

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

Stage-1    Stage-2    Surveillance    Re-Certification

Name of Management Organisation : Katari Agro Mill, PT Windu Nabatindo Lestari subsidiary of Bumitama Agri Ltd

Plantation Name : Katari Agro Estate; Pelantaran Agro Estate; Pantai Mas Estate

Location : Village of Keruing, Sub District of Cempaga Hulu, District of Kotawaringin Timur, Province of Kalimantan Tengah, Indonesia

Certificate Code : MUTU-RSPO/089

Date of Certificate Issue : 26 August 2016

Date of License Issue : 26 August 2017

Date of Certificate Expiry : 25 August 2021

Date of License Expiry : 25 August 2018

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
ASA-1	17 – 21 July 2017	Moh Arif Yusni (Lead Auditor), Sandra Purba, Rizliani Aprianita Hasibuan, Satria Adi Putra	Octo HPN Nainggoan	Tony Arifiarachman

Assessment	Approved by MUTUAGUNG LESTARI on:
ASA-1	05 October 2017

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### FIGURE

Figure 1. Location Map of PT Windu Nabatindo Lestari

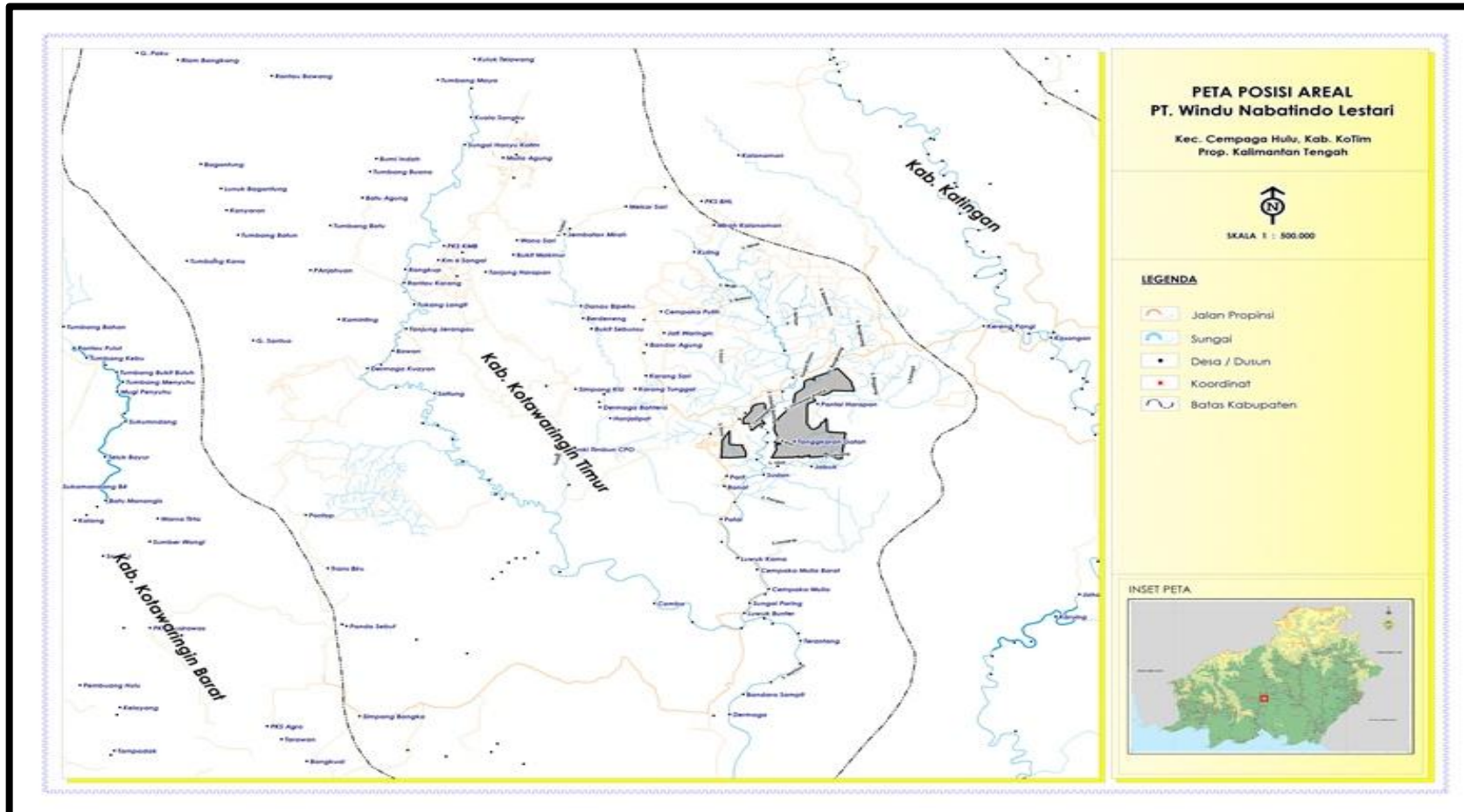
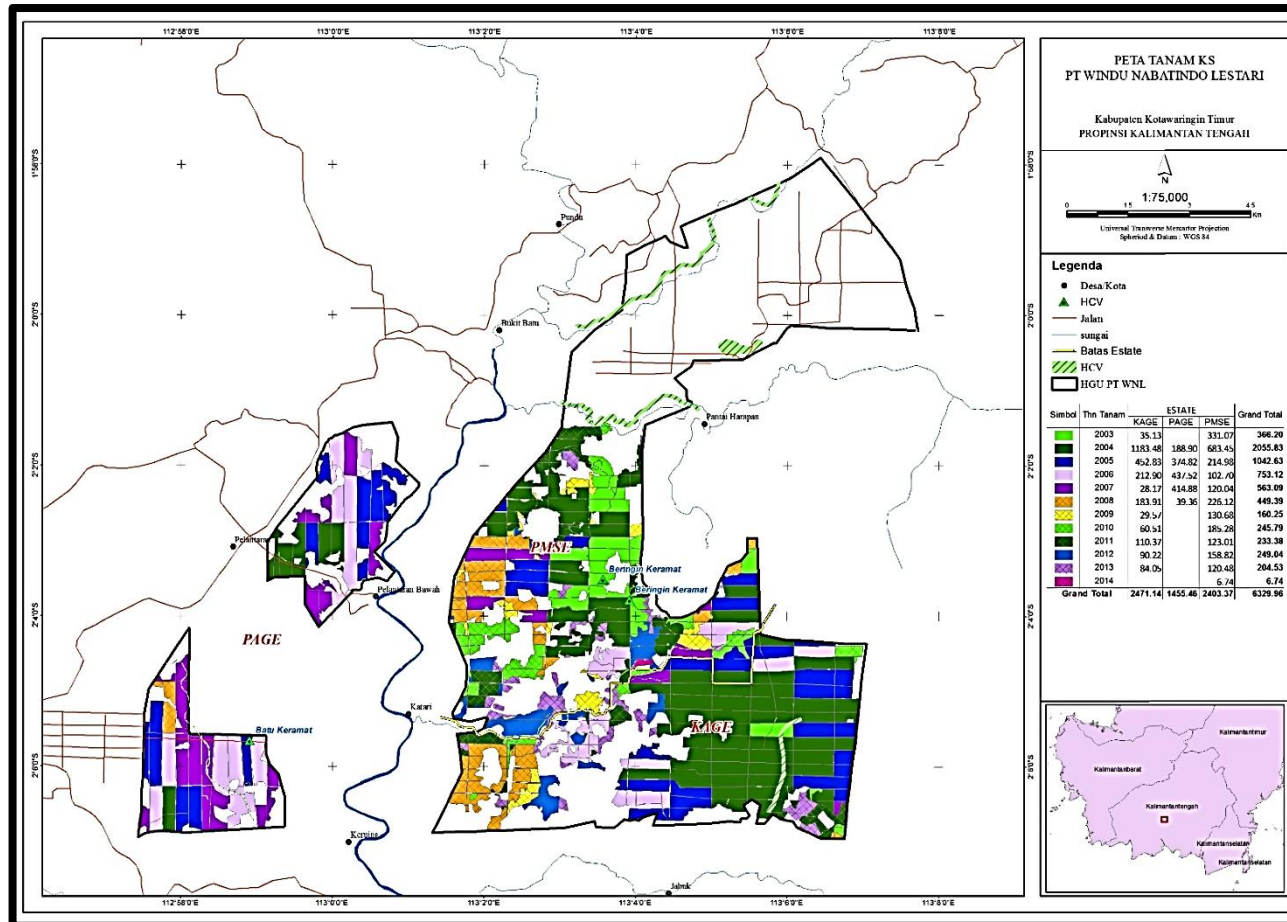


Figure 2. Operational Map of PT Windu Nabatindo Lestari



<b>Glossary</b>		
APAR	:	<i>Alat Pemadam Api Ringan (Fire Extinguisher)</i>
ASA	:	Annual Surveillance Assessment
BBC	:	Black Bunch Census
BGA	:	Bumitama Gunajaya Abadi
BMS	:	BGA Manuring System
BSS	:	BGA Spraying System
CCM Dept.	:	Certification and Compliance Department
CCS	:	Corporate Communication Sustainability
CPO	:	Crude Palm Oil
CSR	:	Coorporate Social Responsibility
B3	:	Hazardous Material
EFB	:	Empty Fruit Bunch
EIA	:	Enviromental Impact Assesment
FFB	:	Fresh Fruit Bunch
GHG	:	Green House Gass
HCV	:	High Conservation Value
HGB	:	<i>Hak Guna Bangunan (Building Use Tittle)</i>
HGU	:	<i>Hak Guna Usaha (Land Use Permit)</i>
HIRARC	:	Hazard Identification Risk Assessment and Risk Control
HRD	:	Human Resource Department
IHT	:	In House Training
IOM	:	Inter Office Memo
IPM	:	Intergrated Pest Management
ISPO	:	Indonesian Suistanable Palm Oil
JHT	:	<i>Jaminan Hari Tua (Pension Plan)</i>
JKK	:	<i>Jaminan Kecelakaan Kerja (Accident Insurance)</i>
JKM	:	<i>Jaminan Kematian (Life Insurance)</i>
JP	:	<i>Jaminan Pensiun (Retirement Insurance)</i>
KAGE	:	Katari Agro Estate
KAGM	:	Katari Agro Mill
LTA	:	Lost Time Accident
LSU	:	Leaf Sampling Unit
MCU	:	Medical Check Up
MSDS	:	Material Safety Data Sheet
NGO	:	Non Government Organization
OHS	:	Occupational Health and Safety
OQC	:	Operation Quality Control
PAD	:	Public Affair Department
PAGE	:	Pelantaran Agro Estate
PIC	:	Person In Charge
PKO	:	Palm Kernel Oil
POM	:	Palm Oil Mill
PNBE	:	Pundu Nabatindo Estate
PMSE	:	Pantai Mas Estate
PPE	:	Personal Protective Equipment
RKL/RPL	:	<i>Rencana Kelola Lingkungan/Rencana Pemantauan Lingkungan (Environmental Management and Monitoring Plan)</i>
RSPO	:	Roundtable on Sustainability Palm Oil
SIA	:	Social Impact Assesment
SOP	:	Standard Operational Procedure

SCCS	:	Supply Chain Certification System
SSU	:	Soil Sampling Unit
TPA	:	<i>Tempat Penitipan Anak</i> (Child Day Care)
UKL/UPL	:	<i>Upaya Kelola Lingkungan/ Upaya Pemantauan Lingkungan</i> (Environmental Management and Monitoring Report )
WI	:	Work Instruction
WNL	:	Windu Nabatindo Lestari
WTP	:	Water Treatment Process
WWTP	:	Waste Water Treatment Process

<b>1.0 SCOPE OF THE CERTIFICATION ASSESSMENT</b>			
<b>1.1 Assessment Standard Used</b>			
<ul style="list-style-type: none"> <li>• <i>Indonesian National Interpretation of RSPO Principles and Criteria 2013 by INA-NITF (Indonesian National Interpretation Task Force) July 2016, endorsed by the RSPO Board of Governor 30<sup>th</sup> September 2016.</i></li> <li>• <i>RSPO Supply Chain Certification Standart for Organization seeking for holding certification adopted by the RSPO Board of Governor on 21 November 2014 (Modul D/E for CPO Mill)</i></li> <li>• <i>RSPO certification System (Approve by RSPO Executive Board 26 June 2007)</i></li> <li>• <i>RSPO Supply Chain Certification System, November 2014.</i></li> </ul>			
<b>1.2 Organisation Information</b>			
1.2.1	Organisation name listed in the certificate	PT Windu Nabatindo Lestari - Bumitama Agri Ltd	
1.2.2	Contact person	Lim Sian Choo	
1.2.3	Organisation address and site address	RSPO registered company: Jl. Melawai Raya No. 10 Kebayoran Baru Jakarta Selatan 12160 Indonesia .  Liaison Office: Jl. Melawai Raya No. 10 Kebayoran Baru Jakarta Selatan 12160 Indonesia.	
1.2.4	Telephone	(62-21) 727 98418	
1.2.5	Fax	(62-21) 727 98665	
1.2.6	E-mail	<a href="mailto:lim.sian.choo@bumitama.com">lim.sian.choo@bumitama.com</a>	
1.2.7	Web page address	<a href="http://www.bumitama-agri.com">www.bumitama-agri.com</a>	
1.2.8	Management Representative who completed the application for certification	Lim Sian Choo (Head of CSR and Corporate Sustainability)	
1.2.9	Registered as RSPO member	1-0043-07-000-00 – 08 October 2007	
<b>1.3 Type of Assessment</b>			
1.3.1	Scope of Assessment and Number of Management Unit	Palm Oil Mill and supply base <ul style="list-style-type: none"> <li>• Katari Agro Mill; Katari Agro Estate (KAGE), Pelantaran Agro Estate (PAGE) and Pantai Mas Estate (PMSE).</li> </ul>	
1.3.2	Type of certificate	Single	
<b>1.4 Locations of Mill and Plantation</b>			
1.4.1	Location of Mill		
	<b>Name of Mill</b>	<b>Location</b>	<b>Coordinate</b>
			<b>Latitude</b> <b>Longitude</b>
	Katari Agro	Village of Keruing, Sub District of Cempaga Hulu, District of Kotawaringin Timur, Province of Kalimantan Tengah. Indonesia	S 2° 5' 31"      E 113° 2' 0"
1.4.2	Location of Certification Scope of Supply Base		
	<b>Name of Supply Base</b>	<b>Location</b>	<b>Coordinate</b>
			<b>Latitude</b> <b>Longitude</b>



