparation of a management plan for the management and monitoring of HCV in 2022.

The management plan period 2021 is effectively and implemented based on the monitoring result implementation period 2020. The enhancement and result of the HCV / RTE monitoring review for the next HCV program. The review of the 2021 program, will become an HCV program in 2022, for example riparian re-marking, understanding of HCV officers and repaired of the HCV signboard in December 2021 has not been fully completed and has been realization on January 2022.

7.12.8

Based on plantation management information and a review of the hectare's statements, it was found that there was no additional planting or expansion of the plantation operational area after November 15, 2018. However, the Company cleared land after November 2005 without prior HCV assessment so that remediation and compensation procedures apply. Based on the results of the previous audit, the company explains the land used change analysis with the following explanation:

- HCV Assessment Date Sept-October 2011.
- Land clearing prior to the November 2005 - September 2010 HCV assessment.
- The total area of the management unit is 15,056 ha.
- The total raw area is 5,268 ha.
- The total area of conservation responsibility is 1,855 ha (net area of 856 ha)
- E-mail evidence from the RSPO Compensation RSPO Executive to the Head of Sustainability BGA dated 25 April 2016 informing that the LUCA report has been received and declared as PASS.
- An email from RSPO (@rspo.org) dated 27 May 2019 informed that "kindly note that there is a land liability issue for this certified unit where the compensation plan has yet to be endorsed.
- The company can show evidence of communication between the BGA and the RSPO regarding the completion of the RaCP which is carried out regularly from March to June 2021. The results of the last communication with the RSPO are based on an email from aryo.gustomo@rspo.org on 17 June 2021, which is in an email The statement describes internal inspections and discussions at the RSPO Integrity Unit, decided to grant Conditional Approval with a maximum time of 16 December 2021, i.e. 6 months from the date of the email for Companies under the BGA group to continue annual surveillance audits to continue and allow all ongoing progress of the RaCP process is completed by the Company as

quickly as possible. Conditional approval.

- In the ASA 1.3 activity, the company again showed the Compensation Plan process for BGA on behalf of PT BGA, according to the email from the RSPO dated 10 February 2022 which explained that the certified management unit allowed to complete the RaCP process and continue the annual supervisory assessment (conditional approval). This conditional approval will only be valid for 6 months from the time the email is sent (10 February 2022).

Based on the results of the RSPO verification announcements on 08 September 2021 regarding Disclosure and Continuity of Certification for RSPO P&C and RSPO ISH Standard and the supply base data and hectare statement in 2022, PT BGA's RaCP process is included in scenario 1 so that the surveillance activity process can be continued.

Until the surveillance audit-1.3 activity is carried out, the Company has not been able to demonstrate that the HCV compensation Plan (RaCP) has been accepted by the RSPO but in accordance with the RSPO announcements on 08 September 2021 regarding Disclosure and Continuity of Certification for RSPO P&C and RSPO ISH Standard surveillance activities can be continued with non-compliance with indicator 7.12.8 is issued and can be opened until the next surveillance activity. **Become Non-conformity number 2022.17**

7.12.8	Status: Non-conformity number 2022.17
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3.2 Conformity Checklist of Certificate and Trademark Use

1.	Evidence of permission or approval certificate and logo from Certification Body which submitted by Client	X or ✓
ASA 3	PT Karya Makmur Bahagia - Subsidiaries of Bumitama Agri Limited has licensees with number 1-0043-07-100-00.	✓
	Status: Comply	
2.	Implementation of certificate and logo used by Client comply with size and type (shape) against Guideline of Logo Use	X or ✓
ASA 3	PT Karya Makmur Bahagia - Subsidiaries of Bumitama Agri Limited did not used RSPO trademark and Logo on product.	✓
	Status: Comply	
3.	Implementation of Certificate and Logo is not used on product	X or ✓
ASA 3	PT Karya Makmur Bahagia - Subsidiaries of Bumitama Agri Limited did not used RSPO trademark and Logo on product.	✓
	Status: Comply	
4.	Controlling of Certificate and Logo, including withdrawing inappropriate logo.	X or ✓
ASA 3	PT Karya Makmur Bahagia - Subsidiaries of Bumitama Agri Limited did not use RSPO logo.	✓
	Status: Comply	

3.3 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 5.5.3. 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

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 are no significant land conflicts which have not been declared above
- The company has followed RSPO requirement related to New Planting Procedure and Remediation and Compensation Procedure.
- There are 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?	Based on the document review, there is a company internal audit that was conducted and the positive assurance is at this table that is also been verified.
2.1.2	No replacement of primary forest or any area identified as containing High Conservation Values (HCVs) or required to maintain or enhance HCVs in accordance with RSPO criterion 7.3 (it has changed be Criterion 7.12 in P&C 2018)	<p>PT Langgeng Muara Makmur Sejahtera</p> <ul style="list-style-type: none"> - RaCP Plan document are wait for LUCA documents to be submitted and approved by RSPO. - HCV conducted March 2012 by Forestry IPB. <p>PT Andalan Sukses Makmur</p> <ul style="list-style-type: none"> - LUCA was sent on January 2015 to RSPO - Documents RaCP Plan are wait for LUCA approved by RSPO - HCV was conducted on October 2013 by Sonokeling Akreditasi Nusantara <p>PT Investa Karya Bhakti</p> <ul style="list-style-type: none"> - LUCA was sent on 13 June 2016 to RSPO - Documents RaCP Plan are wait for LUCA approved by RSPO <p>PT Gunajaya Harapan Lestari</p> <ul style="list-style-type: none"> - LUCA has not been submitted to RSPO - HCV was conducted on October 2012 by Forestry IPB <p>PT Windu Nabatindo Sejahtera</p> <ul style="list-style-type: none"> - LUCA was sent on 19 June 2016 to RSPO

Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<ul style="list-style-type: none"> - Documents RaCP Plan are wait for LUCA approved by RSPO - HCV was conducted on March 2012 by Forestry IPB <p>PT Ladang Sawit Mas</p> <ul style="list-style-type: none"> - LUCA was sent on 16 July 2014 to RSPO - Documents RaCP Plan are wait for LUCA approved by RSPO - HCV was conducted on December 2013 by Sonokeling Akreditasi Nusantara <p>PT Lestari Gemilang Intisawit</p> <ul style="list-style-type: none"> - LUCA was sent on 7 November 2014 to RSPO - Documents RaCP Plan are wait for LUCA approved by RSPO - HCV was conducted on 2013 by Sonokeling Akreditasi Nusantara <p>PT Agro Manunggal Sawitindo</p> <ul style="list-style-type: none"> - LUCA was sent on 7 November 2014 to RSPO - Documents RaCP Plan are wait for LUCA approved by RSPO - HCV was conducted on July 2013 by Sonokeling Akreditasi Nusantara <p>PT Karya Makmur Langgeng</p> <ul style="list-style-type: none"> - LUCA was sent on January 2015 to RSPO - Documents RaCP Plan are wait for LUCA approved by RSPO - HCV was conducted on July 2013 by Sonokeling Akreditasi Nusantara <p>PT Gemilang Makmur Subur</p> <ul style="list-style-type: none"> - HCV was conducted on November 2016 by PT Gagah Dinamika Aksenta. <p>Auditor verification Based on internal audit results and evidence provided (communication to RSPO on liability disclosure) shows that all subsidiaries of Bumitama has been sent to RSPO and now on progress of LUCA review.</p>
2.1.3	Any new plantings since January 1 st 2010 must comply with the RSPO New Plantings Procedure.	<p>PT Langgeng Muara Makmur Sejahtera, there is no new planting after January 1st 2010.</p> <p>PT Andalan Sukses Makmur, NPP was completed for areal 5,630 Ha and publish on March 10th 2016.</p> <p>PT Investa Karya Bhakti, NPP was completed for areal 5,700 Ha and publish on October 4th 2016.</p> <p>PT Gunajaya Harapan Lestari, there is no new planting after</p>

Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<p>January 1st 2010.</p> <p>PT Windu Nabatindo Sejahtera, there is no new planting after January 1st 2010.</p> <p>Auditor verification Based on internal audit, documented time of land clearing and liability disclosure sent to RSPO, there is new planting/land clearing after 1st January 2010 for PT Andalan Sukses Makmur and PT Investa Karya Bhakti but NPP has been conducted for these units. Evidence of submission to RSPO is provided and the NPP notification are at RSPO website.</p>
2.1.4	Land conflicts, if any, are being resolved through a mutually agreed process, such as the RSPO Complaints System or Dispute Settlement Facility, in accordance with RSPO criteria 2.2, 6.4, 7.5 and 7.6 (it has changed be Criterion 4.8, 4.7 and 4.5 in P&C 2018).	<p>There is no land conflicts.</p> <p>Auditor verification There is land conflicts and has been resolved with RSPO Grievance procedure or Dispute Settlement Facility.</p>
2.1.5	Labour disputes, if any, are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3 (it has changed be Criterion 4.2 in P&C 2018).	<p>There is labor disputes. There is no information from public source and RSPO website on any labour conflict for uncertified unit of the group subsidiaries.</p> <p>Auditor verification There is labour dispute in uncertified unit i.e PT Bumitama Gunajaya Abadi. The dispute has been resolved as we can seen in RSPO website that the status of dispute in closed for monitoring.</p>
2.1.6	Legal non-compliance, if any, is being addressed through measures consistent with the requirements of RSPO P&C criterion 2.1 (it has changed be Criterion 4.2 in P&C 2018).	<p>PT Langgeng Muara Makmur Sejahtera</p> <ul style="list-style-type: none"> • Izin Prinsip Arahan Lokasi No. 525.21/660/Ek.SDA/IX/2014 dated 12 September 2014 5,325 Ha • Location Permit SK District Kotawaringin Timur No. 188.45/330/Huk-BPN/2014, 23 September 2014 5,370 Ha • Environment Permit No. 660/2140/BLH-Ek.SDA/2015, 19 October 2015 for 5,325 Ha • IUP No. 188.45/490/Huk-Ek.SDA/2014, 19 December 2014 4,810.72 Ha • SK HGU No. 5/HGU/KEM-ATR/BPN/2017, January 10th 2017. <p>PT Andalan Sukses Makmur</p> <ul style="list-style-type: none"> • Izin Prinsip Arahan Lokasi SK District Kotawaringin Barat No.590/105/Pem-XI/2012, November 21 2012 for areal 9,000 Ha. • Location Permit SK District Kotawaringin Barat No.525/68/XII/2012, December 18th 2012 for 9,275 Ha • IUP No. 525/45/ek, 06 February 2013 • HGU on process.

Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<p>PT Investa Karya Bhakti</p> <ul style="list-style-type: none"> Izin Prinsip Arahan Lokasi No. 590/09.Pem-II/2014, 3rd February 2014 for areal 14,500 Ha. Location Permit SK District Kotawaringin Barat No. 525/62/IX/2014, 1st September 2014, 11,746.74 Ha IUP No. 525/014/EK, April 21 2015, 5,700 Ha <p>PT Rohul Sawit Industri and PT Masuba Citra Mandiri</p> <ul style="list-style-type: none"> HGU on process Panitia B Inti No. 03/RSL/HGU/2015 seluas 1,893.11 Ha Panitia B Plasma No. 04/RSL/HGU/2015 seluas 938,16 Ha <p>PT Gunajaya Harapan Lestari</p> <ul style="list-style-type: none"> Izin Prinsip Arahan Lokasi No. 525/426/Bappeda-D year of 2007, 08 May 2007 for areal 3,000 Ha. Location Permit SK District Kendawangan No. 265 year of 2007, 28 June 2007 for 3,000 Ha Revision Location Permit No. 370 year of 2008, 07 October 2008 for 3,000 Ha Extention Location Permit No. 415 year of 2010, 27 July 2010 for 3,000 Ha IUP No. 365/DISBUN-D/2012, August 23rd 2012 for 1,750 Ha HGU No. 62/HGU/KEM-ATR/BPN/2016, 1,973.45 Ha <p>PT Windu Nabatindo Sejahtera</p> <ul style="list-style-type: none"> Izin Prinsip Arahan Lokasi No. 02.04.28/525.26/463/XI/Ekbang/03, 8th November 2003 for areal 7,000 Ha. Location Permit SK District Kotawaringin Timur No. 165.460.42, 26 February 2004 for 5,370 Ha IUP No. 525.26/152/V/Ekbang/2004, 17 May 2004 for 5,370 Ha Permit Location No. 374.460.42, December 13 2006 for 5,000 Ha (Revision) IUP No. 525.26/386/V/Ekbang/2007, May 30th 2007 for areal 5,000 Ha (Revision) Kadastral Map No. 355-15.05-2007, July 6th 2007 for areal 4,998.76 Ha Surat Permohonan HGU 003/WNS-Dir/VII/2007, July 11th 2007 for areal 5,000 Ha. <p>PT Windu Nabatindo Abadi</p> <ul style="list-style-type: none"> Sertifikat HGU No. 37/HGU/BPN RI/2014 seluas 1,987.8 Ha Sertifikat HGU No. 48/HGU/KEM-ATR/BPN/2015 tanggal 20 Mei 2015 seluas 5.773 Ha <p>PT Nabatindo Karya Utama</p>

Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<ul style="list-style-type: none"> Sertifikat HGU No. 17/HGU/KEM-ATR/BPN/2016 tanggal 07 April 2016 seluas 3,298.63 Ha <p>HGU on process for Ladang Sawit Mas, PT Lestari Gemilang Intisawit, PT Agro Manunggal Sawitindo, PT Karya Makmur Langgeng, and PT Gemilang Makmur Subur</p> <p>Auditor verification Land legal process is still going on and there is a detail update progress documented by the company for each year.</p>

3.4 Identification of Findings, Corrective Action, Observations, Opportunity for Improvement and Noteworthy Positive Components.
3.4.1. Identification of Findings, Corrective Actions and Observations at ASA 1 and ASA 2