Katari Agro	Village of Keruing, Sub District of Cempaga Hulu, District of Kotawaringin Timur, Province of Kalimantan Tengah. Indonesia	S 2° 5' 31"	E 113° 5' 9"
Pelantaran Agro	Village of Pelantaran, Sub District of Cempaga Hulu, District of Kotawaringin Timur, Province of Kalimantan Tengah. Indonesia	S 2° 5' 44"	E 112° 58' 3"
Pantai Mas	Village of Keruing, Sub District of Cempaga Hulu, District of Kotawaringin Timur, Province of Kalimantan Tengah. Indonesia	S 2° 3' 25"	E 113° 03' 21"

**1.5 Description of Area Statement**

1.5.1	Tenure	
	<ul style="list-style-type: none"> <li>State</li> </ul>	Land Use title No 24 : <b>9,616.28</b> Ha Land Use title No 50 : 1,934.583 Ha Total Land Use Title are: 11,550.863 Ha
	<ul style="list-style-type: none"> <li>Community</li> </ul>	0 Ha
	<i>Tenure area is based on Land Use Title (HGU) certificate No. 24 year 2004 and No 50 year 2004 with scope of permitted area covers Pantai Mas Estate, Katari Estate, Pelantaran Agro Estate and Pundu Nabatindo Estate. Pundu Nabatindo Estate (2,829.07 Ha) are under scope of certification of Pundu Nabatindo Mill</i>	
1.5.2	<b>Area Statement</b>	
	<ul style="list-style-type: none"> <li>Total area</li> </ul>	8,814.67 Ha
	<ul style="list-style-type: none"> <li>Mature area</li> </ul>	5,390.51 Ha
	<ul style="list-style-type: none"> <li>Immature area</li> </ul>	939.48 Ha
	<ul style="list-style-type: none"> <li>Infrastructure</li> </ul>	232.32
	<ul style="list-style-type: none"> <li>Emplishment</li> </ul>	29.21 Ha
	<ul style="list-style-type: none"> <li>Swamp</li> </ul>	131.51 Ha
	<ul style="list-style-type: none"> <li>Village</li> </ul>	7.08 Ha
	<ul style="list-style-type: none"> <li>HCV</li> </ul>	138.27 Ha
	<ul style="list-style-type: none"> <li>Mill</li> </ul>	10.09 Ha
	<ul style="list-style-type: none"> <li>Occupation</li> </ul>	1,380.05 Ha
	<ul style="list-style-type: none"> <li>Reserve Area</li> </ul>	556.15 Ha

**1.6 Planting Year and Cycles**

1.6.1	Age profile of planting year				
	Planting Year	Hectarage (Ha)			
		Pantai Mas Estate	Katari Agro Estate	Pelantaran Agro Estate	Total
	2003	331.07	35.13	-	366.20
	2004	683.45	1,183.48	188.90	2,055.83
	2005	214.98	452.83	374.82	1,042.63
	2006	102.70	212.90	437.52	753.12
	2007	120.04	28.17	414.88	563.09
	2008	226.12	183.91	39.36	449.39
	2009	130.68	29.57	0.00	160.25



	2010	185.28	60.51	-	245.79		
	2011	123.01	110.37	-	233.38		
	2012	158.82	90.22	-	249.04		
	2013	120.48	84.05	-	204.53		
	2014	6.74	-	-	6.74		
	<b>TOTAL</b>	<b>2,403.37</b>	<b>2,471.14</b>	<b>1,455.48</b>	<b>6,329.99</b>		
1.6.2	New Planting area after January 2010		33.26	Ha			
1.6.3	Planting Cycle		1 <sup>st</sup> Cycle				
<b>1.7 Description of Mill and Supply Base</b>							
1.7.1	Description of Mill						
	<b>Name of Mill</b>	<b>Capacity (tonnes/ hour)</b>	<b>FFB Processed (tonnes/year)</b>	<b>CPO</b>		<b>Palm Kernel</b>	
				<b>Out put (ton)</b>	<b>Extraction (%)</b>	<b>Out put (ton)</b>	<b>Extraction (%)</b>
	Katari Agro Mill	60	271,047.80	64,952.45	23.96	11,668.018	4.30
	<i>*Production data source from July 2016 – June 2017</i>						
1.7.2	Description of Certification Scope of Supply Base						
	<b>Name of Estate</b>	<b>Total Area (Ha)</b>	<b>Planted Area (Ha)</b>	<b>FFB (tonnes/year)</b>	<b>Yield (tonnes/ha/year)</b>	<b>Supplied to Mill</b>	
						<b>FFB (tonnes/year)</b>	<b>%</b>
	Pantai Mas Estate	3,445.49	2,403.37	37,667.37	15.67	37,667.37	100
	Pelantaran Agro Estate	1,934.99	1,455.48	24,568.19	16.88	24,568.19	100
	Katari Agro Estate	3434.19	2,471.14	50,335.15	20.37	50,335.15	100
	<b>TOTAL</b>	<b>8,814.67</b>	<b>6,329.99</b>	<b>112,570.71</b>	<b>17.78</b>	<b>112,570.71</b>	<b>100</b>
	<i>*Production data source from July 2016 – June 2017</i>						
1.7.3	FFB description from other source						
	<b>Name of sources</b>	<b>Type of Organisation</b>	<b>Number of smallholders</b>	<b>Production Area (Ha)</b>	<b>Supplied to Mill</b>		
					<b>FFB (tonnes/year)</b>		
	Pundu Nabatindo Estate (RSPO Certified)	PT Windu Nabatindo Lestari		1,949.80	1,726.86		
	Scheme Smallholders of Katari Agro Estate (RSPO Non Certified)	PT Windu Nabatindo Lestari (Pundu Nabatindo POM)	2,583 SH	2,470.00	20,785.98		
	Scheme Smallholders of Pantai Harapan Estate (RSPO Non Certified)	PT Windu Nabatindo Lestari (Pundu Nabatindo POM)		1,734.73	434.57		
	Scheme Smallholders of Pelantaran Agro Estate (RSPO Non Certified)	PT Windu Nabatindo Lestari (Pundu Nabatindo POM)		1,376.00	22,550.72		
	Scheme Smallholders of Pantai Mas Estate (RSPO Non Certified)	PT Windu Nabatindo Lestari (Pundu Nabatindo POM)		2,403.22	18,562.76		
	Scheme Smallholders of Penaga Raya Estate	PT Windu Nabatindo Lestari (Pundu		659.33	102.80		

	(Rspo Non Certified)	Nabatindo POM)							
	Scheme Smallholders of Kruing Raya Estate (Rspo Non Certified)	PT Windu Nabatindo Lestari (Pundu Nabatindo POM)	1,198.47	45,230.81					
	Scheme Smallholders of Rubung Buyung Estate (Rspo Non Certified)	PT Windu Nabatindo Lestari (Pundu Nabatindo POM)	2,769.92	48,941.19					
	<b>TOTAL</b>			158,335.69					
	<i>*Production data source from July 2016 – June 2017</i>								
1.7.4	Product categories	FFB, CPO, PK							
<b>1.8 Estimate Tonnage of Certified Product</b>									
1.8.1	Past Annual Claim Certified Product	Previous Certificate Claim 26 August 2016 to 25 August 2017 (tonnes/year)	Actual certified product 26 August 2016 to 18 July 2017 (tonnes/year)						
	• FFB Production	111,033	110,492.24						
	• CPO Production	26,870	27,966.73						
	• Palm Kernel (PK) Production	8,127.6	5,051.61						
1.8.2	Product selling	Tonnage of selling product	Actual selling product period 26 August 2016 to 18 July 2017						
	• CSPO		6,766.58 MT						
	• CSPK		4,500 MT						
	• CPO under other scheme trading (ISCC)		-						
	• CPO under conventional trading (if any)		21,200.15 MT						
	• PK under other scheme		-						
	• PK under conventional trading (if any)		551.614 MT						
1.8.2	Estimate of Certified FFB Claim	<b>Name of Estate</b>	<b>Total Area (Ha)</b>	<b>Planted Area (Ha)</b>	<b>FFB (tonnes/year)</b>	<b>Yield (tonnes/ha/year)</b>			
		Pantai Mas Estate	3,445.49	2,403.37	40,681	16.93			
		Pelantaran Agro Estate	1,934.99	1,455.48	26,534	18.23			
		Katari Agro Estate	3434.19	2,471.14	54,362	22.00			
		<b>TOTAL</b>	8,814.67	6,329.99	121,577	19.21			
	<i>*Projected FFB production for 12 months of certificate</i>								
1.8.4	Estimate of Certified Palm Product Claim	<b>Name of Mill</b>	<b>Capacity (tonnes/hour)</b>	<b>FFB Processed (tonnes/year)</b>	<b>CPO</b>		<b>Palm Kernel</b>		<b>Supply Chain Module</b>
					<b>Out put (tonnes)</b>	<b>Extraction (%)</b>	<b>Out put (tonnes)</b>	<b>Extraction (%)</b>	
		Katari Agro Mill	60	121,577	29,178	24.0	5,471	4.5	MB
	<i>*Projected CSPO and CSPK production for 12 months of certificate</i>								

1.9 Other Certifications						
	ISO 9001:2008		-			
	ISO 14001: 2004		-			
	OHSAS 18001:2007		-			
	ISCC		-			
	Others		-			
1.10 Time Bound Plan						
1.10.1 Time Bound Plan for Other Management Units						
	Management Unit		Estate (Supply Base)	Time Bound Plan	Location	Status
	MILL	Time Bound Plan				
	PunduNabatindo (PT Windu Nabatindo Lestari)	2014	PunduNabatindo	2014	Kotawaringin Timur District, Kalimantan Tengah	Certified
			Koperasi Harapan Abadi	2017		-
	Katari Agro (PT Windu Nabatindo Lestari)	2016	Pelantaran Agro Estate	2016	Kotawaringin Timur District, Kalimantan Tengah	Certified
			Katari Agro Estate			
			Pantai Mas Estate			
	GunungMakmur (PT Karya Makmur Bahagia)	2014	GunungMakmur	2014	Kotawaringin Timur District, Kalimantan Tengah	Certified
			Sungai Mentaya			
			Bukit Kecubung			
			Bukit Makmur			
			Bukit Daman	2017		-
			KUD Mekar Jaya	2017		-
			KUD Sekar Tani	2017		-
KUD Lestari	2017	-				
	Bukit Makmur (PT Karya Makmur Bahagia)	2018	Sungai Puring (PT Langgeng Makmur Sejahtera)	2018	Kotawaringin Timur District, Kalimantan Tengah	ST-1
	Kotawaringin (PT Bumitama Gunajaya Abadi)	2019	Sepantaian	2019	Kotawaringin Barat District, Kalimantan Tengah	ST-1
			Danau Merah			
			Kotawaringin			
			Tonam Raya			
	Lamandau Mill (PT Bumitama Gunajaya Abadi)	2020	(PT Bumitama Gunajaya Abadi)	2020	Lamandau District, Kalimantan Tengah	-
			Kumai Hilir Estate (PT Andalan Sukses Makmur)	2020	Lamandau District, Kalimantan Tengah	-
			PT Investa Karya Bhakti	2020	Lamandau District, Kalimantan Tengah	-
		2016	Mekar Utama	2016	Ketapang District, Kalimantan Barat	Certified 2015
			Kendawangan			

Kendawangan Mill (PT. Gunajaya Karya Gemilang)		Banjar Sari	2018	Ketapang District, Kalimantan Barat	-
		Seriam Jaya			
		Membuluh Jaya			
		Koperasi Serba Usaha Bersama			
		Koperasi Binasari			
		Koperasi Serba Usaha Karya Bersama			
		Koperasi Binasari			
		Koperasi Perkebunan Fajar Mandiri			
		Koperasi Rimba Sari			
Suka Damai (PT Rohul Sawit Industri)	2018	PT Masuba Citra Mandiri	2018	Rokan Hulu District, Riau	-
Pembangunan Raya Mill (PT Agro Sejahtera Mandiri)	2016	Pembangunan Raya	2016	Ketapang District, Kalimantan Barat	ST-2
		Bengkuang Raya			
		Belaban Raya	2020	Ketapang District, Kalimantan Barat	-
Teluk Rengit (PT Gunajay Harapan Lestari)					
Sungai Rasau Mill (PT Karya Bakti Agro Sejahtera)	2017	Marau Raya	2017	Ketapang District, Kalimantan Barat	ST-1
Selucing Mill (PT. Windu Nabatindo Abadi)	2019	Serawak Damai (PT Windu Nabatindo Sejahtera)	2019	Central Kalimantan	-
Sungai Cempaga Mill (PT. Windu Nabatindo Abadi)	2018	PT. Windu Nabatindo Abadi	2018	Central Kalimantan	-
		PT Nabatindo Karya Utama	2018	Central Kalimantan	-
Bukit Tunggul Jaya Mill (PT Ladang Sawit Mas)	2020	PT Ladang Sawit Mas	2018	Ketapang District, West Kalimantan	NPP
		PT Lestari Gemilang Intisawit	2020		NPP
		PT Ago Manunggal Sawitindo	2020		NPP
		PT Karya Makmur Langgeng	2020		NPP
		PT Gemilang Makmur Subur	2020		-
1.10.2	<b>Progress of Associated Smallholders and Outgrowers for Certifiable Standard</b>				
	The smallholders of PT Windu Nabatindo Lestari already audited on June 12 to 16, 2017 under scope of Pundu Nabatindo Mill. Until now there are still major non conformities				