NCR No.	: 2022.01	Issued by	: Haikal Ramadhan Kharismansyah
Date Issued	: 01 April 2022	Time Limit	: Next Surveillance
NC Grade	: Minor	Date of Closing	: 09 September 2022
Standard Ref. & Requirement	2.1.3 Evidence of legal area boundaries are shown with clear and maintained boundary markings, and no planting has been carried out beyond these boundaries.		
Evidence observed (filled by auditor):			
<ul style="list-style-type: none">Based on the revised map of the land parcel of PT Karya Makmur Bahagia published by the Ministry of Agrarian Affairs and Spatial Planning/National Land Agency which was approved by the Head of the Sub-Directorate of Field Measurement and Mapping on 27 November 2020, it was found that there was a change in the identity and location of boundary markers when compared to the previous field map.Based on information from the facilitator, it is known that the field map was received by the company in June 2021.From the results of the field visit, the following facts were found:<ul style="list-style-type: none">BMKE : HGU stakes BT 77, BT 71 found; KMB-72 (new peg) has not been installed and the auxiliary peg is not foundBKCE : HGU stake BT50 found, HGU stake 48 and 49 not foundThe results of the last HGU stake monitoring carried out in January 2022 stated that all of the stakes were in good conditionThe identity and numbering of the stakes do not follow the latest field map including the number of HGU stakes that should be installedBased on the management representative's explanation, it was stated that the process of installing the stakes in accordance with the latest field map both in terms of number and identity is being carried out in stages but until the audit activity is completed, documentation related to this has not been shown.			
Non-Conformance Description (filled by auditor):			
The company has not been able to show sufficient evidence that it has carried out marking of legal area boundaries with clear boundary markings consistently in accordance with the latest published field maps			
Root Cause Analysis (filled by organization audited):			
There is a process of making boundary ditches, so that some HGU stakes are temporarily removed and there is a poles installation program in accordance with the latest field map which is being implemented in stages			
Correction (filled by organization audited):			
<ol style="list-style-type: none">1. Re-identify all HGU stakes at BMKE and BKCE (how many have been installed, how many have not)2. Show documentation of the number and identity of HGU stakes that will be installed in stages3. Carry out the process of installing and numbering HGU stakes that have not been installed4. Installing auxiliary stakes5. Painting the main identification of HGU boundaries			
Corrective Action (filled by organization audited):			
Make a program and carry out the identification and maintenance of HGU stakes every 4 months			

Assessor Evaluation and Conclusion (filled by auditor):
Verification 09 September 2022

the certification unit can show a list of required boundary markers in each estate in Bukit Makmur Estate total boundaries pole are 803 poles and in Bukit Kecubung total 906 poles. Furthermore, the certification unit can also show evidence / plan to install boundaries poles which are carried out in stages every month and are planned to be completed in the next 3 years (until 2025), where the total poles needs to be installed are at PT KMB (a total of 5 estates) is approximately 4000 poles.

Furthermore, the units of certifications has been able to shown the realization of the installation of stakes in 2022, for example:

- Minutes of the installation of HGU stakes No. BT 48 and BT 49 at Bukit Makmur estate on April 22, 2022
- Minutes of the installation of stakes for HGU No BT 72 in amethyst estate on April 22, 2022

During audit the unit of certification also present the monitoring of boundaries stone in Bukit Makmur and Bukit Kecubung with latest monitoring in August 2022.

During field observation it was know the current boundaries was installed in accordance with map that owned in example boundaries No 973; 975, 54 and 51.

Based on that's explanation the non-conformity no 2022.01 declared closed.

Verified by	Moh Arif Yusni
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NCR No.	: 2022.02	Issued by	: Afiffuddin
Date Issued	: 01 April 2022	Time Limit	: Next Surveillance
NC Grade	: Minor	Date of Closing	: 12 September 2022
Standard Ref. & Requirement	2.2.2 All contract, including those for FFB supply, contain specific clause on meeting relevant legal requirements and this can be demonstrated by the third party.		
Evidence observed (filled by auditor):			
<ul style="list-style-type: none">Contractor Procedure, document number SUST-SOP-038, which among other things explains the control & evaluation of contractors as well as compliance with labor regulations.B3 Waste Management Cooperation Agreement with PT Sinar Bintang Albar, number 061-SPK/KM SBA/PLB3/May-21, dated 3 May 2021. However, there is no separate clause regarding the fulfillment of relevant legal obligations, such as the fulfillment of labor regulations covering worker wages , age of workers and health insurance.Based on the results of interviews with representatives of the contractor PT Sinar Bintang Albar, it is known that the contract does not yet have a separate clause regarding the fulfillment of relevant legal obligations, such as and not limited to BPJS membership, payment of minimum wages in accordance with regulations and others.Document Minutes of Monitoring Legal Compliance for BMKM Contractors, dated March 25, 2022, which attaches the Contractor Evaluation Form of PT Surya Mentaya Jaya, CV Catur Borneo Abadi and CV Lintas Mentaya. The criteria evaluated were willingness to be accessed for audit purposes by the Certification Agency, product safety, vehicle condition feasibility, driving order and positive feedback.It has not been proven by the third party concerned that the contractor has complied with the relevant legal obligations, such as compliance with labor regulations covering workers' wages, age of workers and health insurance.			
Non-Conformance Description (filled by auditor):			

The certification unit has not been able to show sufficient evidence that all contracts have their own clauses regarding the fulfillment of relevant legal obligations, and can be proven by the third party concerned.

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

The update has not yet added a clause to fulfill the relevant legal obligations into all Contractor's Agreement.

Correction *(filled by organization audited):*

1. Add a clause to fulfill the relevant legal obligations in each Contractor's SPK
2. Provide socialization to all contractors regarding the fulfillment of labor obligations, OHS policies, human rights and COC while working at PT. Karya prosperous happy
3. Conduct contractor evaluation

Corrective Action *(filled by organization audited):*

1. Monitoring all clauses of the contractor's Agreement.
2. Conduct contractor OHS inspections.

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

The certification unit shows evidence of improvement as follows:

8. Work Agreement Letter No. 007/KMB/SPK/III/2022 dated March 1, 2022 between PT KMB and CV Catur Borneo, which is a PK transporter. The SPK has explained the company's obligations to comply with OHS and Manpower provisions, for example: prohibition of hiring employees under 18 years of age, prohibition of forced labor, prohibition of paying wages below the minimum wage, providing PPE for employees and complying with labor, environmental and OHS regulations.
9. Work Agreement Letter No. 001/CBA/SPK/I/2022 dated January 1, 2022 between CV Catur Borneo Abadi and employee initials GS who is an administrative employee. The SPK has explained the employer's obligations to comply with the provisions of OHS and Manpower, for example: prohibition of hiring employees under 18 years of age, prohibition of forced labor, prohibition of paying wages below the minimum wage provisions, providing PPE for employees and complying with labor, environmental and OHS regulations.
10. Proof of payment for BPJS Health and Employment for the July 2022 period, which was paid on August 24, 2022 via an interbank transfer system. The company can show proof of payment at the time of the audit activity.
11. Employee salary slip with the initials GS for the period July 2022 paid on August 6, 2022 with a value of IDR 3,650,000.
12. The company shows the evaluation documents and recommendations for the PK transport contractor on behalf of CV Catur Borneo Abadi with the number SPK 007/KMB/SPK/III/2022. There are 5 things that are evaluated including: willingness to access operations and information for audit purposes by certification bodies, product safety and preservation from the factory to the buyer are well maintained, roadworthy vehicle conditions, drive in factories and on estate roads in an orderly manner and pay attention to safety. general, and positive feedback. From the evaluation results, the company got a score of 91/100.
13. Conduct socialization to CV Catur Borneo Abadi contractors regarding K3 policies, code of ethics, human rights and employment on April 11, 2022. The company can show documentation, materials and attendance lists for the socialization.
14. Conducting contractor evaluation of CV Catur Borneo Abadi on 30 May 2022.

Based on the foregoing, the discrepancy is stated to be fulfilled with the observation notes in the next assessment.

Verified by	Yudhi Yuniarto Tallutondok
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NCR No.	: 2022.03	Issued by	: Afiffuddin
Date Issued	: 01 April 2022	Time Limit	: Next Surveillance

NC Grade	: Minor	Date of Closing	: 12 September 2022
Standard Ref. & Requirement	2.2.3 All contracts, including those for FFB supply, contain clauses disallowing child, forced and trafficked labour.		
Evidence observed (filled by auditor): <ul style="list-style-type: none"> Contractor Procedure, document number SUST-SOP-038, which among other things explains the control & evaluation of contractors as well as compliance with labor regulations. B3 Waste Management Cooperation Agreement with PT Sinar Bintang Albar, number 061-SPK/KM SBA/PLB3/May-21, dated 3 May 2021. However, there is no separate clause regarding the fulfillment of relevant legal obligations, such as the fulfillment of labor regulations covering worker wages, age of workers and health insurance. Based on the results of interviews with representatives of the contractor PT Sinar Bintang Albar, it is known that the contract does not yet have a separate clause regarding the fulfillment of relevant legal obligations, such as and not limited to BPJS membership, payment of minimum wages in accordance with regulations and others. Document Minutes of Monitoring Legal Compliance for BMKM Contractors, dated March 25, 2022, which attaches the Contractor Evaluation Form of PT Surya Mentaya Jaya, CV Catur Borneo Abadi and CV Lintas Mentaya. The criteria evaluated were willingness to be accessed for audit purposes by the Certification Agency, product safety, vehicle condition feasibility, driving order and positive feedback.\ It has not been proven by the third party concerned that it does not involve child labor, forced labor, and workers from human trafficking. 			
Non-Conformance Description (filled by auditor): The certification unit has not been able to show sufficient evidence that contracts with third parties have separate clauses that prohibit practices involving child labor, forced labor, and workers from human trafficking.			
Root Cause Analysis (filled by organization audited): Not yet updated adding a separate clause that includes a human rights policy (prohibiting practices involving child labour, forced labor and workers from human trafficking) into all Contractors' agreement.			
Correction (filled by organization audited): <ol style="list-style-type: none"> Add a separate clause covering a human rights policy (prohibiting practices involving child labour, forced labor and workers from trafficking) in each Contractor's SPK Provide socialization to all contractors regarding the fulfillment of labor obligations, OHS policies, human rights and COC while working at PT. Karya prosperous happy Conduct contractor evaluation 			
Corrective Action (filled by organization audited): <ol style="list-style-type: none"> Monitoring all clauses of the contractor's Agreement. Conduct contractor OHS inspections. 			
Assessor Evaluation and Conclusion (filled by auditor): The certification unit shows evidence of improvement as follows: <ol style="list-style-type: none"> Work Agreement Letter No. 043-SPK/KMB-SBA/PLB3/May-22 dated May 4, 2022 between PT Sinar Bintang Albar (SBA) and PT Karya Makmur Bahagia, which is the transportit for LB3. The SPK has explained the company's obligations to comply with OHS and Manpower provisions, for example: prohibition of hiring employees under 18 years of age, prohibition of forced labor, prohibition of paying wages below the minimum wage, providing PPE for employees and complying with labor, environmental and OHS regulations. Conduct socialization to contractors PT Sinar Bintang Albar related to OHS policies, code of ethics, human rights and employment on April 11, 2022. The company can show documentation, materials and attendance 			

lists for the socialization.

6. Conducting contractor evaluation of PT SBA on May 30, 2022.

Based on the foregoing, the discrepancy is stated to be fulfilled with the observation notes in the next assessment.

Verified by	Yudhi Yuniarto Tallutondok
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NCR No.	:	2022.04	Issued by	:	Bayu Yogatama
Date Issued	:	1 April 2022	Time Limit	:	Next Surveillance
NC Grade	:	Minor	Date of Closing	:	10 September 2022
Standard Ref. & Requirement	:	3.4.2 For the unit of certification, a SEIA is available and social and environmental management and monitoring plans have been developed with participation of affected stakeholders.			
Evidence observed (filled by auditor): Based on the results of the document review, some information is known as follows: <ul style="list-style-type: none">- The management unit has conducted a Social Impact assessment conducted in 2012 in collaboration with IPB.- In 2018 the management unit conducted a re-assessment of Social Impact (review) in collaboration with LINKS which was carried out in a participatory manner with various external and internal stakeholders. The social impact assessment process has been completed and will become a full report in 2020. In the 2020 PT KMB SIA study report, several examples of recommendations for social impact management for both External and Internal stakeholders have been described. Settlement of tenure problems, improvement of CSR program management, plasma management and independent (external) smallholders. Improvement of Housing and Sanitation Facilities, Improvement of Child Care Management, Improvement of Waste Management In addition to the recommendations for managing social impacts, several directives are given which consist of. make a scheduled plan, to carry out monitoring that is tailored to the existing issues.- The company shows the SIA Management Plan for 2021 & 2022. The management plan refers completely to the recommendations from the SIA review results, but the social management plan has not fully followed the directions/recommendations, where there is no information on the monitoring schedule, PIC, number of repetitions, Goals and Targets.					
Non-Conformance Description (filled by auditor): The social management and monitoring plan document for 2021 & 2022 does not include a monitoring schedule, PIC, number of repetitions of monitoring, targets or targets in accordance with the recommendations from the 2020 SIA Review/review report.					
Root Cause Analysis (filled by organization audited): The 2022 Social Management and Monitoring Plan document has not been updated based on the recommendations of the 2020 SIA study report both externally and internally					
Correction (filled by organization audited): Make a schedule for social monitoring in 2022 externally and internally and equipped with PIC, number of repetitions of monitoring, targets and targets according to the recommendations of the 2020 SIA Study Report <ul style="list-style-type: none">- Conduct social monitoring in 2022 both externally and internally- Make a review report on the results of social monitoring and include it in the 2022 CSR program- Realization of CSR Program in 2022					

Corrective Action (filled by organization audited):

- Monitoring the realization of social monitoring in accordance with the Recommendations of the 2020 SIA Study Report on a regular basis every year.
- Monitoring the realization of CSR programs on a regular basis every year.