<b>2.0</b>	<b>ASSESSMENT PROCESS</b>
<b>2.1</b>	<b>Assessment Team</b>
<b>ASA-1</b>	<ol style="list-style-type: none"> <li><b>Moh Arif Yusni (Lead Auditor).</b> Indonesian citizen, bachelor of Agriculture, majoring of Plant Pest and Diseases (Plant Protection) Faculty of Agriculture. He has a working experience for 2 (two) years since 2010 as Operational staff in oil palm Plantation Company in Indonesia. Trainings attended namely: Indonesian Sustainable Palm Oil (ISPO) Lead Auditor training course. Now he worked at Professional Certification Body. He has been several times following audit related to sustainable palm oil certification system as an observer and auditor. Training attended: ISO 19011, ISO 9001; ISPO 14001, RSPO Lead Auditor, ISPO Lead Auditor, OHS Expert, OHS Auditor based on National Government No 50 year of 2012. Since 2012 has been following many audit as auditor for ISPO and RSPO Scheme for several aspect, such as land Legality, Worker Welfare, OHS, transparency, long term economic aspect and Supply chain for palm oil mill. During the assesment the auditor verified Legality, Land Dispute, Best Management Practices, Integrated Pest Management and Process and SCCS.</li> <li><b>Sandra Purba (Auditor).</b> Graduated from Forestry Faculty Bachelor Degree, majored in Forest Product Technology. Have experience working in industrial forest company, mining and oil palm plantations company for 6 (six) years as EHS and Sustainability Assistant. Has been certified as General OHS Expert, attend and passed the several trainings of management system (OHS, environment and quality management), has been attend the training of waste management, GHG vericator and validator training, and conflict resolution and mapping training. Have been successfully passed the Indonesian Sustainable Palm Oil (ISPO) Lead Auditor training course, RSPO lead auditor training course and auditor of RSPO Next. Involve in many audit activities of similar scheme (ISPO) since April 2013 covering as land Legality, Worker Welfare, OHS, transparency, long term economic aspect and Supply chain for palm oil mill. In this audit activity conducted on GHG, EIA and Conservation.</li> <li><b>Rizliani Aprianita Hasibuan (Auditor).</b> Indonesian Citizen. Bachelor and Magister of Agribusiness, Faculty of Agriculture. She had followed training such as lead Auditor ISO 9001;2008, ISO 14001;2004, ISPO Auditor training and followed several IHT related to environment, BMP etc. She has been involved in several audit activities related to sustainable palm oil certification since 2015 covering social aspect, health and safety aspect, worker welfare and waste management aspect. In this audit activity conducted on OHS, Worker Welfare and Transparancy.</li> <li><b>Satria Adi Putra (Observer)</b> Indonesian citizen, Diploma III majoring in Palm Oil Plantation. Have experience of work more than six years since 2009 as the operational staff of private oil palm plantations in Indonesia. Training have been followed including Occupational Health and Safety Expert (General AK3), Orang Utan and Wildlife Management, ISPO Auditor Training, RSPO Awareness, IHT Potential Mapping and Conflict Resolution in Production Forests, OHSAS 18001, Lead Auditor Training for ISO 9001, ISO 14001, ISO 17021, ISO 17065, ISO 19011 and ISO 22000.</li> </ol>
<b>2.2</b>	<b>Assessment Methodology, Assessment Process and Locations of Assessment</b>
<b>2.2.1</b>	<b>Figure of person days to implement assessment</b>
<b>ASA-1</b>	<p>Number of auditors : 3 auditors and 1 Observer          Number of days for <b>ASA-1</b> at site : 4 days          Number of working days for <b>ASA-1</b> at site : 12 Working days</p>
<b>2.2.2</b>	<b>Assessment Process</b>
<b>ASA-1</b>	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT Adei Plantation &amp; Industry to the requirements of RSPO Principles and Criteria for Sustainable Palm Oil Production of Sustainale Palm Oil 2013 for Indonesia July 2016, approve RSPO Governors September 30,2016- and RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 (Module D for CPO Mill)</p> <p>The assessment was conducted in three methods: (1) document review, aiming to observe the sufficiency of types or substances from required documents; (2) <i>interview</i>, aiming to obtain more detailed information and cross check the information; and (3) field observation, aiming to observe directly the sufficiency of implementation on site.</p> <p>Some opportunities for improvement of the results <b>ASA-1</b> delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase <b>ASA-2</b>.</p>

Improvement of findings from main assesment findings were observed by auditors at this **ASA-1** assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of **ASA-1 report**.

The assessment program please find Appendix 2

**2.2.3 Locations of Assessment**

**ASA-1** Number of units in this certification activity is two (2) estates, which supply the raw material (FFB) to one (1) palm oil mill. In conducting the assessment, the team of auditors used the  $0.8\sqrt{y}$  formula to determine the management units sampling to be focused on and also considered the issues raised by stakeholder. Based on this formula, the team of auditors determined that the sampling locations are one (1) palm oil mill (**Katari Agro Mill**) and two (2) estates (**Pantai Mas Estate and Katari Agro Estate**)

**Pelantaran Agro Estate :**

1. **Housing Complex Division II.** Observation related to worker facilities, management of domestic waste from housing, and child day care facilities.
2. **Child Day Care.** Observation related to facilities and interview related to employment aspect and grievance mechanism.
3. **Hazardous Waste Storage.** Observations related to the hazardous waste management, iimplementation of OHS, employment, grievance mechanism.
4. **Agrochemical Store:** Field Observation of storage and management of chemicals used by the company, hazardous waste management, implementation of OHS and interview related employment.
5. **Workshop.** Observation and interview related to environmental aspect, employment, OHS implementation, training, and hazardous waste management.
6. **Fertilizer storage.** Observation and interview related to environmental aspect, implementation of OHS and interview related employment and grievance mechanism.
7. **Clinic.** Observation related to health care, medical waste management, interview related employment and grievance mechanism.
8. **PPE and Knapsack Washing Room.** Observation related environmental aspect
9. **Landfill Block D10 Division I.** Observation related to domestic waste management
10. **Block B6, Division 3.** Observation of HCV 6 (Sacred Stone).
11. **Block C01, Division 3.** Observation of riparian management (HCV Area - riparian of Keruing River)
12. **Block C20 Division 3.** Observation and interview with harvesters regarding harvesting procedures, wages and OSH implementation
13. **Block C19.** Conservation of Keruing River Border with identification HCV 1.1, HCV 1.2, HCV 1.3, HCV 2.3, and HCV 4.1.
14. **Block D04.** Observation and interview with labor of manual fertilization related to fertilization procedure, wage, K3 impmmentation and facility of infrastructure
15. **Division 3.** Interviews with FFB loaders regarding wages, transport procedures and OSH implementation

**Katari Agro Estate**

1. **Housing Complex Division I.** Observation related to worker facilities, management of domestic waste from housing, and child day care facilities.
2. **Child Day Care.** Observation related to facilities and interview related to employment aspect and grievance mechanism.
3. **Hazardous Waste Storage.** Observations related to the hazardous waste management, iimplementation of OHS, employment, grievance mechanism.
4. **Agrochemical Store:** Field Observation of storage and management of chemicals used by the company, hazardous waste management, implementation of OHS and interview related employment.
5. **Workshop.** Observation and interview related to environmental aspect, employment, OHS implementation, training, and hazardous waste management.
6. **Fertilizer storage.** Observation and interview related to environmental aspect, implementation of OHS and interview related employment and grievance mechanism.



7. **Clinic.** Observation related to health care, medical waste management, interview related employment and grievance mechanism.
8. **PPE and Knapsack washing room.** Observation related environmental aspect
9. **Landfill block F49 division V.** Observation related to domestic waste management
10. **Block B51A, Division 4.** Observation of riparian management (HCV Area - riparian of Katari River)
11. **Block C55A, Division 1.** Observation of effluent application, covering 26.9 Ha.
12. **Block B52 Division 1.** Observation related to watergate management.
13. **Block G56 Division 5.** Observation of piezometer monitoring.
14. **Block D55 Division 5.** Observation related to planting a beneficial plant (*Nephrolepis biserrata*).
15. **Block G55 Division 5.** Field observations related to subsidence stick.
16. **Block C55A .** Observations and interviews related to the transportation of FFB
17. **Block C53 / 54.** Observations and interviews with harvesters regarding wages, harvesting procedures and OSH implementation.
18. **Block C55.** Observation on the implementation of Palm Oil Mill Effluence (POME).

**Katari Agro Mill**

1. **Workshop.** Observation of OHS implementation and interview regarding to employment aspect and environment aspect.
2. **Main Storage.** Observation of chemical management, OHS aspect and environment aspect
3. **WTP.** Observation of water usage, chemical management, OHS and employment aspect
4. **Scheduled hazardous storage.** Observation of waste management, the emergency equipment are available on place, interview with the personnel in charge regarding to the procedure implementation and OHS aspect.
5. **Hydrant.** Inspection of emergency preparedness equipment.

**Stakeholders**

1. Environmental Body District Of Kotawaringin Timur
2. Social, Labor and Transmigration Agency District Of Kotawaringin Timur
3. National Land Agency District Of Kotawaringin Timur
4. Forestry and Plantation Agency District Of Kotawaringin Timur
5. Keruing Raa village
6. Pelantaran village
7. Worker union
8. Local contractors
9. Gender commite

<b>2.3</b>	<b>Stakeholder Consultation and Stakeholders Contacted</b>
<b>2.3.1</b>	<b>Summary of stakeholder consultation process.</b>
<b>ASA-1</b>	<p>Consultation of stakeholders for PT Windu Nabatindo Lestari was held by:</p> <p>(1) Public notification at website MUTU (<a href="http://www.mutucertification.com">www.mutucertification.com</a>) on 03 July 2017.</p> <p>(2) Public consultation meeting with Villages Nearby Company Area on 18 July 2017.</p> <p>(3) Public consultation meeting with internal stakeholder on 18 July 2017.</p> <p>Numbers of input from stakeholders were clarified by PT Windu Nabatindo Lestari as apart of this report</p>
<b>2.3.2</b>	<b>Stakeholder contacted</b>
	<b><i>Please find appendix 1</i></b>
<b>2.4</b>	<b>Determining Next Assessment</b>
	The next visit (ASA-2) will be determined nine (9)– twelve (12) months after this audit.



**3.0 ASSESSMENT FINDINGS**

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

MUTUAGUNG LESTARI has conducted an assessment of *Katari Agro Mill – PT Windu Nabatindo Lestari*, MUTUAGUNG LESTARI has conducted an assessment of *Katari Agro Mill – PT Windu Nabatindo – Bumitama Agri Ltd* operation consisting of one (1) mill and three (3) oil palm estates.

During the assessment, there were nine (9) Nonconformities were assigned against Major Compliance Indicators, six (6) nonconformity(s) were assigned against Minor Compliance Indicators and five (5) opportunity(s) for improvement were identified.

Further explanation of the non-conformities raised and corrective actions taken by the company are provided in section 3.5. The company has already prepared and implemented the corrective action(s) that had been reviewed and accepted by Auditor(s) in form of documentation evidence(s) e.g. (*document record/photographic/etc...*). Those corrective action(s) taken that consist of nine (9) Major non-conformity(s) and six (6) Minor non-conformity(s) had been closed out shall be verified during next assessment.

MUTUAGUNG LESTARI found that *Katari Agro Mill – PT Windu Nabatindo Lestari, Bumitama Agri Ltd* complied with the requirements of Indonesian National Interpretation of RSPO Principles and Criteria 2013 by INA-NITF, July 2016 (Endorsed by the RSPO Board of Governors meeting on 30th September 2016) and RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 (Module D / E for CPO Mill).

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

Ref Std.	VERIFICATION RESULT of MUTU-Certification	
<b>PRINCIPLE #1 COMMITMENT TO TRANSPARENCY</b>		
<b>1.1 Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.</b>		
<b>1.1.1</b>	Certificate holder has list of stakeholders such as District Agency, village, supplier, NGO, etc. CH also has procedures related to transparency contained in Transparency and Mechanism Procedures no. BGA/WNL-SOC/PRO-29/09/2012), approved on August 28 2012. Procedure explains that every information request can be delivered by email, telephone, fax etc. Based on interview with head of village kruing, it is known that he always keep communication with PIC from CH Every information request (majority request for assistance) from villages always responded by CH.	
<b>1.1.2</b>	Records of information requests contained in logbook of communication. Based on document review, all incoming letter has been responded by CH. For example, letter no. B.0004/BPS/62023/0/2017 dated 10 January 2017 related information request for plantation data collection and has been responded on January 13, 2017.	
<b>Status: Comply</b>		

**1.2**

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

**1.2.1**

Certificate holder has list of information that can be accessed by stakeholders, which has been set in procedure related to communication (No. Unit BGA-SUST-SOP-09, Rev 00) approved on February 8, 2017. In the procedure, the information accessible to the public includes land legality, environmental impact assessment and reporting, certificate holder's procedure and policy, social and OHS program, HCV and SIA assessment, and summary of certification assessment. Based on interview with head of Cooperative Harapan Abadi obtained information if the deduction of the smallholders pasyemen can be accessible. Annulay every two months PT WNL submit the monthly report of production cost (included deduction) to each of cooperation agency (KUD) as representation of smallholders.

**Status: Comply**

**1.3**

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

**1.3.1.**

Certificate holder has Code of the conduct No. BGA-COC-HC-333.1-R0, approved on October, 28 2014. Code of conduct regulate about fair conduct ini business, bans on corruption, bribery, and fraud, and also transparation information of company. In addition based on interview with several workers in estate and mill, they were understood with this policy. Certificate holder also has socialized this policy to contractor. Based on interview with local contractor in Pundu Village, it is known that they understood about ethical conduct of company.

**Status: Comply**

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

**2.1**

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

**2.1.1**

CH has implemented the governor decree related to sectoral minimum wage for 2017 in accordance with decree no. 24 year 2016.