Assessor Evaluation and Conclusion (filled by auditor):
Auditor verification ASA 3.
SIA

The company shows the social management and monitoring plan document for 2021 & 2022 compiled by CSR area 2 and it is known that area controller 2A, the document has included the monitoring schedule, PIC, number of repetitions of monitoring, targets or targets in accordance with the recommendations from the 2020 SIA review report.

The company also shows the implementation documents of the 2021 & 2022 Social management and monitoring plan, namely:

- | | |
|---|---|
| - Socialization of HGU for land tenure issues | - Office administration system management |
| - Conflict analysis and negotiation training | - Improvement of housing and sanitation facilities. |
| - Completion of GAP compliance with FPIC | - Improved health services |
| - Socialization related to enclave community land | - Improved education management. |
| - Improved CSR program management | - Childcare Improvements |
| - Management of plasma cooperatives and independent smallholders. | - OHS |
| | - Institutional management of gender committees, employee cooperatives and trade unions |

Based on the explanation above, the NCR for SIA is declared to have been fulfilled.

Verified by : **Radytio Puspanjana**

NCR No.	:	2022.05	Issued by	:	Septian Maulana
Date Issued	:	1 April 2022	Time Limit	:	30 June 2022
NC Grade	:	Major	Date of Closing	:	4 June 2022
Standard Ref. & Requirement	:	3.6.2 The effectiveness of the H&S plan to address health and safety risks to people is monitored			
Evidence observed (filled by auditor):					
Based on the results of field visits and interviews, the following facts were found:					
<ul style="list-style-type: none">• WWTP → The WWTP area is a limited area where there is a "no entry" warning, equipped with a guardrail and big trench, but at some points the fence is found in a hole in the condition and there are footbridges at several points of the trench so as to allow the WWTP area to be accessed by unauthorized persons. In addition, 1 (one) fire extinguisher was found with the type of tube without a pressure indicator and also that was not equipped with a monitoring form.• BMKE → Water source reservoir areas Mill in the BMKE area are not equipped with guardrails and OHS warnings.• The Sustainability Work Program in 2021 and 2022 includes conducting OHSE inspections every 1 (one) month but OHSE inspections have not been shown according to the program.• The HIRAC Mill and Estate document for 2021 has not identified hazards and established risk controls related to reservoir areas and water reservoirs.					

Non-Conformance Description (filled by auditor):

The company has not been able to show sufficient evidence that it has fully implemented the established OHS plan and has consistently monitored and evaluated the effectiveness of the plan.

Root Cause Analysis (filled by organization audited):

The inspection has not been carried out consistently because it has not been included in the discussion of the monthly OHS Committee meeting and the HIRACC evaluation has not been carried out based on the inspection results into the discussion of the OHS Committee meeting

Correction (filled by organization audited):

1. Installing a guardrail at several points in the WWTP area that has holes and installing a prohibition signboard
2. Installing a guardrail/closing people's access to the BMKM reservoir area and installing a prohibition signboard
3. Installing a guardrail in the BMKE div 1&2 pool area and installing a prohibition signboard
4. Conduct OHSE inspection of reservoir area every month
5. Equip the fire extinguisher in the WWTP pump house
6. Monitoring all fire extinguishers at BMKM every month
7. Update HIRAC documents related to the installation of guardrails and warnings in the Reservoir area

Corrective Action (filled by organization audited):

Monitoring inspections and evaluating inspection results in OHS Committee meetings and monitoring and evaluating through internal audits and periodic management review meetings

Assessor Evaluation and Conclusion (filled by auditor):
Verify proof of repair dated June 4, 2022

The company has shown the results of the identification of root cause analysis, corrective actions and has shown evidence of improvement including:

- Minutes of the installation of pool fences and appeals in the surrounding pool area on April 6, 2022
- Minutes of the installation of portals and warnings in the BMKM reservoir area on April 8, 2022
- Minutes of closing the access point to the waste pool on April 2, 2022 to ensure that only 1 lane of access to the waste pool enters
- Minutes of installation and repair of WWTP pool entrance fence on April 6, 2022
- Minutes of the replacement of APAR in the BMKM WWTP area on April 8, 2022 which is also equipped with a monitoring form
- A HIRAC evaluation dated April 4, 2022 which has added the results of hazard identification and risk control for works related to River areas, WWTP, LA, ponds/reservoirs, and deep ditches.
- Records of the implementation of periodic OHSE inspections for example for April 2022 for BKCE, BMKE and BMKM units.
- Minutes of the OHS Committee meeting on April 25, 2022 discussed the following:
 - Hazard identification of reservoirs and water reservoirs
 - Update on PT KMB's HIRAC for 2022
 - Installation of guardrails and warnings in the area of reservoirs and water reservoirs
 - OHSE inspection of reservoirs and water reservoirs
 - Dissemination to employees regarding potential hazards
- Minutes of socialization of Hazard Identification and Risk Control in Reservoir or Pond Areas for BKCE, MKE and BMKM units.

Kesimpulan auditor

Based on the assessment of the adequacy of the identification of the root cause of the problem, corrective actions and

evidence of improvements that have been shown, the non-conformance is declared fulfilled.

Verified by : **Septian Maulana**

NCR No.	: 2022.06	Issued by	: Haikal Ramadhan Kharismansyah
Date Issued	: 01 April 2022	Time Limit	: 30 Juni 2022
NC Grade	: Major	Date of Closing	: 20 Juni 2022
Standard Ref. & Requirement	<p>3.8.5. Recorded procedures (Critical) PKS must have written procedures and/or work instructions or equivalent instruments to ensure that all elements of the applicable supply chain model are implemented. This procedure must include at least the following:</p> <ul style="list-style-type: none">a. Complete and up-to-date procedures covering the implementation of all elements of the supply chain model requirements.b. Complete and up-to-date records and reports demonstrating compliance with supply chain model requirements (including training records).c. Identify the role of the individual who has overall responsibility and authority for the implementation of these requirements and compliance with all applicable requirements. This individual must be able to demonstrate knowledge of MCC procedures for the implementation of this standard.d. POM must have a registered procedure for receiving and processing certified and non-certified FFB		
<p>Evidence observed (filled by auditor):</p> <ul style="list-style-type: none">Product Identification and Traceability Procedures Document No. KMB-SUST-SOP-43, revision date 10-12-2020, among others, explains:<ul style="list-style-type: none">PKS raw material is FFB which can come from nucleus plantations, plasma plantations, and external (KUD, Farmers and other companies) identified by PKS through SPB- Identity status of raw materials (FFB) originating from RSPO certified plantations marked with a certified FFB stamp on each SPBBased on the management representative's explanation, it is known that the marking of certified and non-certified areas is with blue paint (kebun nucleus – certified), yellow (PT Tani Tanah Lestari – uncertified), and white (plasma – uncertified). This is regulated separately in a separate work instruction outside of the product traceability procedure, but until the audit activity is complete, the work instruction has not been shownThe results of the field visit obtained some information as follows:<p>BKCE :</p><ul style="list-style-type: none">Block A04A (Patok HGU BT49) and Block A02A (PATok HGU BT50): There is no clear boundary between certified and uncertified area boundaries. The actual conditions at the time of the field visit were in direct contact with the area of PT Tani Tanah Lestari which is a subsidiary of the BGA group. In the overlapping area, it is not certain that uncertified and certified fruit are not mixed in the same TPH during the harvesting process because there is no clear identity related to this.- BMKM : In inputting FFB at Weight Bridge it has not been explained about the separation of certified and non-certified products. The administration has not shown the separation of certified and uncertified FFB products. Even though SPB has been stamped with certified FFB but when inputting in Weight Bridge the inputted data is block, estate, and division.Non-Conformance Description (filled by auditor): <p>Non-Conformance Description (filled by auditor):</p> <ul style="list-style-type: none">The company has not been able to show sufficient evidence of the existence of SOPs / work instructions that have included elements in the overall supply chain implementation.			

It has not been shown in detail the implementation related to the separation of certified and uncertified FFB from the field to the separation in the mill

Root Cause Analysis (filled by organization audited)

There is no monitoring program for the maintenance of certificates of separation of Certified and non-certified FFB and also there is no special PIC in charge of monitoring the separation of Certified and non-certified FFB SPB.

Correction (filled by organization audited):

- Show the SOP that regulates the physical boundary markings of the HGU stake that separates the certified area, non-certified PT TTL and non-certified plasma
- Re-identify all physical boundary markers of HGU stakes at BMKE and BKCE (how many are there, how many are not)
- Painting the physical boundaries of HGU stakes on trees at BMKE and BKCE
- Separating the FFB collection between certified fruit and non-certified fruit at BMKE and BKCE
- Create a monitoring program and include the appointment of a PIC who is responsible for monitoring specifically at BMKM

Corrective Action (filled by organization audited):

Monitoring the maintenance of separation marks on a regular basis and evaluating its compliance through the internal audit mechanism and also periodic management review meetings

Assessor Evaluation and Conclusion (filled by auditor):

Verifikasi 05 Juni 2022

The company shows evidence of improvement in the form of:

1. Block boundary monitoring report and separation of certified and uncertified TPH. In the report, there is an identification of overlapping/non-intersecting blocks between certified and non-certified areas (BKCE) as follows:

No	Kode Patoik	Hari/Tanggal Pemantauan	Blok Yang Berbatasan			Keterangan
			PT.KMB	PT.TTL	Plasma	
1	BT70	Senin, 04 April 2022	Y01a	-	-	Tidak Beririsan
2	BT69	Senin, 04 April 2022	W02a	-	-	Tidak Beririsan
3	BT68	Senin, 04 April 2022	W02a	-	-	Tidak Beririsan
4	BT67	Senin, 04 April 2022	W01a	-	-	Tidak Beririsan
5	BT66	Selasa, 05 April 2022	V01a	-	-	Tidak Beririsan
6	BT65	Selasa, 05 April 2022	S01a	-	-	Tidak Beririsan
7	BT64	Selasa, 05 April 2022	P01a	-	-	Tidak Beririsan
8	BT63	Selasa, 05 April 2022	M01a	-	-	Tidak Beririsan
9	BT62	Selasa, 05 April 2022	K01a	-	-	Tidak Beririsan
10	BT61	Rabu, 06 April 2022	F01a	-	-	Tidak Beririsan
11	BT60	Rabu, 06 April 2022	C01a	-	-	Tidak Beririsan
12	BT59	Rabu, 06 April 2022	A01a	-	T19b	Blok terpisah oleh jalan koleksi, TPH terpisah
13	BT56	Kamis, 07 April 2022	K01a	-	T13c	Blok terpisah oleh jalan koleksi, TPH terpisah
14	BT55	Kamis, 07 April 2022	G01a	G12y	-	Blok Beririsan
15	BT54	Kamis, 07 April 2022	F01a	F12z	-	Blok Beririsan
16	BT53	Kamis, 07 April 2022	C01a	D12z	-	Blok Beririsan
17	BT52	Jumat, 08 April 2022	A01a	-	-	Tidak Beririsan
18	BT51	Jumat, 08 April 2022	A01a	R01z	-	Blok Beririsan

19	BT50	Jumat, 08 April 2022	A02a	R02z	-	Blok Beririsan
20	BT49	Jumat, 08 April 2022	A04a	R03z	-	Blok Beririsan
21	BT48	Sabtu, 09 April 2022	A06a	R06z	-	Blok Beririsan
22	BT47	Sabtu, 09 April 2022	A08a	R08z	-	Blok Beririsan
23	BT46	Sabtu, 09 April 2022	A09a	R08z	-	Blok Beririsan
24	BT45	Sabtu, 09 April 2022	J02a	I02z	-	Blok Beririsan

1. Memo No. 002/Mentaya/V/2022 dated April 1, 2022 regarding the Appointment of Certificated and Non-certified FFB Separation Officers at BMKM, namely WB operators and Production Plant Admins. The letter also explained the input in the Weight Bridge system, namely checking the RSPO column based on the SPB and matching it with the list of cert and non cert blocks. Production Plant Admin is in charge of ensuring daily and monthly recap of production reports with the addition of separating FFB cert and Non Cert
2. Program for identification and maintenance of HGU stakes in 2022

However, it does not show:

1. Monitoring and maintenance program for boundary markers/marks between certified and non-certified areas
2. The results of monitoring the maintenance of the separation mark on a regular basis

Note: In the proof of improvement shown is a program of identification and maintenance of HGU stakes

Auditor's Conclusion:

The non-conformity is declared unfulfilled

Verify June 20, 2022

The company shows additional evidence of improvements in the form of:

1. Monitoring and maintenance program of stakes/marks between certified and non-certified areas of PT KMB for the period of 2022 which is carried out every 4 months
2. Report on the implementation of the program for identification and maintenance of HGU stakes, auxiliary stakes, and HGU boundary markings BKCE/BMKE → Maintenance of HGU stakes and auxiliary stakes is also one part of the implementation of the maintenance of certified and non-certified area boundaries

Auditor's Conclusion

Based on the root cause analysis, corrections, and corrective actions for non-conformities are declared fulfilled

Verified by : **Haikal Ramadhan Kharismansyah**

NCR No.	: 2022.07	Issued by	: Afiffuddin
Date Issued	: 01 April 2022	Time Limit	: 30 Juni 2022
NC Grade	: Major	Date of Closing	: 22 Juni 2022
Standard Ref. & Requirement	6.2.3 There is evidence of legal compliance for regular working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, and other legal labour requirements.		
Evidence observed (filled by auditor):			
<div>1. Company Regulations 2021-2023 PT BGA, among others, explain the provisions for rest and overtime work as follows:<div>a. Article 8.1c, which among other things explains that working hours and rest hours at the site/garden/factory/bulking can be adjusted to local situations and conditions, while still being guided by company regulations and in accordance with the provisions of the applicable laws regarding working hours.</div><div>b. Article 8.1e, which among other things explains that for certain/special tasks and work, separate working hours can be determined by still being guided by company regulations and applicable laws and regulations regarding working hours/hours, the working hours are notified to workers in writing to be known and held.</div><div>c. Article 9.2, which among other things explains that overtime work is only considered valid if there is a written order from the immediate supervisor.</div><div>d. Article 9.4, which among other things explains that every overtime work must be accompanied by an overtime work order that contains the reasons for overtime work and the time it starts and ends overtime work and must be signed by the worker and his supervisor.</div><div>e. Article 9.6, which among other things explains that the provisions regarding the calculation of overtime wages are guided by the applicable laws and regulations.</div></div> <div>2. The results of interviews and document review with the BMKM weighing clerk obtained the following information:<div>a. In one month workers get a schedule of working 2x on Sundays according to the shift that has been determined</div><div>b. Payment of work on holidays using a premium system</div><div>c. Working hours on Sundays are 5 – 6 hours</div></div>			

3. The Decree of the Minister of Manpower and Transmigration of the Republic of Indonesia number 233 of 2003 concerning the Type and Nature of Work that is carried out continuously, among others, explains that under certain circumstances the entrepreneur may employ workers/laborers on official holidays based on an agreement between the worker/laborer and the entrepreneur and the entrepreneur who employs the worker. Workers on official holidays are obliged to pay overtime wages to workers/ laborers.
4. Monitoring of premiums and overtime for the clerk weighing the initials MS obtained the following results:
 - a. From 21 to 29 January 2022 (9 days) and 07 to 13 February 2022 (7 days), the person concerned works continuously without any rest days.
 - b. The worker concerned works on official holidays (Sunday and Chinese New Year), namely January 23, 2022, February 01 2022 and February 13 2022, but the agreement between the worker/labourer and the entrepreneur cannot be shown.
 - c. On the official holiday mentioned above, the worker concerned is not paid the same as overtime wages. In accordance with the prevailing provisions of the 2017 BGA premium, it is stated that the crane operator premium for Sundays/holidays is IDR 80,000 while the wage that should be paid if the worker works for 5 hours of work is IDR 174.262.00. (Results of interview workers on Sundays/holidays get 1 HK or equivalent to IDR 120,589.30 but the basis for determining the premium has not been shown)

Non-Conformance Description (filled by auditor):

The company has not been able to show sufficient evidence that it has been fully consistent in applying evidence of legal compliance such as regular working hours, overtime, the right to vacation, in accordance with other applicable labor provisions.

Root Cause Analysis (filled by organization audited):

- a. Lack of knowledge admin payroll regarding the calculation of employee wages and premiums related to the BPS system
- b. The company has socialized to the payroll admin, but because there was a change in the head of the BMKM administration, who previously resigned from the company and was replaced by the cashier from the plantation/ estate, it was necessary to re-socialize it to the BMKM head as well as all KMB and payroll admins.

Correction (filled by organization audited):

1. Shows the Overtime Order (SPL) for the employee in question signed by the worker and the employer
2. Make an explanation of the calculation of the wages/premiums of the clerk weighing the initials of MS in January and February 2022
3. Paying the lack of wages/premiums for the clerk weighing the initials of MS in January and February 2022
4. Provide training regarding the calculation of employee wages and premiums as well as holiday arrangements to BMKM payroll admins
5. Intern Office Memo number 174/IOM/ED-BGA/VIII/2020, dated September 9, 2020, from the Estate Development & Services Department, which explains the Policy for Limiting the Maximum Input of Employee Premium Values in BPS Payroll.
6. Minutes of Socialization of the Policy on Limiting the Maximum Value of Employee Premiums at the BPS Patrol (Internal Office Memo number 174/IOM/ED-BGA/VIII/2020), which was held on April 19, 2022, to the Head of each management unit.
7. Receipt for overtime payment for weighing cranes
8. Monthly attendance report – status (period 21 January 2022 to 20 February 2022)
9. Memo number 005/RH-Mentaya/IV/2022, dated 07 April 2022 regarding the Implementation of IOM Policy number 174/IOM/ED-BGA/VII/2020, which explains, among other things, regulating overtime employees so as not to exceed the overtime limit 4 hours a day and 18 hours a week and make an order to work overtime by stating the reasons for overtime work, the time the mother starts and ends, the location of the overtime and signed by the immediate supervisor and the employee.
10. Overtime Order dated January 23, 2022, on behalf of MS (WB operator) who carries out overtime from 12.00 – 17.00 for FFB receipt and CPO loading, signed by the worker and the worker's supervisor.

11. Overtime Order dated 01 February 2022, on behalf of MS (WB operator) who carries out overtime from 09.00 – 15.00 for loading CPO, signed by the worker and the worker's supervisor.
12. Overtime Order dated 13 February 2022, on behalf of MS (WB operator) who carries out overtime from 12.00 – 16.00 for FFB receipt, signed by the worker and the worker's supervisor.
13. Overtime Order dated January 30, 2022, on behalf of VY (operator WB) who carries out overtime from 10.00 – 15.00 for FFB receipt and CPO loading, signed by the worker and the worker's supervisor.
14. Overtime Order dated February 13, 2022, on behalf of the PP (WB operator) who carries out overtime from 16.00 – 20.00 for FFB receipts, signed by the worker and the worker's supervisor.
15. Overtime Order dated February 20, 2022, on behalf of the PP (WB operator) who carries out overtime from 09.00 – 15.00 for FFB receipts and CPO loading, signed by the worker and the worker's supervisor.
16. Overtime Order dated January 30, 2022, on behalf of NM (WB operator) who carries out overtime from 16.00 – 20.00 for FFB receipt and CPO loading, signed by the worker and the worker's supervisor.
17. Overtime Order dated February 13, 2022, on behalf of NM (WB operator) who carries out overtime from 09.00 – 14.00 for FFB receipts, signed by the worker and the worker's supervisor.

Corrective Action *(filled by organization audited):*

1. Monitoring the calculation of wages, premiums, work holidays and overtime for all employees at BMKM every month
2. Monitoring is carried out in stages starting from Head of Section to KTU to ensure that IOM 174 has been carried out according to the provisions through Memo 005/RH-Mentaya/IV/2022 from RH (attached)
3. The PIC who carries out the wages is the payroll admin which is then monitored by the Head of Unit and KTU to ensure that the implementation is appropriate every month
4. Implementation of PP 2021-2023 PT BGA is carried out referring to IOM 174 and Memo 005/RH-Mentaya/IV/2022 where for overtime work there must be an agreement between workers and employers and there must be an SPL and then payment is in accordance with the provisions for calculating overtime wages guided by applicable laws and regulations.

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

Verify on 21 June 2022

The company shows evidence of improvement as follows:

1. Memo number 003/-Mentaya/IV/2022 from Mill Manager, dated April 1, 2022, regarding Minutes of Explanation of Lack of Premiums/Wages for Weighing Caretakers. Based on the document, it is briefly explained that:
 - a. Inputting premiums for non-weighing clerk employees still uses the old IOM number Khs-001/HOK-RH/XII/2017 regarding premiums in 2017, which should use IOM number 174/IOM/ED-BGA/VII/2020, so there is a difference in payments.
 - b. The table of premium payments for the weighing clerk is shown using the IOM in 2017 and IOM in 2020.
2. Memo number 003/RH-Mentaya/IV/2022 from HR Mentaya, dated April 07 2022, regarding Application for Payment of Underpaid Overtime Wages for Weighing.
3. Memo number 003/-Mentaya/IV/2022 from Mill Manager, dated 01 May 2022, regarding the Minutes of Training on Calculation of Non-Harvest Wages/Premiums to the Wage section (Operational Admin, Logistics and Personnel). It was also stated that the basis for inputting non-harvest premiums no longer refers to IOM in 2017 but refers to IOM in 2020.
4. Intern Office Memo number 174/IOM/ED-BGA/VIII/2020, dated September 9, 2020, from the Estate Development & Services Department, which explains the Policy for Limiting the Maximum Input of Employee Premium Values in BPS Payroll.
5. Minutes of Socialization of the Policy on Limiting the Maximum Value of Employee Premiums at the BPS Patrol (Internal Office Memo number 174/IOM/ED-BGA/VIII/2020), which was held on April 19, 2022, to the Head of each management unit.
6. Receipt for overtime payment for weighing cranes
7. Monthly attendance report – status (period 21 January 2022 to 20 February 2022)
8. Memo number 005/RH-Mentaya/IV/2022, dated 07 April 2022 regarding the Implementation of IOM Policy number 174/IOM/ED-BGA/VII/2020, which explains, among other things, regulating overtime employees so as

not to exceed the overtime limit 4 hours a day and 18 hours a week and make an order to work overtime by stating the reasons for overtime work, the time the mother starts and ends, the location of the overtime and signed by the immediate supervisor and the employee.

9. Overtime Order dated January 23, 2022, on behalf of MS (WB operator) who carries out overtime from 12.00 – 17.00 for FFB receipt and CPO loading, signed by the worker and the worker's supervisor.
10. Overtime Order dated 01 February 2022, on behalf of MS (WB operator) who carries out overtime from 09.00 – 15.00 for loading CPO, signed by the worker and the worker's supervisor.
11. Overtime Order dated 13 February 2022, on behalf of MS (WB operator) who carries out overtime from 12.00 – 16.00 for FFB receipt, signed by the worker and the worker's supervisor.
12. Overtime Order dated January 30, 2022, on behalf of VY (operator WB) who carries out overtime from 10.00 – 15.00 for FFB receipt and CPO loading, signed by the worker and the worker's supervisor.
13. Overtime Order dated February 13, 2022, on behalf of the PP (WB operator) who carries out overtime from 16.00 – 20.00 for FFB receipts, signed by the worker and the worker's supervisor.
14. Overtime Order dated February 20, 2022, on behalf of the PP (WB operator) who carries out overtime from 09.00 – 15.00 for FFB receipts and CPO loading, signed by the worker and the worker's supervisor.
15. Overtime Order dated January 30, 2022, on behalf of NM (WB operator) who carries out overtime from 16.00 – 20.00 for FFB receipt and CPO loading, signed by the worker and the worker's supervisor.
16. Overtime Order dated February 13, 2022, on behalf of NM (WB operator) who carries out overtime from 09.00 – 14.00 for FFB receipts, signed by the worker and the worker's supervisor.

Root Cause Analysis, Corrective Actions and Corrective Actions that have been shown have been accepted. Based on the foregoing, the Non-conformance in this Indicator is declared Fulfilled and will be observed in the next assessment.

Verified by	Afiffuddin
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NCR No.	: 2022.08	Issued by	: Afiffuddin
Date Issued	: 01 April 2022	Time Limit	: 30 June 2022
NC Grade	: Major	Date of Closing	: 22 June 2022
Standard Ref. & Requirement	6.2.4 The unit of certification provides adequate housing. Sanitation facilities, water supplies, medical, educational and welfare amenities to national standards or above, where no such public facilities are available or accessible. In the case of acquisitions of non-certified units, a plan is developed detailing the upgrade of infrastructure. A reasonable time (5 years) is allowed to upgrade the infrastructure.		
Evidence observed (filled by auditor):			
<ul style="list-style-type: none">Based on the results of a field visit at the Bukit Kecubung Estate Division 3 Housing, it was found that several housing units had the septic tank in a damaged condition. The results of interviews with management representatives stated that the company has programmed housing improvements including sanitation facilities such as septic tanks and others,As of the end of the audit activity, the program and realization of the housing facility improvement has not been shown.			
Non-Conformance Description (filled by auditor):			
The company has not been able to show sufficient evidence that the sanitation facilities provided are fully adequate for all workers.			

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

Lack of monitoring of housing improvement programs and realization.

Correction *(filled by organization audited):*

- Identifying damage to sanitation facilities (septic tanks, drainage, etc.) in BKCE employee housing
- Demonstrate the sanitation facility improvement program in BKCE housing in 2022
- Shows the realization of the improvement of BKCE employee housing sanitation facilities
- The Area Controller specifically appoints a PIC to monitor housing improvements

Corrective Action *(filled by organization audited):*

- To ensure that the program that has been prepared is running according to schedule, a PIC is appointed to carry out monitoring every month which is carried out by each division assistant and section head. Then the Head of Section will calculate the cost and make a repair program and the unit manager will ensure that the program is running again and give approval after reviewing & evaluating.
- Monitoring is also carried out through the RSPO internal audit and through periodic management review meetings every year

Assessor Evaluation and Conclusion *(filled by auditor):*
Verify proof of repair dated 01 June 2022

The company shows evidence of improvement as follows:

- Census Report on Housing Improvement Needs for BKCE Employees, which was conducted on January 24 – 29, 2022, at Emplacement Division III & IV Estate BKCE. The report informs the location of the damaged house such as the block, type of house, house number, name of the occupant and the damage to the house experienced. Based on the report, the BKCE Division III & IV Housing Facility Improvement Plan Program was made, which informed the schedule (month & year), types of repairs, repair locations and information. The report is prepared by the BKCE EHS Mantri, examined by the BKCE Head of Administration and known by the BKCE Estate Manager.
- Minutes of Repair of Drainage and Septic Tanks for BKCE Employee Housing, April 4, 2022 in housing G6 Employees of Division III & IV BKCE Kopel Blocks A, B and C. Documentation is shown before repair, during repair and after repair.
- On April 7, 2022, at the G6 Employee housing estate, on behalf of RK (initials), the septic tank was repaired. Show documentation before repair, during repair and after repair.
- Assign officers or PICs to monitor housing inspections along with the details of their duties, namely Assistant, Head of Section and Unit Manager.
- Monitoring every month which is carried out by each division assistant and Kasie. Then the Head of Section will calculate the costs and make a repair program and the unit manager will ensure that the program is running again and give approval after reviewing & evaluating.