Enviromental, such as :

- CH has environmental document (i.e.AMDAL and UKL/UPL) lisensed by District Government of Kotawaringin Timur. It has been in accordance with government regulations (PP No. 27 / 1999 and PP No. 27 / 2012 related to SEIA; etc).
- The company has Hazardous Waste Storalisensed by District Government of Kotawaringin Timur (Decision Letter No. No. 660/2142/BLH-Eks.DSA/V/2015 dated 29/05/2015 with validity period of 5 years. It has been in accordance with government regulations (regulation No. 101/2014 related to Hazardous Waste Management).
- The company has land application lisensed by District Government of Kotawaringin Timur (Decision Letter No: 660/042/EK.SDA-DLH/II/2017, dated 24/01/2017 with validity period of 5 years). It has been in accordance with government regulations (PP No. 82 / 2001 related to water quality management and PP No. 28 / 2003 related to land application permit).

**2.1.2**

The PIC who responsible for document management is department related to their field, for example identification and evaluation related to OHS is conducted by Corporate Communication Sustainability (CCS) Department and for estate and legal is conducted by Public Affair Department (PAD).

Certificate holder has a list of rules and their evaluation last update March 31, 2017, but the list does not cover all relevant regulations, for example but not limited to:

- Regulation of labor minister No. 7 year 2013 on minimum wages (still referring to regulation no. 1 year 1999 that is no longer valid)

- Government regulation no. 78 year 2015 concerning remuneration
- Regional regulations such as Kalimantan Tengah Governor Decree No. 24 year 2016 on minimum wage and sectoral minimum wage of Kalimantan Tengah in 2017

**Based on the explanation, raised the Non-Conformance No 2017.01 with Minor category**

**2.1.3**

CH has procedure for identify the regulation that outlined on SOP Identification and Regulatory Compliance Audit and Legal Requirements (BGA-SOP-CCS-1102.1-R0) approved on May, 9 2012. It describes that the regulation compliance audit is conducted every 6 month or when needed. It has to be done by the responsible person for each aspect. The audit internal is done by expert staff from each department. The last audit internal for law compliance conducted on March, 31 2017.

**2.1.4**

Mechanism for the regulation changes is set in SOP Identification and Regulatory Compliance Audit and Legal Requirements (BGA-SOP-CCS-1102.1-R0) dated 9<sup>th</sup> May 2012. Source of information for regulation update is from newspaper, magazine, television, government agency, internet, radio or from the workers. The regulation compliance audit is conducted every 6 month or when needed.

**2.1.2 | Status: Nonconformity no. 2017.01 with minor category**

**2.2**

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

**2.2.1**

The certificate holder has land Use Right (HGU) with Certificate Number: 24, issued by National land Agency of Kotawaringin Timur District, Province of Central Kalimantan, March 10, 2004 with total area **9,616.28 Ha** and Land Use Title Certificate No. 50 issued by National Land Agency of East Kotawaringin District, Central Kalimantan Province on May 10, 2008 covering of 1,934.583 Hectares and the total area are 11,550.863 Ha. which the total area under managed of Pelantaran Agro Estate, Pantai Mas Estate and Katari agro Estate are 8736.69 Ha and for ther area for 2,814.17 Ha managed of Pundu Nabatindo Estate.

**2.2.2**

The certificate holder can show the evidence if the boundaries pole monitoring conducted annually in accordance with Work Instruction of Boundary Pole Maintenance (BGA/WNL-LGL/IK-38/IX/12) who mentioned the monitoring boundaries pole where conducted every months

Based on documents verifications in PAGE and KAGE its known if the monitoring of boundaries pole conducted every 4 (four) months. Meanwhile based on field observation obtained information if there is some poles with poorly maintained as covered of weeds and shrubbery, for example boundaries pole no 65 and 14 in PAGE and boundaries pole no 36 and 38 in KAGE. **Based on the explanation, raised the Non-Conformance No 2017.02 with Minor category**

**2.2.3; 2.2.4; 2.2.5**

The company has had procedure of Land Dispute Handling (BGA-SOP-GL-901.5-RO). These procedure as reference to handle of land dispute between management unit and related party. Process to overcome the land claim was involved of land owner, head of village and witnessed by another land owner surround.

Based on the results of interviews with three (3) people of Keruing Village and four (4) residents and Village administratur of Pelantaran Estate Estate, obtained informations if in the last three (3) years there is several land disputes that's is land claim from some people. The results of interviews with the community obtained information that

some of the land disputes have been resolved and there are still unresolved ones. In other that obtained informations if there is no significant land conflict in Katari Agro Estate and Pantai Mas Estate

During audit ASA-1 conducted the certificate holders can how the evidence if In the event that there is a dispute or a dispute has occurred, adequate evidence of legitimate acquisition and compensation or compensation settlement process through conflict resolution which has been received through Free, Prior and Informed Consent by all related parties shall be provided. For ongoing land dispute, available complete documentation of the progress of dispute resolution in the form of the minutes of meetings, negotiations, joint measurement, and so forth

**2.2.6**

Although Katari Agro Estate and Pantai Mas Estate has gained land rights legally, but in the area of company Land Use Title there is still many people using and cultivating illegally. To avoid the escalation of social conflict, the company make an approach to the community in order to the participatory mapping and identifying the land tenure certainly. In its application, the auditor team saw there is no use of paramilitary force in the overall activities of plantation.

**2.2.2 Status: Nonconformity no. 2017.02 with minor category**

**2.3**

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

**2.3.1**

As described in Criteria 2.2 above, although PT Windu Nabatindo Lestari has gained land rights legally but there are still many people using and cultivating in HGU (Land use Tittle) Area. The certificate holder has had the documents of areal statement with approved bt directors, who described various land use in HGU Area, included Ocupation area width. Based on documents of area statement there is occupation area with covering of 1,380.05 Ha. Based on field observation, ie in Around of Boundaries pole No 066 and 065 PAGE, that's area are rubber tree and palm oil tree owned y the community and around of boundaries pole No 37 and 38 KAGE are palm oil tree owned by the community.

The certificate holder may show the Letter from Village Head of Keruing No : 01/KD-K/VII/2017 dated 20 July 2017 who described about land owner, blocks and width, with total of covering 648.34 Ha. on that's letter mentioned if between T WNL and land owners never interfere with each other and maintain security and order in the management of the land. However, at the time of audit the ASA-1 Certificate Holder has not been able to show

1. The identification mapping process of the entire land user or arable land with ±731.71 Ha
2. Evidence of participatory mapping process by involving the affected party.

**Based on the explanation, raised the Non-Conformance No 2017.03 with Major category**

**2.3.2;2.3.3 2.3.4**

Based on document verification Social Impact Assessment report and HCV Identification report that knows in PT WNL area there was no land under customary right. Though stakeholder consultation with related agency (National Land Agency and Forestry Agency of Kotawaringin Timur District was inform there is no land of PT WNL under customary right.

The company has been shows the evidence of land compensation to related party. The sample of process land compensation present to land owner was sighted, The copy was made in Bahasa and known by all relevant parties. Although the legal status, acquired land is located within the Land Use Title area of the company, which is in the law the company is controlled legally. These process was involve of land owner and approved by head of village and head of sub district. The documented process of land compensation was signed by related party, filed in each estate. Based on the document review, it is known that all the information regarding the land compensation available at the Public Affairs Department (PAD). The entire document is available in a language that can be understood (Indonesia). The process of land release owned by the community has also been involved village chief, demat / head of customs, and sub-district representative as the witnesses.

<b>2.3.1</b>	<b>Status: Nonconformity no. 2017.03 with Major category</b>
<b>PRINCIPLE #3 Commitment to long-term economic and financial viability</b>	
<b>3.1</b>	
<b>There is an implemented management plan that aims to achieve long term economic and financial viability.</b>	
<b>3.1.1</b>	
Certificate holder has conducted an analysis of the long term economic viability for years 2016 to 2018. The document describes projections of areal statement, production of FFB, production and price of CPO and PK, capacity, cost, revenue, and profitability. Evaluation of achievement conducted annually, changes will be made if necessary. One of the control function is to conduct annually financial audit by public accountants.	
<b>3.1.2</b>	
Certificate holder does not have a document of replanting program. Based on document review of production and planting years, interview and field visits, the first planting was in 1998 (19 years), no replanting required for the next five years.	
<b>Status: Comply</b>	
<b>PRINCIPLE #4 Use of appropriate best practices by growers and millers</b>	
<b>4.1</b>	
<b>Operating procedures are appropriately documented and consistently implemented and monitored.</b>	
<b>4.1.1</b>	
The Company already has SOP covering all plantation and factory operations.	
The procedur of mill operations summarized in the SOP No Document BGA-SOP-OP-1002.0-RO authorized by COO, CSO and CFO dated 01 January 2014 such as SOP Loading Ramp, Sterilizer, Thresher, Digester & Press, Clarification, Nut & Kernel, Boiler and Power Supply.	
The company also has SOP related to Agronomy operations which is summarized in SOP Agronomy of Palm Oil No.SOP BGAAGRKS-SOP. The SOP such as SOP Nursery, Land Preparation, Roads and Bridges Maintenance, Making and Maintenance of Trench, Soil and Water Conservation, Cultivation of LCC, Oil Palm Planting, Weed Control, Fertilization, Pest and Disease Control, Castration and Canopy Management, Plant & Production Census, Harvesting, Pesticide Management, Transport Management, Marginal Land Management and Rejuvenation.	
The SOP is available at the mill office and Estate Office and wrtten in bahasa. Based on interviews with grading operator it is known that workers have understood the standard of work in accordance with SOP.	
<b>4.1.2, 4.1.3</b>	
The Company already has SOP master list for all procedure. Based on document review it is known that all SOPs and Work Instructions are available in appropriate language (Bahasa Indonesia). The Company has internal control mechanisms listed in KAGM Factory Visit, report dated June 17, 2017. Internal monitoring activities are conducted by examining the implementation of the SOP. If there are findings, the company should search for root causes, risk identification, responses from auditees, persons responsible for improvements, fixing deadlines and proof of improvement.	
<b>4.1.3</b>	
Based on document review and interview with mill staff it is known that Katari Agro Mill does not receive FFB from third parties / suppliers. All FFB Processed are from own estate and scheme smallholders.	
<b>Status: Comply</b>	
<b>4.2</b>	
<b>Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.</b>	
<b>4.2.1</b>	
The Company has a procedure to maintain soil fertility, such as Fertilization SOP, Legume Cover Crop and marginal land management strategy. Based on field observations and documents verifications its known if the Company cab	



demonstrated the implementation of that procedure such as organic fertilizer application using Empty Bunch. The application is done on block D005 year of planting 2004 (application area 3.10 Ha and with application counted 84 ton).

Based on the results of observation and interviews with fertilizer labor in Division 1 Block D04 known that MOP fertilization has been done area of 39.43 Ha with the amount of fertilizer was 11.25 tons and dose 1.25 kg /plant. Fertilizer officers have also understood the related work standards.

**4.2.2, 4.2.4**

The Company has undertaken a nutrition recycling strategy such as the use of POME for liquid waste fertilizer applications, empty fruit bunch. The Company already has a fertilization record listed in Fertilizer Recommendation 2017 for Pelantaran Agro Estate, which contains information on division, fertilizer application block, planting year, fertilizer area, fertilizer type, dose per plant and total fertilizer usage per block.

Based on the results of observation and interview with fertilizer labor in Division 1 Block D04 known that MOP fertilization has been done with 39,43 Ha with the amount of fertilizer as much as 11.25 tons and dose 1.25 kg /plant. This has been in accordance with fertilizer recommendation 2017 for Pelantaran Agro Estate.

The Company has shown recapitulation of fertilizer usage per ton of FFB, among others:

Estate	Year of Planting	Area (Ha)	Tahun 2017		
			Total FFB (Tonnage)	Total Fertilizer (Tonnage)	Comparison Ratio (Fertilizer/FFB Tonnage)
Katari Agro Estate	2003	35	531	35	0.06
	2004	1,251	15,246	971	0.06
	2005	727	6,963	451	0.06
	2006	135	1,876	146	0.07
	2007	85	1,077	50	0.04
	2008	401	4,473	233	0.05
	2009	50	409	21	0.05
	2010	332	3,585	236	0.06
	2011	291	2,146	203	0.09
	2012	155	915	70	0.07
	2013	113	673	103	0.15
<b>Total</b>		3,575	37,893	2,520	0.06

Based on the data it is concluded that the company already has a recording of fertilizer usage per ton of FFB with an average ratio of 0.06.

**4.2.3**

The Company has an inter-office memo No.030 / IOM / RSC / XII / 14 regarding LSU 2015 implementation procedures dated December 26, 2014 issued by Research Manager. The contents of the document contains procedures for determining and measuring the principal samples in the field such as the sampling of leaves was done 1 plant for sample 1 ha, plant vegetative measurements were made only 20% of the total sample plant, plant vegetative measurements include calculating the number of frond, petiole measurement, stem height measurement, stem diameter, length and width of leaflets and number of leaflets.

The Company has an inter-office memo No. 004 / IOM / RSC / II / 15 concerning Land Sample Taking (SSU 2015) dated 01 February 2015 issued by Research Manager. The contents of such documents such as land collection is 20% of the total block each year, sampling point taken at 3 places in inter row and or between plants with a depth of 0-30 cm and 30-60 cm, the three samples are composed into one, sample of soil is done every 5 years.

**LSU**

The Company has shown related records of leaf analysis results in 2016 which will be used as reference for fertilizer recommendation in 2017. The data presented as follows :

No	Division	Blok	Year of Planting	Area (Ha)	Stand/ Ha	Type of Soil	N (%)	P (%)	Potassium (%)	Mg (%)	Ca (%)	B (ppm)
1	1	C003	2005	39.25	135	Dystrudepsts	2.64	0.168	1.03	0.25	0.62	12
2	2	F008	2004	12.89	166	Dystrudepsts	2.64	0.168	1.03	0.25	0.62	14
3	3	A001	2005	33.13	151	Haplosapristis	1.03	0.260	1.03	0.26	0.62	15

**SSU**

The Company has also presented records related to the results of soil test analyzes in each division in the area of Pelantaran Agro Estate. The result of soil sample analysis includes measurement of soil PH, C content in soil, N in soil, balance level between C / N, available P amount, P total, cation exchange rate and soil texture. The recording is stored in each estate of PT Windu Nabatindo Lestari.