Based on the above, the discrepancy in the indicators is declared fulfilled and will be observed again in the next assessment.

Verified by	Afiffuddin
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NCR No.	:	2022.09	Issued by	:	Septian Maulana
Date Issued	:	1 April 2022	Time Limit	:	30 June 2022
NC Grade	:	Major	Date of Closing	:	9 September 2022

Standard Ref. & Requirement	: 6.7.1 The responsible person(s) for H&S is identified. There are records of regular meetings between the responsible person(s) and workers. Concerns of all parties about health, safety and welfare are discussed at these meetings, and any issues raised are recorded.
Evidence observed (filled by auditor):	
<ul style="list-style-type: none"> The company already has an OHS organization in accordance with the OHS Committee Ratification Decree PT Karya Makmur Bahagia from the Head of the Manpower and Transmigration Office of Central Kalimantan Province number: KEP.164/DISNAKERTRANS/XII/2019 dated December 23, 2019 with OHS Committee secretary on behalf of Chandra Bayu and can be shown recording of regular meetings of the OHS Committee, for example the meeting on 15 February 2022 which was attended by 11 participants. The OHS Committee secretary on behalf of Chandra Bayu is a General OHS Expert as stated in the Decree on the Appointment of General OHS Expert number: KEP.P.2352/NAKER-BINWASK3/XI/2018 dated 30 November 2018 which is valid for 3 (three) years until 30 November 2021. However, until the audit activity is carried out, the Company has not been able to show a recording of the progress of managing the extension of the General OHS Expert Decree of the OHS Committee Secretary or the recording of the process of changing the management of the OHS Committee if there is a change in personnel. 	
Non-Conformance Description (filled by auditor):	
the Company has not been able to show sufficient evidence that the person in charge of Occupational Safety and Health already has a valid OHS Decree and license	
Root Cause Analysis (filled by organization audited):	
SKP OHS General expert Secretary OHS committee PT KMB is in the process of obtaining an extension of the license validity period.	
Correction (filled by organization audited):	
Show evidence of progress in processing the extension of the validity period of SKP OHS General expert Secretary OHS committee PT KMB	
Corrective Action (filled by organization audited):	
Monitoring the inspection of the validity period of all SKP OHS General expert licenses at PT KMB every year.	
Assessor Evaluation and Conclusion (filled by auditor):	
<p>Auditor Verification September 9, 2022</p> <p>The company already has an OHS organization in the form of an OHS committee (Occupational Safety and Health Development Committee) in each unit that has been approved by the local manpower office, namely: Decree of the Head of the Central Kalimantan Province Manpower and Transmigration Office with Kep.187/DISNAKERTRANS number /I/2022 concerning Ratification of the Occupational Safety and Health Advisory Committee of PT Karya Makmur Bahagia. Ratified on 12 May 2022. The organizational structure of the OHS committee consists of: OHS committee Advisor, Chief Executive of OHS committee, Secretary and Head of Division and Members. Appointment letter OHS General expert on behalf of Chandra Bayu as Secretary with Reg No. 2702/PK3/AJ/62/2022/P2 dated 25 July 2022 with status still valid until July 2025.</p> <p>Based on the results of document verification, interviews and field visits, on September 9, 2022, the result is that this discrepancy has been declared fulfilled and further observations will be carried out at the next assessment related to the consistency of the mechanism that has been made.</p>	
Verified by	: Harry Wahyudi / Moh Arif Yusni

NCR No.	:	2022.10	Issued by	:	Septian Maulana
Date Issued	:	1 April 2022	Time Limit	:	Next Surveillance
NC Grade	:	Minor	Date of Closing	:	9 September 2022
Standard Ref. & Requirement	:	6.7.2 Accident and emergency procedures in Indonesian language are in place and clearly understood by all workers. Assigned operatives trained in first aid are present in both field and other operations. First aid equipment is available at worksites. Records of all accidents are kept and periodically reviewed.			
Evidence observed (filled by auditor):					
<p>Based on the results of document review, field visits and interviews, the following facts were also found:</p> <ul style="list-style-type: none">Based on the Estate Safety Condition (OHS Management System) Work Paper Report (Office, Housing, Harvest Team, Fertilizer Team, Spray Team) it is known that one of the indicators is to see the availability, identify, check/maintain the first aid kit.BMKE → Based on the results of the interview, it was conveyed that each foreman was provided with a first aid bag to handle emergencies, but the results of the field visit found that 1 (one) foreman was not ready for a first aid bag because it was brought by the clerk, in addition there were foreman who did not know the function of the contents of the first aid bag and there is no monitoring of the completeness of the contents of the first aid bag.BKCE → 2 (two) of the 3 (three) foremen interviewed brought a first aid bag with incomplete contents according to the list of first aid kits, for example, no Aquades and Iodine items. In addition, there are no records of item use and monitoring of its completeness.First aid kits → The results of the field visit revealed that there were no first aid kits available in the TPA Pondok 2 BMKE area, the BKCE division 3 generator house, and in the WWTP area, regarding this, the justification for not providing a first aid kit in the Daycare, generator house and WWTP area has not been shown.					
Non-Conformance Description (filled by auditor):					
<p>Based on the explanation above, it is concluded that the Company has not been able to show sufficient evidence that the first aid kit is available at the workplace in accordance with the identification specified and the first aid kit has been understood by the assigned personnel</p>					
Root Cause Analysis (filled by organization audited):					
<ul style="list-style-type: none">In several locations, the completeness of the contents of the first aid kit for each BMKE and BKCE Estate has not been updatedSeveral new BMKE and BKCE estate foremen did not understand the function of the contents of the first aid kitThere has not been an update on the provision of first aid kits at several locations in BMKE, BKCE and BMKM					
Correction (filled by organization audited):					
<ul style="list-style-type: none">Make a report identifying the need for first aid kits in each high-risk location in the factory and plantationEquip first aid kits in each high risk location in the factory (including WWTP and sorting)Complete the first aid kit at the BMKE Child Care CenterEquip the first aid kit at the Div 3 BKCE generator houseProvide retraining related to first aid to all BMKE, BKCE and BMKM foremenMonitoring the contents of first aid bags/boxes every monthMinutes of first aid bag handover to foreman/supervision					

Corrective Action (filled by organization audited):

- Make a cross-check report on the results of monitoring first aid bags/boxes in all Units/Estates
- Make a first aid training schedule once a year

Assessor Evaluation and Conclusion (filled by auditor):
Auditor Verification September 9, 2022

Based on field observations and document review, it is known that the company has provided first aid kits at strategic and easily accessible places and provided supplies to the foreman in the form of first aid bags. For example in GMKM the number of first aid kits available is type A with 12 units and approximately 137 employees, this is in accordance with the standards of Permenakertrans regulation No 15 2008 (4 first aid kits per 100 workers). The results of the field visit revealed that first aid kits were already available in several areas, such as the TPA Pondok 2 BMKE area, the BKCE division 3 generator house, and in the WWTP area. The company also shows a recorded document of the results of the inventory list, monitoring and checklist of the first aid box inspection which is carried out every month either at the Mill or at the Estate.

Each Foreman such as the Spray Foreman is provided with a first aid bag and can explain how to use the contents of the first aid kit. The company also shows the results of the first aid kit inspections which are carried out every month at all company locations.

Based on the results of document verification, interviews and field visits, on September 9, 2022, the result is that this discrepancy has been declared to **have been fully** and observations will continue to be made in the next assessment related to the consistency of the mechanism that has been made.

Verified by : **Harry Wahyudi / Moh Arif Yusni**

NCR No.	:	2022.11	Issued by	:	Septian Maulana
Date Issued	:	1 April 2022	Time Limit	:	Next Surveillance
NC Grade	:	Major	Date of Closing	:	21 June 2022
Standard Ref. & Requirement	:	6.7.3 Workers use appropriate personal protective equipment (PPE), which is provided free of charge to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, land preparation, and harvesting. Sanitation facilities for those applying pesticides are available, so that workers can change out of PPE, wash and put on their personal clothing.			
Evidence observed (filled by auditor):					
Based on the results of the document review, it is known the following:					
<ul style="list-style-type: none">• The Mentaya Regional HIRAC document review for 2021 explains, among others:<ul style="list-style-type: none">- PPE for Harvesting Work including Boots / Gambir / Pool, Gloves and Safety Helmets.- PPE for Loosely Work including Safety Helmets and Shoes.• SOP for Personal Protective Equipment number: BGA-SOP-CCS-1106.1-R0 explains, among others:<ul style="list-style-type: none">- Point 7.3.5 The amount of stock/reserve of PPE in the warehouse should not be less than 10% of the existing needs, prior orders must be made to ensure that no work is done without using PPE.- Point 7.5.1 If the employee's PPE is damaged, the employee has the right to get new PPE by submitting the damaged PPE and filling in the handover proof form.- Point 7.6.3 Every morning during the master morning/ morning briefing, assistants and supervisors ensure					

that all workers bring and use PPE according to the job, and fill out the PPE Inspection Data form.

Based on the results of field visits and interviews, several facts were found as follows:

- BMKE → Based on the results of the interview, it was found that 2 londol workers used PPE in the form of boots and 1 harvest worker used gambir shoes that were provided by themselves. This was because the PPE boots provided by the company were damaged.
- BKCE & BMKE → based on the results of interviews with harvest and rondol workers, it is known that PPE in the form of boots is provided by the company every 6 months, and if there is damage before the PPE distribution period, workers replace the damaged PPE by providing it themselves because there is no stock available at the company (the worker stated that he had reported an incident of damaged shoes but had not followed up on it)

Non-Conformance Description (filled by auditor):

The company has not been able to show sufficient evidence that PPE has been provided to workers in accordance with the SOPs they have, for example, having 10% stock and damaged employee PPE can be replaced even though the replacement period has not yet arrived.

Root Cause Analysis (filled by organization audited)

There is also a lack of understanding from the foreman/supervision so that in the socialization it is also refreshed to the superior/foreman down to the assistant level and discussions are also held at the OHS committee meeting to ensure the PPE replacement mechanism is running

Correction (filled by organization audited):

- Provide socialization related to compliance with the use of PPE and the mechanism for replacing PPE in the PT KMB
- Shows PPE stock in BMKE and BKCE warehouses
- Shows the results of checking the condition of PPE for BMKE and BKCE employees
- Show proof of replacement of damaged employee PPE

Corrective Action (filled by organization audited):

Monitoring is carried out through OHS committee meetings (inspection results), RSPO internal audit activities and periodic management review meetings.

Assessor Evaluation and Conclusion (filled by auditor):

Verification of proof of repair dated June 4, 2022

The company has shown the results of identifying root cause analysis, corrective actions and showing evidence of improvement including:

- Minutes of inspection of PPE stocks at the BKCE and BMKE Unit Warehouses for April 2022 which informs the stock quantity of each PPE (Boots, Safety Goggles, Face Shields, Carbon Masks, Aprons, Rubber Gloves, Safety Helmets, Cloth Gloves, Egrek Gloves, Dodos Sarong) above the minimum stock limit of 10%.
- Minutes of replacement of PPE damaged by BKCE and BMKE units
- Minutes of the socialization of the PPE replacement mechanism which was continued with an inspection of the PPE for each employee at the BMKE unit (1 April 2022) and BKCE (4 April 2022), to then make a new PPE submission for the damaged PPE for employees.
- Records of PPE BMKE and BKCE inspections for April 2022. The inspection form has accommodated information on the type of PPE used and a note column on the results of interviews/complaints if indiscipline/complaints on PPE use/K3 implementation are found.
- The minutes of the OHS committee meeting on April 25 2022 included discussing:
 - Identification of hazards in reservoir and water reservoir areas
 - PT KMB HIRAC update in 2022
 - Installation of guardrails and warnings in the area of reservoirs and water reservoirs
 - K3L inspection of reservoir and water reservoir areas
 - Outreach to employees regarding potential hazards

Based on the assessment of the adequacy of the results of identification of root cause analysis, corrective actions and evidence of improvement that has been shown, additional root cause analysis is still needed for workers who have reported incidents of damaged shoes but have not been followed up so that the non-conformity is **declared**

unfulfilled.

Verification of proof of repair dated June 21, 2022

The company shows that additional results of identifying the root of the problem for workers who have reported but have not been followed up before are possible due to a lack of understanding from the foreman/supervisor.

Based on this explanation, the discrepancy is declared **fulfilled**.