**Visual Observation**

The Company has presented record evidence related to the visual observations listed in the Ground Check Report on Drone Results for Pelantaran Agro Estate. The report contains such as the discovery of principal with symptoms of nutrient deficiency (N, K, Mg) in Block A07a, B07a, B08a; B12b; C16a and F15a.

**Status: Comply**

**4.3**

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

**4.3.1**

The Company has a map of marginal areas that explain the type of soil contained in the Pelantaran Agro Estate and Katari Agro Estate. The map describes the existence the type of marginal soil such as Haplosaprist / peat in the Katari Agro Estate area is 775.38 Ha. At the Pelantaran Agro Estate and Katari Agro Estate area is dominated by mineral soil and shallow peat.

**4.3.2**

The Company has a SOP of soil and water conservation (BGAAGRKS-SOP-05), which regulates the land slope classification, soil and water conservation as follows:

- Sloping Land : Planting LCC, Vertiver Grass, Frond Conservation, Individual Terrace, Contour Terrace with stop bund.
- Mildly Sloping Land : Planting LCC, Vertifer Grass, EFB, Frond Laying, trench/silt.
- Very Sloping Land: Planting LCC, Vertifer Grass, EFB, Frond Laying, trench/silt.

Based on document review and interview with management it is known that there is no area with big slope angle. This has also been confirmed by giving evidence of topographic grade mapping results.

**4.3.3**

The Company has a road maintenance program and realization that contained the Road Maintenance Work Plan 2017 which includes the plan and realization of road maintenance work per block. The example is as follows:

- Conducted road maintenance at the Katari Agro Estate Division I on block A005 & B542 along 1,000 meters
- Conducted road maintenance in the Katari Agro Estate Division II on block I048 along 600 meters
- Conducted road maintenance at the Katari Agro Estate Division V on block I055 along 500 meters

**4.3.4, 4.3.5, 4.3.6**

The Company has a Marginal Land Management SOP listed in No Document BGAAGRKS-SOP-I Volume 3, BGAAGRKS-PTKS-PLM. In the SOP there are strategies on:

- Peatlands with management strategies: drainage, embankments and water gates, water pumps, zero burning, compacting planting pathways, correct & optimal fertilization.
- Tidal: drainage, embankment, water gate, micro and crf fertilizer, lime application, 3-6 months not planted, to wash pyrite.



The Company has records related to the inspection and implementation of marginal land management such as:

- Management of water level in the peatlands at Pelantaran and Katari Agro Estate.
- Routine installation and monitoring of ground level decline using subsidized bench marks at the Pelantaran Agro Estate.
- Monitoring of water level within the block using piezometer at Katari Agro Estate.

Based on the results of field visits to Katari Agro Estate Division 1 Block B52 it is known that the company has been managing the related land subsidence by maintaining the water level by utilizing watergate. Based on the results of the visit is known that the water level is at a depth of 55 cm from the ground.

**Status: Comply**

**4.4**

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

**4.4.1, 4.4.2**

In the RKL / RPL report has been described the management plan of water sources, namely: to regulate the system of effluent disposal or utilization by previously treated in WWTP, monitoring the quality of under-ground water and surface water through laboratory test (for example, test result of semester II 2016 of Katari Hulu river, Bangkiang Hilir river and Cempaga river, based on Government Regulation No. 82/2001 there is a parameter value of COD, TSS, Fe and BOD that exceed the quality standard, it has been evaluated.

Its implementation sighted during the field observation, for example, observations in the riparian of Katari river at KAGE and Keruing river at PAGE (Block C01 Div 3) installed the spraying border marking 50-meter. Interviews with spraying workers at PAGE known that they have been understood the policy. Can be shown the map scale of 1:66000, which informs the water bodies and wetlands in the area of PT WNL. Riparian protection and buffer protection procedure has been defined in the HCV SOP No document: BGA-SOP-CCS-1113.1-R0 approved on 31 August 2012

**4.4.3**

There are waste management installations consist of eight ponds (cooling pond, mixing pond, anaerobic and aerobic), liquid waste tests conducted monthly using accredited laboratory (LP-543-IDN), for example the testing report of Jan - May 2017, during that period There is no pH and BOD that exceed the quality standard. Waste-water is applied to the land based on the permit owned through Decree of East Kotawaringin Regent No.: 660/042 / EK.SDA-DLH / I / 2017, covering 466.5 Ha. Observation to the Block C55A Division 1 KAGE known that the application has been done in accordance with the permit.

**4.4.4**

Based on IOM No.: 048/IOM/EN-BGA/IX/2016 dated September 13, 2016, the process water consumption budget is 1.2 M3 / ton FFB. The average water usage per ton of FFB during the Jan - Jun 2017 is 0.77 M3, still below of the budget that's has been set.. KAGM needs to ensure the implementation of monitoring and preventive maintenance scheduling of flow meters at WTP every month. **#OFI**

**Status: Comply**

**4.5**

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

**4.5.1, 4.5.2**

The Company already has IPM management plans listed in the Annual Work Plan for the integrated pest management program available to each Estate and Division.

Identification of potential pests by census and visual monitoring performed by employees, foremen or staff. Based on peast and disease Monitoring Report of June 2017 Katari Agro Estate it is known that there are potential pest identification that is *Tirathaba mundella* in Division 1 and 2 but not yet controlled because it is still below the economic threshold.

Based on the FFB Inspection Document at FFB Collecting Point it is known that there has been detection on the existence

of the pests of *Tirathaba sp* and there is no indication of the use of pesticides outside the program or application prophylactically.

The company controls biological pests by useful plants (*Turnera subulata*, *Casia cobanensis* and *Nehrolepis biserrata*), besides the company also makes efforts to use natural enemies such as *Tyto alba* as a predator against rat pest.

The company has shown recording reports of chemicals at Katari Agro Estate. Its known that the use of chemicals decreased compared to previous years, such as decrease of Dipel WG from 2015 until 2017 is 59.77%.

The Company has records related to Integrated Pest Management training such as:

- Training of pest and diseases on April 19, 2017 located at Harapan Estate Beach to all PT Windu Nabatindo Lestari staff
- Spraying Training of *Tirathaba sp* dated April 19, 2017 in Division 2 Katari Agro Estate from BGA Research Department

Based on interviews with pest census workers in Block C53 Division 1 Katari Agro Estate it is known that the labor understands the related census work procedure and has been given training on integrated pest management.

Status: Comply

#### 4.6

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

##### 4.6.1,

The Company has Herbicide Use Recommendation for Selective Weeding with No. Document 016 / IOM / RSC / V / 2015 dated May 9, 2015. The recommendation contains among others amount of application/year recommendations, type of weed target, type of herbicide, dosage per Kap (15 liters of water), spray volume (liters / ha), total material requirement (Per Ha / Year) and description.

In use of pesticides, the company uses pesticides already registered in the fertilizer and pesticide directorate. The company records all the pesticides used, targeting of attacks, pesticide classes, registration numbers and justifications such as:

- Roundup 486 SL with active ingredients is Isopropyl Amine Glyphosate, class III (Reg.Number RI.01030120001560). Target weed : systemic herbicides are growing and plant growth regulators are in the form of solution in water broadleaf weeds (ex. *Mikania micrantha* and *Synedrella nudiflora*).
- Metaprima 20 WG with active ingredients is Methyl Metsulfuron, class U (Reg.Number RI.01030120031897). Target weed : systemic herbicides are full of granular form which can be dispersed in water (ex. *Mikania micrantha* and *urena lobata*).

Based on interviews with labors at Pelantaran Agro Estate Division 1 Block D04 it is known that workers have understood the boundary of spray applications and fertilizers around water bodies, labors understand related to spray /fertilizer activity bans for pregnant and lactating women.

##### 4.6.2

The Company has records related to the Plans and Realization of Chemist Work 2017 which contains among others the planning of blocks to be applied, hectare to be applied and realization. The company has a recording of the use of active ingredients applied per Ha, target area, application area and LD50. For example :

- Roundup 486 SL with an active ingredients was Isopropyl Amine Glyphosate. LD50 by oral is >5,000 mg/kg bodyweight, LD50 by skin is >5,000 mg/kg bodyweight. The amount of active ingredients was 0.45 g/hectare in 2016. Total usage decreased from 2015 to 2016 was 27.82%.
- Metaprima 20 WG with an active ingredients was Methyl Metsulfuron. LD50 by oral is >5,000 mg/kg bodyweight, LD50 by skin is >2,000 mg/kg bodyweight. The amount of active ingredients was 0.01 g/hectare in 2016. Total usage decreased from 2015 to 2016 was 0.29%.

However, for Pelantaran Agro Estate has not been able to show recording documents on the use of pesticides including active ingredients used and LD50 from the active ingredient, treatment area, amount of active ingredients per ha and applications area. **Based on the explanation, raised the Non-Conformance No No 2017.04 With Major Category**

**4.6.3, 4.6.4**

The Company has an Integrated Pest Management Program in which regulate pest-related planning such as regular monitoring by the foreman and staff visually by looking at the presence or absence of pest or disease attack, owls monitoring every 3 months, nettle caterpillar pest census every 4 month, rat census every 3 months, termite census once every 1 year, *Tirathaba mundella* census every 4 months, beneficial planting (*Turnera subulata* and *Casia cobanensis*). The company has shown related records of Historical Herbicide Use in Katari Agro Estate it is known that Petrokum usage has decreasing graph from 2015-2017 of 11.53%. In addition, Pelantaran Agro Estate has also installed 30 nestbox for efforts to exert the owl activity in the plantation area as a natural enemy of rat pests. The company does not conduct prophylactic pesticide applications. This can be seen with pest and disease control mechanisms based on the results of detection and census.

The Company has Herbicide Recommendation 2015 with No Document 016 / IOM / RSC / I / 2015 issued by Head of Oil Palm Research which contains among others herbicides 1A and 1B (Paraquat) are subsequently no longer used in weed control, for Estate that still have the Paraquat herbicide stock then it can be used until the herbicide is exhausted and no longer allowed to make new requests or purchases.

The company has the recording to minimize the use of pesticides, it is stated in Historical Use of Herbicide at Katari Agro Estate it is known that Petrokum usage has decrease graph from 2015-2017 by 11.53%. For the use of pesticides with paraquat active ingredients, the company has committed to reduce and eliminate the pesticide, the decrease of use the paraquat usage from 2015-2017 is 100% (completely done).

**4.6.5**

The company has conducted limited pesticide training for spraying team, for example for 30 people consisting of 1 assistant, 1 foreman, 1 driver, 27 sprayer. There is an example of a certificate in the name of Khoiri. 525.2 / 759/108 / BUP-DISHUTBUN / 2015, dated April 20, 2015 from Dishutbun Kab. Kotim. Based on observations and interviews at Pelantaran Agro Estate Division 1 (Block D04) with the labors it is known that the labors has conducted training related to use of chemicals. Workers also have understood the hazards contained in chemicals, PPEs used, safe working methods, and working mechanisms in accordance with applicable SOPs.

**4.6.6**

The company has an Inter Office Memo with number 001 / PAGE-EM / II / 2014 on January 2, 2014 regarding the use of pesticide jerry cans to all employees at Pelantaran Agro Estate such as packaging of pesticide jerrycans should be managed in accordance with the management of Hazardous Waste, pesticide packaging is prohibited for clean water storage, any employee who has used pesticide packaging must submit to the coordinator of each division.

Based on field visits at Pelantaran and Katari Agro Estate, there were not pesticide jerrycans discarded or used for other purposes.

However, based on observations to the chemical storage warehouse at Pelantaran Agro Estate, it is known that storage warehouse is not equipped with air vent, the condition of the warehouse is adjacent to the storage of food (milk and rice) with no complete separation barrier, there is no emergency response facilities in case of emergency (eg first aid kit and wash facilities)

It is not in accordance with Work Instruction no. Policy BGA / WNL-K3 / IK-01/03/2012 which explains some requirements of pesticide storage warehouse. **Based on the explanation, raised the Non-Conformance No 2017.05 With Major Category**

**4.6.7, 4.6.8**

The Company has work instructions related to the application of pesticides such as work instructions related to the safety of pesticide materials listed in the Pesticide Management Book issued by the Research Department. The instructions include the spray used must be clean, good and not leaking to avoid the danger of poisoning in plants, spraying is not applied when it will rain, spray direction should not be opposite to the wind direction. Based on interviews with management it is known that the company does not apply aerial pesticide application.

**4.6.9**

Based on interviews with labors it is known that they has conducted training related to the use of chemicals and can explain about the hazards contained in chemicals, PPE used, how to work safely, and working mechanism in accordance with the applicable SOP.

**4.6.10**

CH has procedures related waste disposal contained in work intruction no. GA/WNL-K3/IK-01/03/2012 and SOP no. BGA-SOP-CCS-1101.1-R0. The observation results to the PPE and Knapsack washings at the Pelantaran Estate known that water from PPE and Knapsack washing did not flow to the water trap but flowed directly to the environment. It is not yet compatible with work instruction regarding occupational health and safety protection of pesticide use and control no. GA/WNL-K3/IK-01/03/2012. **Based on the explanation, raised the Non-Conformance No 2017.06 With Minor Category**

**4.6.11, 4.6.12**

Specific medical checks for pesticides operator planned and conducted in each semester, done by Metro Pundu Policlinc. For example, the latest checks in PAGE conducte in 1 Feb 2017 as much as 65 workers (including BSS team), and KAGE done in 11-12 Jan 2017 as much as 17 participant of BSS team. The results of checks with abnormal CHE, were temporarily transferred to other activities and re-observed at subsequent examinations.