Verified by : **Septian Maulana**

NCR No.	: 2022.12	Issued by	: Bayu Yogatama/ Radytio Puspanjana
Date Issued	: 1 April 2022	Time Limit	: 03 December 2022
NC Grade	: Minor raised to Major	Date of Closing	: Radytio Puspanjana
Standard Ref. & Requirement	7.3.2 Proper disposal of waste material, according to procedures that are fully understood by workers and managers, is demonstrated.		
Evidence observed (filled by auditor):			
<ul style="list-style-type: none">Management Unit has Procedures related to Waste management.<ul style="list-style-type: none">Management of hazardous waste Number KMB-SUST-SOP-15 2nd revision dated August 5, 2015. (Hazardous waste must be stored in hazardous waste storage)Residential Waste Management BGA-SOP-KMB-001 dated July 5, 2012. (All workers and employees are required to dispose of waste in the provided trash cans. Garbage collection must be in accordance with the schedule and disposed of in the designated landfill)Based on the results of field visits in several areas of the company's operations, facts such as<ul style="list-style-type: none">Piles of garbage (bottles and sacks) are dumped into the ditch opposite the generator house Pondok 2 Div 3 / 4 BMKE.Piles of residential waste including hazardous waste (Oil packaging) in the cottage area of Div 2 BKCE.Liquid waste from housing sanitation that is not controlled and there is no special route, causing inundation.Used Oil Packaging in Block A01 Div 2 BKCE.Collection of domestic waste in Housing Div 1/2 BMKE (garbage accumulates in BIN)The use of used oil drums for water storage in the Pondok 1 BKCE Employee housing.The results of the field visit in the Landfill Block P02 div 1 BMKE area it is known that the Landfill condition is empty. (Landfill for BMKE and BKCE).The results of interviews with workers at BMKE revealed that waste was dumped in ditches or behind houses because the waste had not been collected for a long time.			
Non-Conformance Description (filled by auditor):			
The company has not been able to show sufficient evidence that the waste disposal is in accordance with its procedures.			
Root Cause Analysis (filled by organization audited):			
Domestic waste and hazardous waste cleaning programs in employee housing already exist but have not been consistently implemented.			
Correction (filled by organization audited):			
<ul style="list-style-type: none">Demonstrate the BMKE and BKCE housing cleaning activity programs and the PIC of the person in charge.Demonstrate the BMKE and BKCE housing waste transportation programs			

- Provide socialization related to the domestic waste cleaning program, prohibition of burning waste and prohibition of the use of hazardous Waste in housing to all BMKE and BKCE employees.
- Prepare trash bins/garbage sacks in the homes of BMKE and BKCE employees
- Carry out domestic waste cleaning activities in all BMKE and BKCE employee housing areas
- Send all hazardous Waste from the residential area to the hazardous waste storage accompanied by proof of hazardous waste handover.
- Transporting waste from Temporary BIN waste to Landfill.

Corrective Action (filled by organization audited):

- Make a schedule of socialization related to the domestic waste cleaning program, the prohibition of burning waste and the prohibition of the use of hazardous waste in housing.
- Monitoring clean Friday activities once a week.
- Make a monitoring schedule for waste transportation once a week
- Conduct OHS and environmental inspections, inspections of the employee housing environment and landfill once a month.

Assessor Evaluation and Conclusion (filled by auditor):
Auditor verification (ASA-3)

The company shows evidence of **hazardous waste** management:

- Documentation of hazardous waste storage in regional warehouses for hazardous waste produced by BMKE and BKCE units, in the form of storage logbook documents and hazardous waste balance.
- Based on the results of field visits at BMKM, BMKE and BKCE, it is known that there is no hazardous waste placed in unlicensed areas.
- Document monitoring of clean Friday activities once a week BMKM, BMKE and BKCE
- Document of socialization related to the domestic waste cleaning program, prohibition of burning waste and prohibition of the use of hazardous Waste in housing complex BMKM, BMKE and BKCE dated 11 October 2021.

Domestic Waste

The company has a domestic waste management SOP document Number BGA-SOP-KMB 001 dated 28 June 2012, the procedure regulates:

- Every housing, office, public facility must be provided with a trash can of strong material, not leaking, all trash cans must be identified and labelled as trash cans.
- Temporary landfill is a place to temporarily collect waste from housing before going to final disposal.
- All employees who are in office housing are required to dispose of waste in the trash cans provided.
- Estate manager, Mill manager and Head of Administration are responsible for the procurement of cleaners and in their respective work environments.
- Collection and transportation must be provided according to the schedule that has been made in order to avoid accumulation in each area.
- All waste in each work area is sent to the landfill according to the schedule made by the Head of Section. The form is attached to the procedure.

Recording and reporting.

- Every waste sent from trash can to landfill must be recorded the amount and type of waste on the form attached to the SOP.
- Section head collects all waste delivery reports and collects it into a folder and keeps it in the document control room for further use.
- Estate manager, mill manager and coconut administration are responsible for the implementation of this activity.

Based on the results of the field visit, the following information was obtained:

- Domestic waste in one of the housing estates in the BKCE area is dumped behind the house, in the housing ditch and next to the housing.
- Domestic waste from BMKE divisions 2 & 3 housing areas is disposed of behind the house and inside the

housing area.

- Housing drainage conditions are not optimal, for example not flowing freely and a lot of garbage is dumped in the housing drainage flow.

Related to this, the company has not been able to show sufficient evidence that the domestic solid waste management is in accordance with the procedures and is fully understood by all workers and managers, so that the non-conformance is declared unfulfilled and **becomes a major**.

Verify 03 December 2022

Evidence of improvement can be shown in the form of:

- Internal Office Memo No 02/IOM-KMB/IX/2022 dated 19 September 2022 regarding the affirmation of domestic and hazardous waste management.
- Internal Office Memo from each Estate and Mill Manager dated 25 October 2022 to each employee regarding the Estate Waste Management Program which explains the PIC in each section and the schedule for waste disposal.
- Weekly housing cleaning schedule in each estate where mutual assistance for housing facilities will be carried out once a week (Fridays) and waste Transportation will be carried out twice a week (Tuesdays and Fridays)
- Minutes of garbage cleaning activities in each housing, for example in Bukit Makmur Estate, Bukit Kecubung Estate
- Minutes of the OHS committee meeting on 31 October 2022 where one of the issues discussed was related to cleanliness and waste transportation in housing.
- The checklist of technical guidelines for the implementation of the OHS management system at Emplacements / housing complex and daycare where one of the parameters examined is cleanliness

Regarding the proof of improvement submitted, the discrepancy in this indicator is stated to have been fulfilled and will be re-verified at the time of the next assessment.

Verified by : **Radytio Puspanjana**

NCR No.	: 2022.13	Issued by	: Bayu Yogatama
Date Issued	: 1 April 2022	Time Limit	: 30 June 2022
NC Grade	: Major	Date of Closing	: 4 June 2022
Standard Ref. & Requirement	7.12.4 Where HCVs, HCS forests after 15 November 2018, peatland and other conservation areas have been identified, they are protected and/or enhanced. An integrated management plan to protect and/or enhance HCVs, HCS forests, peatland and other conservation areas is developed, implemented and adapted where necessary, and contains monitoring requirements. The integrated management plan is reviewed at least once every five years. The integrated management plan is developed in consultation with relevant stakeholders and includes the directly managed area and any relevant wider landscape level considerations (where these are identified).		
Evidence observed (filled by auditor): The company already has the HCV KMB-SUST-SOP-46 Management Program Procedure Second revision dated August 5, 2015 in the SOP it is explained for Management Actions that must be carried out in areas that have functions for protected areas and or conservation (HCV 1.1), areas or ecosystems that important for water supply and flood control for downstream communities (HCV 4.1), namely making boundary markings according to identification maps, making signboards / information boards in conservation areas.			

The review of the 2021 HCV management plan document includes planting trees in the HCV area, establishing a control buffer zone and installing an HCV signboard. Based on the results of field visits to HCV areas in BMKE and BKCE, the following conditions were identified:

- There is no signboard, determination of spray boundary area, or enrichment of woody plants in the area of the Penyahuan River Border Block D03/04 Division 2 Bukit Makmur Estate, Penyahuan River Border Block B01 Div 2 Bukit Kecubung Estate, Penyahuan River Border Block D11 Div 1 Bukit Kecubung Estate, River Border Only Block B06 Div 1 Bukit Kecubung Estate
- HCV Bukit Batu has been invaded by Mucuna and there are no signboards or warning signs.

Non-Conformance Description (filled by auditor):

The company has not been able to show sufficient evidence that the HCV management plan has been implemented according to the procedures and management plans that it has.

Root Cause Analysis (filled by organization audited):

Lost or damaged signboards in the HCV area due to too long monitoring period

Correction (filled by organization audited):

- Identify the location of the signboard installation, buffer zone stakes and physical boundary markings in the conservation area of the Penyahuan river border, the Merayak river and the Only river.
- Installing signboards, buffer zone markers and physical boundary markings for river border conservation areas.
- Cleaning Mucuna in the HCV area of Bukit Batu estate BMKE.
- Installing signboards and warning markers in the Bukit Batu HCV area
- Planting forest trees on the border of the Penyahuan, Merayak and Hanya rivers.
- Make a Monitoring Program Once a month by the PIC unit

Corrective Action (filled by organization audited):

Monitoring/monitoring the HCV area once a month by the PIC of each unit (EHS foreman) and monitored through internal audit activities and evaluated through management review meetings.

Assessor Evaluation and Conclusion (filled by auditor):

Verification June 4, 2022

The management unit shows evidence of improvement in the form of:

- Schedule for Management and Monitoring of the HCV area, where one of the plans is to conduct regular monitoring of the HCV area including its supporting facilities once a month.
- Minutes of the maintenance of the Bukit Batu HCV area on April 6, 2022.
- Minutes of installation of signs/signboards and basic painting of HCV area boundaries in Bukit Batu on April 4, 2022.
- Monitoring Report on Identification of Signboards, Bufferzone Pegs and Physical Boundary Signs for the HCV BMKE area on April 18, 2022. It is known that there are some faded signboards that need to be repaired, such as in blocks D03 and Q03.
- Report on the Improvement of Signboards, Bufferzone Pegs and Physical Boundary Signs for HCV Areas at BMKE on April 25-26 2022, including in Blocks D03/04 and Q03.
- Monitoring Report on Signboard Identification, Bufferzone Marks and Physical Boundary Marks for the BMKE HCV area on April 08, 2022. It is known that there are several missing signboards such as in block B01. And B06.
- Report on the Improvement of Signboards, Bufferzone Pegs and Physical Boundary Signs for HCV Areas at BKCE on April 14-15 2022, including in Blocks B01, R01, B06, and D11.
- The Minutes of Planting Woody Trees in the HCV BKCE area on April 23, 2022, explained that 198 tree seedlings had been planted spread over blocks B01, R01, B06, and D11 (Border of the Upper Penauhan River, Upper Merayak River Border, Hanya River Border Upstream, River Border only Downstream)
- The Minutes of Planting Woody Trees in the HCV BMKE area on April 30, 2022, explained that 80 tree seedlings were planted in D03 and R03 (Border of the Penyahuan Hilir River and the Border of the Merayak Hilir River)

Based on the Root Problem Analysis, Corrections and Corrective Actions submitted, the non-conformance is declared fulfilled.

Verified by : Bayu Yogatama

NCR No.	: 2022.14	Issued by	: Haikal Ramadhan Kharismansyah
Date Issued	: 1 April 2022	Time Limit	: 30 Juni 2022
NC Grade	: Major	Date of Closing	: 20 Juni 2022
Standard Ref. & Requirement	: RSPO Certification System 5.5.2 Time-bound plan: A time-bound plan for certifying all its management units and/or entities, including the units where the organisation has management control and/or minor shareholding, is submitted to the CB during the initial certification audit. The time-bound plan shall contain a current list of all estates and mills.		
Evidence observed (filled by auditor): <ul style="list-style-type: none">- Based on the results of the document review, it is known that there is the latest TBP revision for the BGA group dated January 10, 2022 with all units carrying out the certification process in 2023.- In accordance with the RSPO Announcement for Time Bound Plan Revision dated December 21, 2021, among others, states:- “As mentioned in Clause 4.5.3 of the P&C Certification System (14 June 2017) and recently revised with Clause 5.5.2 of the P&C Certification System (12 November 2020), the TBP shall contain a current list of all estates and mills and as a minimum, all estates and mills shall be certified within five (5) years after obtaining RSPO membership. Any new acquisitions shall be certified within a three-year time frame. Any deviations from these maximum periods require approval by the RSPO Secretariat “- Until the audit activity is carried out, there is no information regarding communication between the company and the RSPO regarding this matter, including sending the RSPO revision TBP template to the RSPO secretariat			
Non-Conformance Description (filled by auditor): The company has not been able to show sufficient evidence that it has communicated with the RSPO secretariat regarding the revision of the TBP including showing progress in getting approval			
Root Cause Analysis (filled by organization audited): There are different interpretations of the RSPO announcement regarding TBP			
Correction (filled by organization audited): Attach Time Bond Plan November 1, 2021 and withdraw Time Bond Plan January 10, 2022			
Corrective Action (filled by organization audited): Evaluating the Time Bond Plan again later through a management review mechanism at the end of the year			
Assessor Evaluation and Conclusion (filled by auditor):			
Verify June 05, 2022 The company explained that it decided to use the November 1, 2021 TBP again because the company considered the target for the 1 November 2021 TBP was still appropriate and there was no need to change the certification target. So that the January 10, 2022 TBP will not be reused. From TBP 10 November 2021, it is known that there are certification plans in 2023 such as the Harapan Abadi Cooperative, PT Bumitama Gunajaya Abadi, and PT Raya Sawit Manunggal. As explained in the TBP flow chart flow “Since the RSPO Certification System document was made effective from 1 July, 2018, existing RSPO members			

have 5 years from this date to comply with these requirements. This means any grower member with management unit(s) that have not yet been certified will need to ensure that the uncertified management unit(s) are certified by 30 June, 2023"

So that it can be explained in more detail in the TBP 10 November 2021. The year 2023 is meant after or before June 30, 2023.