The company has mechanisms for early pregnancy detection of BSS and BMS workers, periodic checks conducted every 3 months by company paramedics and also through monitoring of H1 leave.

Based on interviews with sprayers in Block C20 Div 3 PAGE (2 person) mentioned that the results of the examination has been socialized, there are no complaints or indications of any chemical exposure such as skin itches and irritation.

**4.6.2 Status: Nonconformity no. 2017.04 with Major category**

**4.6.6 Status: Nonconformity no. 2017.05 with Major category**

**4.6.10 Status: Nonconformity no. 2017.06 with minor category**

**4.7**

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

**4.7.1**

OHS policy of BGA Group approved on Juni 2013, is the CH's commitment to:

1. Comply with all applicable Occupational Safety and Health regulations and requirements either locally, nationally or internationally.
2. Contunually implement, maintain and improve the OHS management system.
3. Providing training and guidance on OHS to employees, contractors and visitors.
4. Conduct periodic OHS policy review to ensure that the policy still relevant to current conditions and company objectives.

The SOP and WI as well as OHS program has been set as a guidance for OHS policy implementation. The latest review has been done in 8 and 10 July 2017. Based on field observation its known if the workers aware about the policy of OHS and briefed during muster morning before working

**4.7.2**

The CH has compiled and set the HIRARC document based on result of risk and hazard identification in all operational activities of mill and estates. The document describes including current control of the risk and the next control plan. Based on field observations in the KAGM (workshop, warehouse and WTP) and interviews with 5 employees, known that the company has implemented risk control and action plan as specified, such as use of appropriate PPE, training, LOTO System and implementing procedures.

Katari Agro Estate (KAGE) has not yet implemented a comprehensive risk control plan that has been established for heavy equipment (Tractors) and FFB truck operations. Its based on the results of field observations in Division 2 KAGE there were workers who perform unsafe acts namely: 2 workers sit on top of tire dashboard of the tractor and 1 workers sit above the FFB truck cabin (both units are being operated). **Based on the explanation, raised the Non-Conformance No 2017.07 With Major Category**

**4.7.3**

Based on interviews and field observations known that employees have understood the aspects of OHS and the types of risks in their work. Field observations show that harvesters, BSS team, BMS team and mill operator can practice the safe work. Sighted the minutes of OHS training and socialization to all workers, for example first aid training on 2 May 2017 in KAGM and fire axtinguisher drill on 24 May 2017. In addition, the entire operator of process and other heavy equipment has been trained and has licensed.

Appropriate PPE has been provided to all workers, PPE for pesticide operators has considered the recommendations listed in MSDS and its packaging. The use of PPE are sighted during the field visit to mill (workshop, storage and WTP), harvesting activities in C20 Div 3 PAGE (3 workers), block D04 Div 1 PAGE (15 workers of fertilizing) and block 53/54H Div 4 KAGE (2 harvesters). Based on interview mentioned that replacement are done to the damaged PPE.

**4.7.4**

OHS committee has been established as the officers responsible in term of OHS implementation, its also has been approved by Labor agency through decree No.: KEP.560.566/57/WA-KK.P2K3/IV/2017, committee's secretary has been licensed as OHS General Expert based on certificate no: Ser.13.7475/AK3/U/VI/2014.

OHS meeting are conducted monthly, the latest meeting are done on July 11, 2017, as much as 22 participant, the meeting included a discussion on work accident occured.

**4.7.5**

Has established the procedures for emergency response and for handling of work accident, sighted as much as 4 procedures, namely : SOP No BG-WNL-KRD/PRO-19/03/2012 – emergency response of fire; document no.: BGA-WNL-KRD/IK-20/03/2012 – WI of land fire emergency response; document no: BGA/WNL-KRD/PRO-15/03/2012 – emergency preparedness response and recovery; and document no: BGA-SOP-EM-1115.I-Ro - accident investigation and report procedure.

The company sets the foreman as first-aider in field, based on interview known that the foreman has been trained by company's paramedic, and standard first aid kit are provided in work-site. KAGE considered to improve the monitoring of first aid kit in field.

**4.7.6, 4.7.7**

The entire employee has been registered on insurance program including accident insurance, the payment of dues are done in monthly (the insurance are active), can be shown the payment receipt for example payment for period of May and June 2017, as much as 3,764 workers of PT WNL (permanent and non-permanent workers).

Can be shown an example of an accident claim to insurance, such as an accident at KAGM in February 2017, an accident causing a loss of a segment of the finger (2 cm) to be categorized as permanent disability. Claims against medical expenses and permanent disability from accidental have been paid on May 4, 2017 (claim number 7-7403733467), direct to the account of the victim employee.

The Company has conducted monitoring and recording of accidents using LTI method, it can be shown work accident analysis based on accident category for the period of January - June 2017.

**4.7.2** Status: **Nonconformity no. 2017.04 with Major category**

**4.8**

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

**4.8.1 and 4.8.2**

CH has training program for workers in the period of 2017. The training is targeted for all workers, including staff, permanent workers, and contract workers. The training program such as socialization of PPE, spraying technical, first aid training, manuring technical, hazardous waste management, socialization of conservation area, fire emergency response, etc. CH has showed the documentation of training such as record of fire prevention on March 19, 2015, training of spraying on June 23, 2017 and etc.

Status: **Comply**

**PRINCIPLE #5 Environmental responsibility and conservation of natural resources and biodiversity**



**5.1**

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

**5.1.1 and 5.1.2**

CH has EIA documents, consists of :

- Environmental permit no. 16/komisi-Kotim/VI/2008 (scope area : Pantai Mas and Katari Agro Estate)
- Environmental permit no. 188.45/297/Huk-BLH/2013 (scope area : Pelantaran Estate)
- Environmental permit no. 188.45/298/Huk/BLH/2013 (scope area: Katari Agro Mill)

The certificate holder has presented the RKL-RPL document of PT WNL in the second semester of 2016 reported on March 16, 2017, Letter no. 011/WNL-KAGM/III/2017 with the types of impacts that are managed and monitored are noise level, air quality level, vibration level, water quality, liquid waste quality, soil fertility, water and soil conservation erosion hazard, hazardous waste management, Potential for fire, abundance and diversity of aquatic biota, disruption of flora and fauna, number and distribution of population, job opportunities and endeavor, education level, unrest and potential for community conflicts, and public health. However, the verification result of the document is known that:

- Not yet proven that the environmental management plan has been conducted in accordance with RKL-RPL matrix identification in each environmental permit.
- The data presented in the document is not a data obtained through periodic measurements, for example in the document has not contain data of water quality test results semester 2 year 2016,
- There are still unmanaged and monitored impacts such as solid waste pollution, WTP , and waste water utilization.

**Based on the explanation, raised the Non-Conformance No 2017.08 with Minor category**

**5.1.3**

Based on document verification, it is known that there are not enough evidence that CH has been conducted monitoring plan, this is because:

- Not yet proven that the environmental monitoring plan has been conducted in accordance with RKL-RPL matrix identification in each environmental permit.
- The data presented in the document is not a data obtained through periodic measurements, for example in the document has not contain data of water quality test results semester 2 year 2016,
- There are still unmanaged and monitored impacts such as solid waste pollution, WTP , and waste water utilization.

**Based on the explanation, raised the Non-Conformance No 2017.09 with Minor category**

**5.1.2**

**Status: Non-Conformance No 2016.08 with Minor category**

**5.1.3**

**Status: Non-Conformance No 2016.09 with Minor category**

**5.2**

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

**5.2.1, 5.2.2, 5.2.3, 5.2.4**

HCV assessment conducted by Forestry Faculty of IPB on September – October 2010, conducted by team that has been approved by RSPO (Dr Ir H Nyoto Santoso) and the report reviewed by Dr Kunkun Jaya Gurmaya, identified the HCV area as much as 206.42 Ha, namely:

1. Riparian of Bengkuang River covering 63.8 Ha in PNBE (HCV 1.1; 1.2; 1.3; 2.3 & 4.1).
2. Riparian of Cempaga Buang River covering 43.22 Ha in PMSE (HCV 1.1; 1.2; 1.3; 2.3 & 4.1).
3. Riparian of Katari River covering 34 Ha in KAGE and PMSE (HCV 1.1; 1.2; 1.3; 2.3 & 4.1).
4. Riparian of Keruing River covering 50.67 Ha in PAGE (HCV 1.1; 1.3 & 4.1).
5. Kerangas (heath) forest area of 14.7 Ha (HCV 2.3).
6. Sacred stone area of 0.01 Ha (HCV 6).
7. Sacred Tree of 0.02 Ha (HCV 6).

In addition, identified the types of rare, threatened or endangered (RTE) fauna namely: Orang Utan (*Pongo pygmaeus*), Agile gibbon (*Hylobates agilis*), Proboscis monkey (*Nasalis Larvatus*), Malayan Sun Bear (*Ursus Malayanus*), Stork-

billed kingfisher (*Pelargopsis capensis*), Blue-eared kingfisher (*Alcedo meninting*), *Buceros rhinoceros*, *Haliaeetus indus* and others. The CH has been set and implemented the HCV management plan such as : installation of warning singage, prepared the SOP, HCV patrol, riparian area restoration (for ex planting of Sea almond (*Terminalia catappa*), socialization to workers, control of pesticides application. It observed during the field visit to riparian area of Sungai Katari in KAGE, riparian of Sungai Keruing and sacred stone in PAGE.



Describes in the company's policy on the protection of high conservation value approved on June 1, 2016. The employees who are not aware on it, will be subject to sanctions in accordance with applicable laws and regulations. Socialization to employees has been done, for example on April 19, 2017 in KAGE, it also confirmed during interview.

**5.2.5**

Based on the results of field visit, known that the HCV area defined is within the company area (not the community land). The results of interviews with the community also mentioned that there is no community area defined as HCV/conservation area.

**Status: Comply**

**5.3**

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

**5.3.1 and 5.3.2**

CH has identified the source waste and waste management that obtained information about product and source waste / pollution. CH has identified waste / contamination sources, such as: Used Oil, Used Filter, Rag, Used batteries, Used filter, Used pesticide packs, Fiber, Shell, EFB, POME, etc.

**5.3.2**

CH keeps the chemical containers at the temporary Storage of hazardous waste in accordance with the permit no. 660/2142/BLH-Ek.SDA/V/2015. However, Based on the results of field visit and document review it is known that:

- Hazardous waste record (logbook) not regularly recorded at Katari Agro Estate and Pelantaran Agro Estate temporary Storage of hazardous waste.
- Found chemical containers (Ex Basta) in chemical warehouse of Pelantaran Agro Estate
- Found oil containers behind temporary Storage of hazardous waste at Pelantaran Agro Estate
- Found Used filter beside temporary Storage of hazardous waste at Katari Agro Mill

Related to the explanation, concluded that there is not enough evidence that CH has managed hazardous waste in accordance with applicable regulation. **Based on the explanation, raised the Non-Conformance No 2017.10 with Major category**

**5.3.3**

Waste management has been implemented in accordance with the management plans. This is evidenced by the licensed hazardous waste storage and the manifest evidence to the licensed collector. The result of field visit in the land applicatin



area block C55a of Katari Agro Estate, known to be liquid waste being in the application but the responsible officer is not in place for example on line 32. This is not in accordance with the technical guidelines of POME application no. BGAAGRKS-PTKS-PMK document stating that POME applications must be strictly supervised. In addition, there are traces of liquid waste runoff from application blocks to community-owned areas on line 31. **Based on the explanation, raised the Non-Conformance No 2017.11 with Minor category**

**5.3.2 Status: Nonconformity No 2017. 10 with Major Category**

**5.3.3 Status: Nonconformity No 2017. 11 with Minor Category**

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

CH has utilized Solid Waste of Shells and Fiber as boiler. CH has monitored the use of renewable energy from fiber and shell. Mill has record of energy used from fossil fuel and renewable energy. Renewable energy used came from shell and fiber. The records are recorded every month. As proof of implementation, available document monitoring the use of renewable energy in the form of shell and fiber, for example: January 2017: FFB processed was 15458 MT, fiber and shell usage was 687 MT, and total renewable energy usage was about 0.04 MT / ton FFB.

**Status: Comply**

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

**5.5.1, 5.5.2**  
Zero burning policy describes in the environmental and biodiversity policies was adopted by the regional head dated June 1, 2016 stating that PT BGA in conducting its business is committed to land clearing which is implementing zero burning system in all plantation and waste disposal activities.

At the time of the audit, there was no land clearing, land preparation for new planting or replanting activities, based on field observations to KAGE and PAGE operations, it was found that there was no indication of land burning for land preparation or for waste management.

**Status: Comply**

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

**5.6.1, 5.6.2**  
Identification of emission and GHG sources are presented in the report of "summary report of the GHG management and monitoring plan" of PT WNL period 2016, namely emissions from land use change and land clearing of vegetation, land clearing and drainage of peat land and other carbon-riched soil, emission of methane from anaerobic decomposition of POME, use of fertilizers, fossil fuel usage, emission due to forest fire and haze

The plan to reduce the emission has been set and implemented such as : use of seeds with high production potential, use of land cover crops, fertilizer sourcing policy considering the type of fertilizers, distance and mode of transportation, leaf and soil analysis to obtain data of optimal amounts of fertilizers applied, empty bunch uses for mulching, application technique based on topography, maintainance of vehicles and other equipment periodically, driving training, optimize processing hours for fuel efficiency, : water management on peat and subsident monitoring.

In addition, the CH also conduct pollution and noise management through the provision of PPE such as earmuff and earplug and provide training to factory operators every day during muster morning activity.