Verify June 20, 2022

An additional explanation has been given that the TBP in question is not more than 30 June 2023. Thus, the non-conformity is declared fulfilled

Verified by

Haikal Ramadhan Kharismansyah

3.4.2. Identification of Findings, Corrective Actions and Observations at ASA-3 Assessment

NCR No.	:	2022.15	Issued by	:	Radytio Puspanjana
Date Issued	:	13 September 2022	Time Limit	:	12 December 2022
NC Grade	:	Recurring Minor (Major)	Date of Closing	:	12 December 2022
Standard Ref. & Requirement	:	3.4.2 For the unit of certification, a SEIA is available and social and environmental management and monitoring plans have been developed with participation of affected stakeholders.			
Evidence observed (filled by auditor): The environmental management and monitoring plan (the scope of PT KMB estate) is described in the 2002 RKL-RPL document with the following details:					
		AMDAL 2002 (PT KMB)	Implementation and Monitoring Period		
		<ul style="list-style-type: none">Microclimate and air qualitySoil erosionHydrology and water quality degradation of the Mentaya riverWildlife and aquatic biotaPopulationSocio-economicSocio-culturalPublic healthEducation	<ul style="list-style-type: none">Construction to post construction (operation) at least every 6 months.Construction at least every 6 months.Construction to post construction (operation) at least every 6 months.Wildlife at least once a year, while for aquatic biota at least once every 3 months.Post construction (operation) at least once a yearPost construction (operation) at least every 6 months.Post construction (operation) at least every 3 months.Post construction (operation) at least once every 6 months or once a yearPost construction (operation) at least once a year		
Based on the results of the verification report on the implementation of the RKL-RPL in semester 1 of 2022, not all significant impacts have been managed and monitored, which are described in the report, as required in the 2002 AMDAL document, namely for significant impacts: <ul style="list-style-type: none">Micro ClimateAquatic biotaSocio-economicSocio-cultural.					
Non-Conformance Description (filled by auditor): The company has not been able to show all evidence that the implementation of environmental management & monitoring is in accordance with the prepared program.					
Root Cause Analysis (filled by organization audited): Lack of knowledge from the PIC in charge of reporting on the AMDAL regarding monitoring and management of all significant impacts.					
Correction (filled by organization audited): <ul style="list-style-type: none">Conduct training regarding monitoring and management of significant impact aspects required in the AMDAL report.Make improvements to the EIA reportSend the revised EIA report to related parties.					

Corrective Action (filled by organization audited):

The conduct monitoring through internal audits and evaluate compliance with monitoring and management of significant impact aspects through management review meetings.

Assessor Evaluation and Conclusion (filled by auditor):

Verify 12 December 2022

Evidence of improvement can be shown in the form of:

- Minutes of refresh training on preparing reports on the implementation of RKL - RPL PT Karya Makmur Bahagia which was held on September 16 2022.
- The addendum to the report on the implementation of the environmental management plan and environmental monitoring plan of PT Karya Makmur Bahagia semester 1 of 2022 which includes all the parameters that must be implemented.
- Receipt of the Addendum receipt of the RKL – RPL implementation report for Semester 1 of 2022 addressed to the East Kotawaringin Regency Environmental Service on November 15, 2022

Based on the Root Cause Analysis, Corrections and Corrective Actions submitted, the discrepancies are declared fulfilled

Verified by : **Moh Arif Yusni**

NCR No.	: 2022.16	Issued by	: Harry Wahyudi
Date Issued	: 13 September 2022	Time Limit	: 12 December 2022
NC Grade	: Major	Date of Closing	: 03 December 2022
Standard Ref. & Requirement	3.6.1 All operations are risk assessed to identify H&S issues. Mitigation plans and procedures are documented and implemented.		
Evidence observed (filled by auditor): The results of the verification of company documents have identified health problems and occupational accidents (K3) in all operating activities as stated in the Risk Identification document for the 2022 period. In this document the company has determined potential hazards and their control measures. The Risk Identification has also been socialized to employees, for example on June 20, 2022 and in the form of posting warnings, briefing before work, and other socializations. The results of field verification and worker interviews revealed that there are several mitigation plans and procedures that have not been fully implemented and implemented at the operational level, for example: <ul style="list-style-type: none">Bukit Makmur Mill: some employees do not use adequate or damaged PPE for example at sorting stations, sterilizers, and engine roomsBukit Kecubung Estate: harvest workers, do not use PPE according to standards.			
Non-Conformance Description (filled by auditor): There is not enough evidence that mitigation plans and procedures have been implemented in all operating units			
Root Cause Analysis (filled by organization audited): Lack of monitoring from the unit and lack of knowledge from several staff/PICs related to the new EHS and the need to refresh training related to PPE in accordance with HIRAC.			
Correction (filled by organization audited): <ul style="list-style-type: none">Conducting refresh training related to the use of PPEIOM made an affirmation from RH as management at PT KMB regarding the correct use of PPERe-socialization regarding PPE according to HIRAC and socialization from IOM Affirmation from RH at the OHS committee meetingProvision of PPE that does not meet standards			

Corrective Action (filled by organization audited):

Conduct routine monitoring, evaluate the use of PPE at OHS committee meetings and carry out evaluations through internal audits and management review meetings.

Assessor Evaluation and Conclusion (filled by auditor):
Verify 03 December 2022

Evidence of improvement can be shown in the form of:

- Internal Office Memo No 01/IOM-LMB/IX/2022 dated 19 September 2022 regarding the affirmation of PPE discipline and monitoring of PPE compliance
- Minutes of IOM socialization on affirming PPE discipline and monitoring PPE compliance to BMKM staff and employees on 19 October 2022
- Minutes of inspection of warnings regarding discipline in the use of PPE at PKS BMKM on October 20, 2022
- Minutes of replacing damaged employee PPE at BKCE on September 9, 2022
- Minutes of handover of PPE safety shoes to PKS BMKM employees on September 28, 2022
- Minutes of socialization by IOM on the discipline of using PPE and IOM in waste management to BKCE staff and employees on 20 October 2022
- Inspection on the use of PPE in mills and plantations, for example on 20 October 2022
- OHS committee meetings in plantations and PKS for example on 31 October 2022 with discussion material one of which is related to the use of PPE and the implementation of K3 compliance
- Minutes of posting warnings related to discipline in using PPE at the BKCE estate on September 22, 2022

Regarding the proof of improvement submitted, the discrepancy in this indicator is stated **to have been fulfilled** and will be re-verified at the time of the next assessment.

Verified by : **Moh. Arif Yusni**

NCR No.	: 2022.17	Issued by	: Radytio Puspanjana
Date Issued	: 13 September 2022	Time Limit	: Next Surveillance
NC Grade	: Major	Date of Closing	:
Standard Ref. & Requirement	7.12.8 If there is land clearing that has not been preceded by an HCV assessment since November 2005, or that has not been preceded by an HCV-HCSA assessment since November 15, 2018, the Remediation and Compensation Procedure (RaCP) applies.		
Evidence observed (filled by auditor): Based on the results of document verification, it is known that the company cleared new land after November 1, 2005 without prior HCV identification activities, HCV identification activities were carried out in 2012. Based on plantation management information and a review of the hectare's statements, it was found that there was no additional planting or expansion of the plantation operational area after November 15, 2018. However, the Company cleared land after November 2005 without prior HCV assessment so that remediation and compensation procedures apply. Based on the results of the previous audit, the company explains the land used change analysis with the following explanation: <ul style="list-style-type: none">• HCV Assessment Date Sept-October 2011.• Land clearing prior to the November 2005 - September 2010 HCV assessment.• The total area of the management unit is 15,056 ha.• The total raw area is 5,268 ha.• The total area of conservation responsibility is 1,855 ha (net area of 856 ha)• E-mail evidence from the RSPO Compensation RSPO Executive to the Head of Sustainability BGA dated 25 April			

2016 informing that the LUCA report has been received and declared as PASS.

- An email from RSPO (@rspo.org) dated 27 May 2019 informed that "kindly note that there is a land liability issue for this certified unit where the compensation plan has yet to be endorsed.
- The company can show evidence of communication between the BGA and the RSPO regarding the completion of the RaCP which is carried out regularly from March to June 2021. The results of the last communication with the RSPO are based on an email from aryo.gustomo@rspo.org on 17 June 2021, which is in an email The statement describes internal inspections and discussions at the RSPO Integrity Unit, decided to grant Conditional Approval with a maximum time of 16 December 2021, i.e. 6 months from the date of the email for Companies under the BGA group to continue annual surveillance audits to continue and allow all ongoing progress of the RaCP process is completed by the Company as quickly as possible. Conditional approval.
- In the ASA-3 activity, the company again showed the Compensation Plan process for BGA on behalf of PT BGA, according to the email from the RSPO dated 10 February 2022 which explained that the certified management unit allowed to complete the RaCP process and continue the annual supervisory assessment (conditional approval). This conditional approval will only be valid for 6 months from the time the email is sent (10 February 2022).

Based on the results of the RSPO verification announcements on 08 September 2021 regarding Disclosure and Continuity of Certification for RSPO P&C and RSPO ISH Standard and the supply base data and hectare statement in 2022, PT BGA's RaCP process is included in scenario 1 so that the surveillance activity process can be continued.

Non-Conformance Description (filled by auditor):

Until the surveillance audit-3 activity is carried out, the Company has not been able to demonstrate that the HCV compensation Plan (RaCP) has been accepted by the RSPO but in accordance with the RSPO announcements on 08 September 2021 regarding Disclosure and Continuity of Certification for RSPO P&C and RSPO ISH Standard surveillance activities can be continued with non-compliance with indicator 7.12.8 is issued and can be opened until the next surveillance activity.

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

:

3.4.3. Opportunity for Improvement

No	Ref. Std.	Description
1	1.1.5	<p>An up-to-date list of contacts and detailed stakeholder information is available along with designated representatives.</p> <p>Based on the results of interviews with the company, information was obtained that the renewal of the Stakeholder list was carried out by the CSR Region and checked by Area Controller 2A.</p> <p>Based on the results of the verification of the PT KMB stakeholder list document which was updated in 2022, there are still several stakeholders that have not been included in the list, for example BPJS, hazardous waste management contractor (PT Sinar Bintang Albar), nearby companies, environmental testing laboratory, OHS trainer (PT Patrarijaya) and several outside FFB suppliers.</p> <p>Based on the results of document verification and interviews, the company already has information about stakeholders that has not been included in the list, but is documented separately according to their respective PICs. Companies are encouraged to update regularly related to stakeholders, contact numbers and level of interest with the company in an integrated manner.</p>
2	3.6.2	<p>The effectiveness of the H&S plan to address health and safety risks to people is monitored.</p> <p>The company shows a record of the implementation of the OHS plan, such as the implementation of OHS inspections, first aid kits, PPE, and OHSAS audits, but for the implementation of periodic health of harvest employees there has not been any implementation. The company doctor has shown proof of improvement by compiling a schedule for the implementation of periodic medical check-up in 2022 for all harvest employees. (OFI)</p>
3	3.7.1	<p>A documented programme that provides training is in place, which is accessible to all staff, workers, Scheme Smallholders and outgrowers, taking into account gender-specific needs, and which covers applicable aspects of the RSPO P&C, in a form they understand, and which includes assessments of training.</p> <p>Based on observations, interviews and document reviews, it is known that there are working operators who have not used SIO, namely employees at Bukit Makmur Mill, Machine House station, who have a shortage of operators who have obtained SIO licenses for aircraft operators and personnel and production. The engine house has 2 units of Turbine Generators with a capacity of 1800 KW, 2 units of Diesel Generators with a capacity of 500 KVA, and 1 unit of Diesel Generators with a capacity of 250 KVA. only 1 operator has SIO Diesel Generator class 1.</p> <p>The company shows evidence of training held internally by PT KMB for operators in the BMKM engine room on July 8, 2022, followed by 3 operators working in the engine room.</p> <p>The company also showed evidence in the form of Internal Memo No.01/MEMO-BGA/09/09/2022 dated September 9, 2022 regarding the application for training and operator certification in the engine room to 2 operators. This is an opportunity for the company to improve to be able to have operators who have licenses in accordance with applicable regulations.</p>

3.4.4. Noteworthy Positive Components

No	Description
1	Commitment to apply the principles of sustainable palm oil management
2	Has realized a scheme smallholder with the surrounding community
3	Provision of Basic Food Service Unit

3.5 Summary of Arising Issues from Public and Auditor Verification

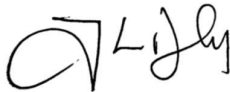

Public Issues (Institution/ NGO/Community)	Auditor Verification
National Land Agency of Kotawaringin Timur Regency The certification unit has complied with applicable regulations related to land legality, among others, has had location permits, plantation business permits (<i>IUP</i>), land titles (<i>HGU</i>), and has routinely sent land use reports.	There are no negative issues related to the certification unit, and verification has been carried out in the report.
Department of Manpower and Transmigration of Kotawaringin Timur Regency 1. The Company Regulation is still valid today 2. <i>LKS Bipartite</i> has been formed without any intervention from the certification unit. 3. Work carried out by third parties has been reported along with the fulfilment of employee rights including salary slips and health insurance. 4. There are no complaints regarding the granting of rights and facilities provided by the certification. 5. All workers have been registered in the health insurance and employment insurance programs	<ul style="list-style-type: none"> • The certification unit can show employee problem solving documents from the beginning to the completion of the problem. • There are no negative issues related to the certification unit, and verification has been carried out in the report.
Environmental Agency of Kotawaringin Timur Regency. 1. The certification unit has a Temporary Hazardous Waste Storage and have been approved by Kotawaringin Timur Regency. 2. Hazardous Waste management activities carried out by storing hazardous waste in licensed hazardous waste storage and transported have permission by <i>KLH</i> . Quarterly management reporting to relevant agencies. 3. The certification unit has POME disposal permit to surface water. 4. The certification unit has tested the quality of mill wastewater per month and reported the results of testing to Environmental Agency Kotawaringin Timur Regency per quarter. 5. The certification unit has conducted POME quality testing per Quarterly and reports the results of testing to Environmental Agency Kotawaringin Timur Regency. 6. The certification unit has conducted noise, vibration and noise testing and reported the results of testing to Environmental Agency Kotawaringin Timur Regency per semester. 7. The certification unit has reported Hazardous waste (balance and manifest) management to Environmental Agency Kotawaringin Timur Regency per quarter. 8. The certification unit has sent the <i>RKL / RPL</i>	There are no negative issues related to the certification unit, and verification has been carried out in the report.