**5.6.3**  
The Company has performed GHG calculations using PalmGHG Calculator, summary calculation of PT WNL-KATARI POM period 2016:

Emmissions	%
Field emmission(own crop)	55.62

Field emissions (3rd party)	17.56
Mill emission	26.82

**Summary Emissions**

Product	tCO2e / tProduct
CPO	1.32
PK	1.32

Description	Unit	Value
Total planted area	Ha	6262
Planted area on peat	Ha	2017.36
Conservation area	Ha	42
OER	%	24.26
KER	%	4.53

**Summary of field emissions and sink**

Plantation/Field emissions	Own Crop			Group			3rd Party		
	tCO2e	tCO2e/ha	tCO2e/t FFB	tCO2e	tCO2e/ha	tCO2e/t FFB	tCO2e	tCO2e/ha	tCO2e/t FFB
<b>Emission Source</b>									
Land Conversion	21838.05	8.15	0.35	0	0	0	0	0	0
CO2 Emissions from Fertiliser	3390.69	7.09	0.31	0	0	0	0	0	0
N2O Emissions	7826.64	3.61	0.16	0	0	0	0	0	0
Fuel Consumption	620.92	0.25	0.01	0	0	0	0	0	0
Peat Oxidation	29083.07	18.03	0.78	0	0	0	0	0	0
<b>Sinks</b>									
Crop Sequestration	-24454.9	-9.36	-0.4	0	0	0	0	0	0
Sequestration in Conservation Area	-238.77	-0.06	0	0	0	0	0	0	0
<b>Total</b>	<b>38065.7</b>	<b>27.7</b>	<b>1.2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>19813.95</b>	<b>0</b>	<b>0</b>

**Emission source / sinks:**

Emission/sinks	tCO2e	%
<b>Emissions source</b>		
Land conversion	21838.04	23.47
CO2 emissions from fertilizer	3390.69	3.64
N2O emissions	7826.64	8.41
Fuel consumption (field)	620.92	0.67
Peat oxidation	29083.07	31.26
POME	28771.95	50.93
Fuel consumption (mill)	1497.11	1.61
Grid electricity utilization	0	0
<b>Total emissions</b>	<b>93024.43</b>	
<b>Sinks</b>		
Crop sequestration	- 24454.9	
Sequestration in conservation area	- 238.77	
Sale of PKS, EFB and electricity	- 1372.81	
<b>Total sinks</b>	<b>- 26066.48</b>	
<b>Total</b>	<b>66961.95</b>	

**Mill emissions and credit**

Description	tCO2	tCO2e/t FFB
<b>Emissions Sources</b>		
POME	28771.95	0.13
Fuel Consumption	1497.11	0.01
Grid Electricity Utilization	0	0
Credits		
Export of Excess Electricity to Housing & Grid	-3.31	0
Sale Of PKS	-1369.5	-0.01
Sale Of EFB	0	0
<b>Total</b>	<b>28896.26</b>	<b>0.13</b>

**Status: Comply**

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

**6.1**

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

**6.1.1**

The management unit of Windu Nabatindo Lestari has document of Social Impact Assessment was described social impact of plantation and mill operation. The Social Impact Assessment was done on 26 July until 6 August 2010, collaboration with Faculty of Forestry, Bogor Institute Plantation. The location of study was coverage of several village; Pundu, Pelantaran, Keruing, Bukit Raya, Pantai Harapan, Bukit Batu, Sudan and Sei Ubar Mandiri. The SIA document describes the general condition and characteristic of the locals, strategic issue, manpower issue and relation among the parties, impact of PT WNL, social impact management of PT WNL and the conclusion and the recommendation.

**6.1.2**

The Social Impact Assessment was done by community participation in Focus Group Discussion. The community concerned in data gathering was from several village surround and also data gathered by questionnaire. The discussion process was carry out in village surround: Kruing, Bukit Raya, Pundu, Bukit Batu, Sudan, Pantai Harapan, Sei Ubar Mandiri and Pelantaran. The documentation process was sighted are sample of questionnaire, respondent list and summary of social impact assessment. Results of interviews with villager in Pundu Village and Pantai Harapan Village obtained information if the assessment has been conducted with the participation of affected parties.

**6.1.3**

The company has had plan for mitigate or reduce of negative impact and increase of positive impact was described in environment monitoring and management plan report (RKL and RPL report). The aspects was monitored and manage related of social aspects consist of access to work, community income, potential of conflict and disease spreading. The management unit also has have document of Social Management Plan 2016 till 2017. The auditor was observed the documentation meeting between companies with the communities surround related Corporate Social Responsibility of PT WNL, for example: meeting record in Kruing, Bukit Raya, Pundu, Bukit Batu, and Panta Harapan. The meeting is aim to arrange the management of social plan and the time frame. The company also was determine CSR officer in estate unit and Head Office for responsible in implementation, monitoring and evaluation of program has been done and/or still planning.

**6.1.4**

The management unit has had document of Management Plan for 2016 – 2017. The company also sighted the documentation of meeting with communities surround in related CSR program. The meeting has been done in Keruing, and Sungai Ubar Mandiri. These meeting is aim to evaluate the CSR program by PT WN. The personnel in charge of CSR program by the company inform that the meeting as reference to evaluate the social program of PT WNL. There was observed sample of questionnaire from several village in relation of evaluation for Plan and Program of Social

aspect was implemented by the company. In April 2017 PT WNL has been started review of Sosial management in around the company of PT WNL. The method that's use are using Quesioner. The survey is conducted with cooperation with SMK N 1 Cempaga Hulu.

**6.1.5**

The company has been done of smallholder program through cooperated with several Peasant Cooperation unit in village surround of plantation area. The process of Social Impact Assessment was done with participation by community surround including of smallholder in focus group discussion. These discussion was covering the representation of each village surround of plantation area, included of smallholder. . PT WNL manager the estate area using scheme smallholder system (full manage partnership).

**Status: Comply**

**6.2**

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

**6.2.1, 6.2.2, 6.2.3**

The Company has a Stakeholder List of PT Windu Nabatindo Lestari which includes a list of related agencies, Muspika, Heads of surrounding villages, community leaders, suppliers, suppliers of TBS, NGOs and mass media. Based on document review, it is known that the company has conducted socialization related to HCV area management as well as consultation / dialogue mechanism for community in Desa Harapan Village, Bukit Batu Village, Pelantaran Village and Pundu Village attended by each village head and community.

Companies have corporate CSR Staff who communicate and consult (at the regional level) with stakeholders. In addition, the company also has a moratorium on the appointment of officers (field division coordinator) responsible for consultation and communication. Based on the interview with the EFB contractor, it is known that the socialization related to the way of consultation and communication to the company one of them is facilitated by a suggestion box.

**Status: Comply**

**6.3**

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

**6.3.1, 6.3.2**

The Company already has a Communication procedure (SOP-WNL-KOM-01) authorized by Area Controller 3 on 29 August 2013 on consultation and complaints mechanisms.

The consultation/dialogue mechanism with the community, including the management unit submitting a consultation / dialogue plan with the community submitted in writing through the Village Head /Customs Leader /Community Leaders or local government officials. Further responses Management Head Office / relevant parties provide responsitu positif in writing (maximum 15 days) and consultation / dialogue forum facilitated by the Unit Management. The results of the meetings are distributed to the relevant parties by the Management Unit regarding the follow-up of the results of consultation / dialogue with the community.

The Company also has the document of Code of Conduct No. BGA-COC-HC-333.1-RO Chapter V about the Enforcement and Reporting 5.3. The Reporting Mechanism of Violations through the complaint box and hotline telephone. The Company shall follow up each report which potentially harmful in material and can damage the image of a company, among others caused by irregularities, manipulation and so forth, the complainant shall state his identity and the report recipients **shall keep the identity of the complainant, the company will provide law protection in accordance with the applicable laws.**

Based on the interview with the EBF contractor, it is known that the socialization related to the way of consultation and communication to the company one of them is facilitated by a suggestion box.

The company has an information / complaint book (External Communications Log). The document includes the date the document is received, provided information / complaint, type of information, and proof of response to letter of information / complaint. Based on document review, it is known that the company has conducted documentation related to complaints such as land conflicts.

**Status: Comply**

**6.4**

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

**6.4.1**

The Certificate holder has had document of land and crops compensation (SOP-PAD-001) in term of the procedure of land and crops compensation in overall of Bumitama Gunajaya Agro (BGA) operational area. Based on stakeholder consultation with related party (the Head of Village, informal leader, community) that knows the procedure was understand by the related party and has been socialized.

The evidence of compensation to land owner in each estates 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 document verification Social Impact Assessment report and HCV Identification report that knows in PT WNL area there was no land under customary right. Though stakeholder consultation with related agency (National Land Agency and Forestry Agency of Kotawaringin Timur District was inform there is no land of PT WNL under customary right.

**6.4.2; 6.4.3**

Verification of documents and interviews with community showed that in the early stages of land clearing, the company has socialized to the public with the help of concerned village officials facilitation. For example, available records of socialization for new land clearing plan dated October 24, 2002 to the community around PT WNL. Available minutes of the meeting between the community and the Head of PT. WNL who discusses about communities customary land acquisition, the proposed of oil palm plantation for the community, the completion of community estates which in enclave, and others as deemed necessary. The minutes signed by the company representative, the village head, the head of customs and community representatives.

The process of land acquisition has been done through the identification stages of smallholders / landlords, compensation negotiation, and compensation payments. As the evidence, available the records of voluntary land acquisition process (FPIC) in the early stages of estate development, namely:

- Certificate of land owners from Village Head and Sub-district representative.
- Statement of Land Ownership of Former Field from land owners / smallholders known by the Village Head and Demat / Indigenous Head
- Minutes of Investigation and Measurement of Land, known by the Village Head
- Area Map which are compensated based on the results of measurement by the company and known by the smallholders.
- Letter of Agreement between smallholders with the company for the land compensation with the certain value agreed and known by other parties (Sub-district head, village head, Demat / Indigenous head and smallholders.
- Payment Receipt (receipts) and photos of compensation submission process witnessed by the Village Head and Indigenous Head
- Statement Letter of land handover known by the village head and sub-district representatives

Based on the document review, it is known that all the information regarding the land compensation available at the Public Affairs Department (PAD). The entire document is available in a language that can be understood (Indonesia). The process of land release owned by the community has also been involved village chief, demat / head of customs,

and sub-district representative as the witnesses.	
	<b>Status: Comply</b>
<b>6.5</b>	
<b>Pay and conditions for employees and for employees of contractors always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.</b>	
<b>6.5.1</b>	
Certificate holder has implemented decree of Kalimantan Tengah Governor No 24/2016 about The minimum wage and sectoral minimum wage for Regency in Kalimantan Tengah. CH also showed an example of pay slip which explain the details of income (basic salary, premium pay) and deduction such as employment insurance payment and other deductions. Payment of overtime is regulated in Company Regulation article 9. It is stated that provisions regarding overtime pay is guided by the applicable regulation. The pay and condition for nonpermanent workers is regulated in the work agreement. Based on interview with workers, it is known that CH has paid wages and overtime in accordance with applicable regulation.	
<b>6.5.2</b>	
Certificate holder has company regulation period of 2016 – 2018 that has been ratified by Manpower Agency of Kotawaringin Timur Regency No Kep. 942/PHIJSK-PK/PP/VII/2016. It explain explains about company and workers duty and rights, such as wage system, assessment of worker performance, promotion, demotion, leave rights, etc.	
Based on the result of field visit in block C20 of Division III of PelantaranAgro Estate, it is known that there are harvester doing harvest work with the help of other people (wife) without having job agreement with the company. Related to this matter, CH has not been able to show evidence that all workers that working in the operational area of the company already have a working relationship. <b>Based on the explanation, raised the Non-Conformance No 2017.12 with Minor category</b>	
<b>6.5.3 &amp; 6.5.4</b>	
Based on field visit, it is known that CH has been providing housing facilities, lighting, water, daycare, places of worship, school buses, clinics and educational facilities. Company also facilitates all workers to access adequate food supply by establishing worker cooperative. Residents of housing are also allowed to sell basic needs. In addition, there is a market in the Kruing village which is about 3-4 km from the plantation area.	
<b>6.5.2</b>	<b>Status: Nonconformity no. 2017.12 with Major category</b>
<b>6.6</b>	
<b>The employer respects the right of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.</b>	
<b>6.6.1 &amp; 6.6.2.</b>	
Policy related to labor union is written on Company Policy signed by Area Controller on March, 2 2012 which stated that the company giving freedom to all worker to establish and/or be a member of a worker union according to Act No. 21 year of 2000 about freedom of association. The implementation of this policy is no record of labor union No. 560.567/71/HI-kesja/X/2015 and Bipartite Cooperation which has been registrered to Man Power Agency of Kotawaringin Timur no 560.565/245/KEP/HI-KESJA/IV/2017 on 6 <sup>th</sup> April 2017. Bipartite Cooperation has been conducted a regular meeting. Last regular meeting was held on March 30 2017 related Bipartite Cooperation. The documentation is available for public (worker).	
	<b>Status: Comply</b>
<b>6.7</b>	
<b>Children are not employed or exploited.</b>	
<b>6.7.1</b>	
Certificate holder has policy about the minimum age for worker written on Company Regulation 2016 – 2018 chapter II Article 4. Result of interview with management anf sampling of recruitment document, known that applicants required to include identity card, so that CH can ensure the ages of workers over 18 years old. Based on field observation in estate in block C53/54 Katari Agro Estate, block C20 division 3 Pelantaran Agro Estate and mill there is no workers under 18 years old.	
	<b>Status: Comply</b>