Public Issues (Institution/ NGO/Community)	Auditor Verification
<p>implementation report to Environmental Agency of Kotawaringin Regency periodically.</p> <p>9. Requests for information responded quickly by the management unit.</p> <p>There have not been any issues and reports from other parties regarding the negative impacts on the environment due to the management operational activity.</p>	
<p>Previous Land Owner</p> <p>Land compensation was done on 1997 and 2008 until 2013. Compensation process has been held with fairly transparent regarding to mutual agreement. Whole area that managed by the company has been compensated. The compensation process involved all community witnessed also by the Village Head, Customary leader, Sub district head and others relevant parties. All land acquisition between local people and company representatives conducted as mutual agreement and with Bahasa that understood by all parties involved. All relevant information regarding land acquisition is available in appropriate forms and languages. Until the audit was carried out, there was no written complaint from the community regarding the land dispute.</p>	<p>There are no negative issues related to the certification unit, and verification has been carried out in the report.</p>
<p>Village Head of Mangkup Village Head of Waringin Agung</p> <p>There is no negative issues, land dispute issues or environmental pollution. The land compensation process has been carried out by involving various parties</p> <p>The company has made efforts to develop the surrounding community through CSR programs, development of scheme smallholders, the use of local labor and local contractors.</p> <p>The relationship between the company and the community has run quite well and harmoniously. Communication between the company and the village is quite good.</p>	<p>There are no negative issues related to the certification unit, and verification has been carried out in the report.</p>
<p>Village Head of Rantau Tampang</p> <ol style="list-style-type: none"> 1. There are no negative issues, land dispute issues or environmental pollution. 2. The certification unit has made efforts to develop the surrounding community through CSR programs, development and partnership with plasma, the use of local labor and local contractors. 	<p>There is no negative issue related to local contractor.</p>
<p>Telaga Antang District</p> <ol style="list-style-type: none"> 1. The certification unit supports and elevates the community's economy by providing guidance to 	<p>There are no negative issues related to the certification unit, and verification has been carried out in the report.</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
<p>community businesses and cooperation in several sectors.</p> <ol style="list-style-type: none"> The preparation of the CSR program involves the sub-district. The certification unit involves the local community in fire prevention and control programs through training. 	
<p>Village Head of Wonosari</p> <ol style="list-style-type: none"> The village wants to know the allocation of CSR funds for each village because so far, the village has only received assistance for paving the village office yard. The assistance provided by the certification unit must be based on a proposal submitted by the village in advance. The village needs certification unit assistance to build sports facilities in the village and improve access to the main road, considering that company units often cross village roads The village often submits requests for assistance through the PIC but does not receive a response from the management. 	<p>The Wonosari Village has been involved in the preparation of CSR and has received assistance from the company, which has been explained in detail in the related indicators.</p>
<p>Mekar Jaya dan Marga Rahayu Cooperative</p> <ul style="list-style-type: none"> The FFB purchase price refers to the government's FFB pricing. There is an agreement between the Cooperative and the Company, namely the plasma plantation development agreement. The agreement started in 2008 with a validity period of up to one crop cycle. The management of plasma plantations is carried out by the Company. FFB originating from Cooperative estate will be sent to GMKM. Currently there is a replanting savings account managed by the cooperative which is obtained from the sale of FFB. Payment of FFB sales proceeds is made at the beginning of every month. So far, there have been no problems with payments made by the company. Payments made through cash payments. The applicable FFB price is in accordance with the price set by the Government, namely the Plantation Service. The company has provided trainings such as pesticide handling training, Cooperative management training, HCV training, etc. The company has also conducted socialization related to RSPO certification. Communication between the Cooperative and the Company is going well. If there is a complaint, it will be reported to the PIC of the Company. 	<p>There are no negative issues from the Harapan Abadi Cooperative. Several explanations have been described in the report.</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
Independent Smallholders On behalf Yoyok and Rait <ul style="list-style-type: none"> • Communication between the ISH and the Company is going well. If there is a complaint, it will be reported to the PIC of the Company. • The company has also conducted socialization related to RSPO certification. • The company has provided trainings such as pesticide handling training, Cooperative management training, HCV training, etc. • Payments made through cash payments. • Payment of FFB price refers to the market price determined by the Mill refer to Government. 	<p>There are no negative issues from the ISH.</p>
LKS Bipartite <ol style="list-style-type: none"> 1. The certification unit has implemented the District Minimum Wage. 2. The certification unit lends a place to <i>LKS Bipartite</i> which is used as an office. Audiences with the certification unit are conducted monthly. The certification unit is quite responsive regarding employee complaints. 3. Work accidents that occur are just like being hit by a thorn, nothing causes disability and death. 4. The certification unit has distributed PPE to workers, and has carried out periodic and special health checks for workers handling pesticides. 	<p>There are no negative issues related to the certification unit, and verification has been carried out in the report.</p>
Gender committee <ol style="list-style-type: none"> 1. During 2021 to 2022 there were no reports of sexual harassment of female workers 2. There has been socialization regarding the rights of women workers, including menstrual leave, the right to breastfeed children at work, pregnancy check-ups, 3. There is no discrimination in employment opportunities and promotion opportunities for female workers 4. The gender committee routinely identifies pregnant and lactating women, to ensure that female workers can work properly 	<p>In general, there are no negative issues that need further clarification</p>
Local Contractor (Replanting) PT. Cahaya Bumi Rezeki <ul style="list-style-type: none"> • The contractor has been working with PT KMB on replanting for 2 years. • The contractor has heavy equipment for replanting, such as PC200 excavator = 9 units, Bull Dozer = 4 units, and 2 units dump truck. • Contractors have provided PPE free of charge to their workers. • Contractor workers have been registered in the BPJS 	<p>There are no negative issues from local contractors that need to be followed up</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
program <ul style="list-style-type: none"> • The payment system to workers is the wholesale system • No complaints while working with PT KMB 	
Local Contractor (Transport CPO) PT. Surya Mentaya Jaya <ul style="list-style-type: none"> • The contractor has been working with PT KMB on replanting for 3 years. • The contractor has 45 units dump truck with capacity 9,000 Kg. • Contractors have provided PPE free of charge to their workers. • Contractor workers have been registered in the BPJS program • The payment system to workers is the wholesale system • No complaints while working with PT KMB 	There are no negative issues from local contractors that need to be followed up

4.0	CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY
4.1	<p>Formal Sign-off of Assessment Findings</p> <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><u>Jones Daulay</u> Monday, 12 December 2022</p> </div> <div style="text-align: center;"> <p>Mutuagung Lestari Lead Auditor</p>  <p><u>Moh Arif Yusni</u> Monday, 12 December 2022</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	Land Office	Kotawaringin Timur Regency	-	Via Phone	06 September 2022	✓	
2	Plantation Agency	Kotawaringin Timur Regency	-	Via Phone	06 September 2022		✓
3	Environmental Agency	Kotawaringin Timur Regency	-	Via Phone	06 September 2022	✓	
4	Manpower Agency	Kotawaringin Timur Regency	-	Via Phone	06 September 2022	✓	
5	LKS Bipartite Region 1	Kotawaringin Timur Regency	-	Via Phone	06 September 2022	✓	
6	Gender Committee Region 1	Kotawaringin Timur Regency	-	Via Phone	06 September 2022	✓	
7	Village Head of Rantau Tampang	Kotawaringin Timur Regency	-	Via Phone	06 September 2022	✓	
8	Village Head of Wonosari	Kotawaringin Timur Regency	-	Via Phone	06 September 2022	✓	
9	Village Head of Mangkup	Kotawaringin Timur Regency	-	Via Phone	06 September 2022	✓	
10	Village Head of Waringin Agung	Kotawaringin Timur Regency	-	Via Phone	06 September 2022	✓	
11	Secretary of Talaga Antang District	Kotawaringin Timur Regency	-	Via Phone	06 September 2022	✓	
12	Marga Rahayu Cooperative	Kotawaringin Timur Regency	-	Via Phone	06 September 2022	✓	
13	Mekar Jaya Cooperative	Kotawaringin Timur Regency	-	Via Phone	06 September 2022	✓	
14	FFB Supplier of Behalf of Rait	Kotawaringin Timur Regency	-	Via Phone	06 September 2022	✓	
15	FFB Supplier of Behalf of Yook	Kotawaringin Timur Regency	-	Via Phone	06 September 2022	✓	
16	Replanting Contractors PT Cahaya Bumi Rejeki	Kotawaringin Timur Regency	-	Via Phone	06 September 2022	✓	
17	CPO Transporter Contarctors PT Sungai Mentaya Jaya	Kotawaringin Timur Regency		Via Phone	06 September 2022	✓	
18	3 Previous land owners	Kotawaringin Timur Regency		Via Phone	06 September 2022	✓	
19	Bukit Daman Estate 22 workers	Kotawaringin Timur Regency		Observation and Interview	08 September 2022	✓	
20	Bukit Makmur Mill 25 workers	Kotawaringin Timur Regency		Observation and Interview	07 September 2022	✓	
21	Bukit Makmur Estate 21 workers	Kotawaringin Timur Regency		Observation and Interview	07 September 2022	✓	
22	Bukit Kecubung 19 workers			Observation and Interview	07 September 2022	✓	
23	WWF Indonesia	-	www.wwf-indonesia.org	Via email	31 August 2022		✓

No	Institution/ NGO/ Community	Address	Phone/ Email	Form of Communication	Date of Contact	Response	
						Yes	No
			ia@wwf.or.id				
24	Walhi	-	informasi@walhi.or.id	Via email	31 August 2022		✓
25	Sawit Watch	-	info@sawitwatch.or.id	Via email	31 August 2022		✓
26	AMAN	-	rumahaman@cbn.net.id	Via email	31 August 2022		✓

Appendix 2. Assessment Program

DATE	05 – 13 September 2022	
PLANNED TIME	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
MONDAY, 05 SEPTEMBER 2022		
06.00 – 07.30	JAKARTA → SAMPIT	All Auditor
08.30 – 14.00	SAMPIT → PT KARYA MAKMUR BAHAGIA	
15.00 – 16.00	Opening meeting <ul style="list-style-type: none"> Auditee Speech (Introduction of PIC, Profile of Certified Management Unit) Auditor Team Speech (Introduction, Audit Objective, Audit Scope, Audit Plan Discussion, Determine of Audit Sample, Transparency and Confidentiality Clarification) 	All Auditor
16.00 – 17.00	<ul style="list-style-type: none"> Document review and completing audit checklist. Verification of Basic Information Mill and Estate Confirmation of Time Bound Plan Review of Partial Certification Interview with Gender Committee, Worker's Union, Worker's Cooperative (if any), Local Contractor (for Mill and Estate), Third Party Supplier and scheme smallholders 	All Auditor
TUESDAY, 06 SEPTEMBER 2022		
08.00 – 12.00	Stakeholder Consultation <ul style="list-style-type: none"> public consultation with stakeholder to relevant agency in Kotawaringin Timur Regency (by Phone) Stakeholder consultation to affected communities surrounding the plantations and previous land owner. Interview with Gender Committee, Worker's Union, Worker's Cooperative (if any), Local Contractor (for Mill and Estate), Third Party Supplier and scheme smallholders 	MAY / YYT RPJ / HRW MAY / YYT
WEDNESDAY, 07 SEPTEMBER 2022		
08.00 – 12.00	Field Observation to BUKIT MAKMUR ESTATE Aspect to be verified : <ul style="list-style-type: none"> Implementation of Legal Aspect (Land Ownership, Legal Boundaries); Implementation of Agronomy Aspect (Harvesting & Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application) Implementation of Environmental, Conservation/HCV and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management) Implementation of Occupational Health & Safety Aspect Implementation of Employment Procedure and Mechanism Aspect Observation of Workers Facilities (Housing, School, Worship Place). 	MAY / HRW RPJ / YYT RPJ / YYT MAY / HRW RPJ / YYT RPJ / YYT
12.00 – 14.00	Break	
14.00 – 16.15	Field observation to BUKIT MAKMUR MILL : <ul style="list-style-type: none"> Supply Chain verification (FFB Receiving, Weighbridge, FFB Sorting, Processing Activity, Dispatch CPO) Occupational Health & Safety Aspect (Inspection to Chemical Storage, Hazardous Waste Storage, Fire Control Simulation, POME Pond) 	MAY / YYT RPJ / HRW

DATE	05 – 13 September 2022	
PLANNED TIME	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
16.15 – 17.00	<ul style="list-style-type: none"> Implementation of Employment Procedure and Mechanism Aspect Presentation of Daily Progress	MAY / YYT All Auditor
SATURDAY, 10 SEPTEMBER 2022		
08.00 – 12.00	Field Observation to BUKIT KECUBUNG ESTATE Aspect to be verified : <ul style="list-style-type: none"> Implementation of Legal Aspect (Land Ownership, Legal Boundaries); Implementation of Agronomy Aspect (Harvesting & Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application) Implementation of Environmental, Conservation/HCV and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management) Implementation of Occupational Health & Safety Aspect Implementation of Employment Procedure and Mechanism Aspect Observation of Workers Facilities (Housing, School, Worship Place). 	MAY / HRW RPJ / YYT RPJ / YYT MAY / HRW RPJ / YYT RPJ / YYT
SUNDAY, 11 SEPTEMBER 2022		
	<ul style="list-style-type: none"> Break (Publik Holiday) Auditor completing audit checklist 	All Auditor
MONDAY, 12 SEPTEMBER 2022		
08.00 – 12.00	<ul style="list-style-type: none"> Continued field observation and Public Consultation Document review and completing audit checklist. 	All Auditor
12.00 – 14.00	Break	
14.00 – 20.00	PT KARYA MAKMUR BAHAGIA → PALANGKARAYA	All Auditor
TUESDAY, 13 SEPTEMBER 2022		
08.00 – 09.00	Internal discussion by auditor team preparing for Closing Meeting	
09.00 – 10.00	Closing Meeting <ul style="list-style-type: none"> Presentation of audit findings (Noteworthy Positive Component, Non-Conformities, OFI, Timelie of CAR's, Conclusion)/ Comments, Responses and Questions 	All Auditor
13.40 -	PALANGKARAYA → JAKARTA	