<b>6.8</b>	
<b>Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.</b>	
<b>6.8.1; 6.8.2; 6.8.3</b>	
<p>Policy related to against discrimination is stated in Policy PT WNL approved on March 2 2012. The policy explained that the Company provides equal employment opportunities to the community, with no distinction between race, Tribe, Religion, Caste, Nationality, Disability, Gender, Sexual Orientation, Union Membership, Political Affiliation, and Age. Based on interview with workers in estate and mill, there is no issue or complain related to worker discrimination. The workers that has been interviewed is came from various social origin, and race. Local community also get the same opportunity to work in company.</p> <p>CH kept the workers's personal file in each unit estate and mill. The recruitment process is conducted by competency, skill, and medical examination of the worker. There is also employee performance assessment as the promotion requirement. For example: promotion no. 002 Div IV/02/2017 dated 25 february 2017.</p>	
	<b>Status: Comply</b>
<b>6.9</b>	
<b>There is no harassment or abuse in the work place, and reproductive rights are protected.</b>	
<b>6.9.1; 6.9.2; 6.9.3</b>	
<p>Policy related to against harassment or abuse in the work place, and reproductive rights contained in the policy fo PT WNL approved on March, 2 2012 by Area Controller. The policy has been socialized to the worker in each unit through Gender Committee. Gender committee function is to handle the protection of female workers rights. Based on interview with gender committee, company provided daycare for all workers' children and also give maternity and menstrual leave for female workers.</p> <p>Company has procedure for mechanism of complaint written on Code Of Conduct BGA-COC-HC-333.1-RO. It explained about the mechanism of handling complaint and mechanism to protect the identity of complainant (whistleblower). Specific mechanism of complain also socialized by gender committee, for example socialization on March 13 2017 attended by 12 participants. Based on interview with worker ini estate and mill, they all know the mechanism to make a complaint.</p>	
	<b>Status: Comply</b>
<b>6.10</b>	
<b>Growers and mills deal fairly and transparently with smallholders and other local businesses.</b>	
<b>6.10.1; 6.10.2</b>	
<p>Katari Agro Mill has only received FFB's from its own estates; other estates from its own group and from scheme smallholder under control of PT WNL . Type of FFB's sources is from certified and non-certified estates. There are no FFB's sources from smallholders or independent suppliers.</p>	
<b>6.10.3; 6.10.4</b>	
<p>Nevertheless, the certificate holder always involved local contractors to make agreement for constructing an infrastructure such as workers housing complex and other general facilities. According to interview with the sampled contractor, the contractual agreement and its payment has been informed and understood. He said that contracts are fair, legal and transparent. According to this, the certificate holder has fairly and transparent with their business partner.</p>	
	<b>Status: Comply</b>
<b>6.11</b>	
<b>Growers and millers contribute to local sustainable development wherever appropriate.</b>	
<b>6.11.1</b>	
<p>The company has made some contribution to local development such as :</p> <ul style="list-style-type: none"> <li>- Corporate assistance to SMKN 1 Cempaga Hulu</li> <li>- Tuition assistance for the surrounding community</li> <li>- Support of Filariasis elimination program.</li> <li>- Support to the implementation of traditional ceremonies according to the surrounding villages (Tiwah Masal</li> </ul>	



- traditional ceremony in the village of Keruing).
- Assistance to repair places of worship and celebration of religious holidays
- Maintain of village roads
- Accomodate a clean water facilities to the village
- Guidance cultivation of fish to the villagers of Tumbang Koling

**Status: Comply**

**6.12**

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

**6.12.1; 6.12.2; 6.12.3**

Based on review on the list of personnel's document of PT WNL, it is known that there was no illegal personnel. The entire personnel have their position based on the signed work contract or appointment letter. Interview with workers revealed that there is no force or illegal labor who work in company. The entire personnel had read their work agreement or appointment letter and they have signed their work agreement. Moreover, company does not hire illegal or force labor. Based on interview with several workers on each estates and factory, that known: there are no contract substitution.

Based on field visit in factory, block C53/54 Katari Agro Estate and block C20 Divisi 3 Pelantaran Agro Estate, there is no indication the use of illegal or forced labor. And based on the field visit, there is no indication the use of child labor and no harvesters accompanied by wife or children (force to work).

**Status: Comply**

**6.13**

**Growers and millers respect human rights**

**6.13.1.**

CH has policy Company Responsibility to Employee, these document was contained of Human Right Protection. These document was approved by Regional Head. This policy has been socialized to employees on each estate unit and mill. For example, socialization on June 30 2017 attended by 15 participants Based on interview with worker in estate and mill and board of Bipartite cooperation, there is no complaint related to human rights violation.

**Status: Comply**

**PRINCIPLE #7 Responsible development of new plantings**

**7.1**

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

PT WNL does not expand not open new estate since they achieve RSPO certificate (June 19<sup>th</sup> 2015) till ASA-1 (April 17<sup>th</sup> 2017). Document of the social and environment impact assessment owned by PT WNL is described on the criteria 5.1 and 6.1.

**Status: Comply**

**7.2**

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

**7.2.1, 7.2.2**

The Company has a Land Class Map of PT WNL consisting of:

- Type of land Tropudults area of 8,076 Ha (21%)
- Type of land of Throphemish covering 6,200 Ha (14.90%)
- Type of soil Dystropepts area of 13,290 Ha (32%)
- Type of land Plancaquods covering 13,330 Ha (32.10%)

Based on the report of land survey on 01-10 January 2014 is known among others:

- For Tropudult type of soil (enough category) recommended worth planting. Improvements that need to be implemented are reducing the rate of erosion by planting cover crops after clearing land.
- For soil types Dystropepts (marginal categories) are recommended worth planting. Improvements that need to be made to improve the quality of land especially in areas that have shallow solum, drainage (peat area).
- For the Placaquods type of soil (category N-1) it is recommended to be planted under improved conditions such

as drainage discontinue drainage to penetrate spodic layer, especially in shallow spodic depth (<60 cm) depths, addition of organic matter at ground level and Minimize the erosion of top soil during land clearing.

Based on the field visit at Pelantaran Agro Estate Block C-19 it is known that there are 50.6 Ha Keruing River Conservation Area with the identification of HCV 1.1, HCV 1.2, HCV 1.3, HCV 2.3 and HCV 4.1.

The Company has a water gate on marginal land areas. Based on the interview with the management it is known that Pelantaran Agro Estate has 12 watergate.

Based on the results of the field visit to Katari Agro Estate Division 1 Block B52 it is known that the company has been managing the related land subsidence by maintaining the water level by utilizing watergate. Based on the results of the visit is known that the water level is at 55 cm from the ground.

**Status: Comply**

**7.3**

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

**7.3.1, 7.3.2, 7.3.3, 7.3.4, 7.3.5**

Based on the statement area, known that the planting year of PT WNL (PAGE, KAGE and PMSE) is between 1998 and 2014. The company has conducted HCV assessment in 2010 in collaboration with Bogor Agricultural University. NPP assessment conducted by PT MAL in August 2013, the notification was done on 25 Nov 2013, the conclusion of NPP assessment result states that PT WNL has been complied with the applicable RSPO P&C for new plantings.

Regarding to the RaCP process for areas planted since Nov 2005 - Dec 2009, communications by email have been conducted by PT MAL (CB) with RSPO dated March 2, 2017 stating that PT WNL is actively resolving the RaCP, and no need to raised Major NC.

**Status: Comply**

**7.4**

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

**7.4.1, 7.4.2**

The Company has shown the Land Map Type (KAGE and PAGE) with scale of 1: 80,000. For example, the identified type of soil type includes Dystrudept 1,507.63 Ha, Haplohumods 1,041.70 Ha, Haplosaprist 775.38 Ha, Local Alluvium of 88.92 ha, Paleudults An area of 105.97 Ha, Plinthudults area of 26.15 Ha and Udifluvents area of 25.30 Ha.

The Company has a Class Map of Slope 3 area with a scale of 1: 80,000 which explains, among others, a 0-8% slope area of 2,211 Ha, 8-15% of slopes covering 9,197 Ha and 15-30% slopes of 142 Ha. The company through the research department developed a project management of marginal land area as much as 5 strategies in accordance with existing limiting factors.

**Status: Comply**

**7.5**

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

PT WNL does not expand not open new estate since they achieve RSPO certificate (June 19<sup>th</sup> 2015) till ASA-1 (April 17<sup>th</sup> 2017). Document of the social and environment impact assessment owned by PT WNL is described on the criteria 5.1 and 6.1.

**Status: Comply**

**7.6**

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

PT. WNL has had document of the procedure of plant compensation number SOP-PAD-001. It describes the compilation of the plant and land compensation process standard in all BGA operational area. In order to reduce the mistake of the land and plant compensation to keep company asset safe, there are procedure as follows:

1. Determine annual work plan for establishing estate. It is determined by the department in charge (Partnership and Development of Central and Regional, Estate Manager, Head of Regional, GM Plantation).
2. Inspection of the properness in aspect of agronomy technical and recommendation over the area by the department in charge representatives (Research, PAD, GIS, Agronomy).
3. Conducting inventory, initiation, measurement. The inventory team is formed by the department in charge representatives (Central and Regional PAD, GIS, Research, Village Administration Government, Sub-District Government, community figures and land owner).
4. Conducting socialization to the land owners based on the result of inventory. It is socialized by the department in charge (Regional PAD, inventory team and land owner).
  - Confession over the land on the cultivated area and witnessed by village apparatus.
  - It should has ownership information from at least village administration government.
  - Evidence of ownership (SKT/others) for maximum for 5 Ha or referring the applied regulations.
  - The compensated land is free from any dispute.

PT WNL does not expand not open new estate since they achieve RSPO certificate (June 19<sup>th</sup> 2015) till ASA-2 (April 17<sup>th</sup> 2017). Document of the social and environment impact assessment owned by PT WNL is described on the criteria 5.1 and 6.1.

**Status: Comply**

### 7.7

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

### 7.7

Based on the statement area, known that the planting year of PT WNL (PAGE, KAGE and PMSE) is between 1998 and 2014. The company has conducted HCV assessment in 2010 in collaboration with Bogor Agricultural University. NPP assessment conducted by PT MAL in August 2013, the notification was done on 25 Nov 2013, the conclusion of NPP assessment result states that PT WNL has been complied with the applicable RSPO P&C for new plantings.

Zero burning policy describes in the environmental and biodiversity policies was adopted by the regional head dated June 1, 2016 stating that PT BGA in conducting its business is committed to land clearing which is implementing zero burning system in all plantation and waste disposal activities.

At the time of the audit, there was no land clearing, land preparation for new planting or replanting activities, based on field observations to KAGE and PAGE operations, it was found that there was no indication of land burning for land preparation or for waste management.

**Status: Comply**

### 7.8

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

### 7.8

Based on the statement area, known that the planting year of PT WNL (PAGE, KAGE and PMSE) is between 1998 and 2014. The company has conducted HCV assessment in 2010 in collaboration with Bogor Agricultural University. NPP assessment conducted by PT MAL in August 2013, the notification was done on 25 Nov 2013, the conclusion of NPP assessment result states that PT WNL has been complied with the applicable RSPO P&C for new plantings.

The Company has performed GHG calculations using PalmGHG Calculator, as explained in 5.6.3.

**Status: Comply**

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

### 8.1

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

Based on the results of the nonconformities identified, the auditor team considers that a continuous improvement commitment that has not been applied thoroughly related to the recurrence of non-conformities that arise in subsequent

audit activities such as:

- Accumulation of insufficient evidence of implementation for management as indicated by 5.3.3 (eg waste management), and 6.5.3 (employee infrastructure)
- Continuous improvement of adequate sanitary conditions in the employee's premises, for example, a septic tank was found in some houses in division 2 of Pelantaran Agro Estate in damaged condition.

In this regard, there is the potential for systematic failure in the implementation of the RSPO standard due to the repetition of the same non-conformity of the two audit stages being carried out. **Based on the explanation, raised the Non-Conformance No 2017.13 with Major category**

<b>8.1</b>	<b>Status: Nonconformity no. 2017.13 with Major category</b>
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3.2 Summary of Assessment Report of Supply Chain Requirements

Clause	(Module E) CPO Mills - Mass Balance Requirements														
E.1	Definition														
<b>E.1.1</b>															
<p><b>Certification for CPO mills is necessary to verify the volumes of certified and uncertified FFB entering the mill and volume sales of RSPO certified producers. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. In that scenario, the mill can claim only the volume of oil palm products produced from processing of the certified FFB as MB.</b></p>															
<p>Katari Agro Mill has a procedure regarding Supply Chain Certification System used. Mill implements Mass Balance with Module E. Katari Agro Mill receives FFB from own estates and small holders which are not within the certification scope.</p>															
<p><b>Status: Comply</b></p>															
E.2	Explanation														
<b>E.2.1</b>															
<p><b>The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the CB in the public summary of the P&amp;C certification report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced should then be recorded in each subsequent annual surveillance report.</b></p>															
<p>The facility has procedure of Supply Chain Certification System (SCCS) describes in doc. BGA-SUST-SOP-43-R0) dated 8 February 2017 This procedure requires that actual volume CPO and Kernel certified, are calculated based on the daily reports of production. The estimates tonnage of CPO and Kernel products has been defined by Mutuagung Lestari.</p>															
	<table border="1"> <thead> <tr> <th>Noted</th> <th>The previously volume of certified products in the Certificate (26 Agustus 2016 – 25 Agustus 2017)</th> <th>The actual volume of certified products (June 19, 2016 to 17 April 2018)</th> </tr> </thead> <tbody> <tr> <td>FFB</td> <td>111,033</td> <td>110,492.24</td> </tr> <tr> <td>CPO</td> <td>26,870</td> <td>27,966.73</td> </tr> <tr> <td>CSPK</td> <td>4719 extension volume 3,408.6 to be 8,127.6</td> <td>5,051.61</td> </tr> </tbody> </table>	Noted	The previously volume of certified products in the Certificate (26 Agustus 2016 – 25 Agustus 2017)	The actual volume of certified products (June 19, 2016 to 17 April 2018)	FFB	111,033	110,492.24	CPO	26,870	27,966.73	CSPK	4719 extension volume 3,408.6 to be 8,127.6	5,051.61		
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CPO	26,870	27,966.73													
CSPK	4719 extension volume 3,408.6 to be 8,127.6	5,051.61													
<p><b>Status: Comply</b></p>															
<b>E.2.2</b>															
<p><b>The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).</b></p>															
<p>Katari Agro Mill has registered to the RSPO IT platform. Member registration number RSPO_PO1000001683.</p>															
<p>Based on data from Palm Trace Katari Agro Mill, dated June18, 2017, it is known there are sales of CPO and PK RSPO Certified from PNBM in the period 26 August 2016 – 17 Juni 2017 as:</p> <ul style="list-style-type: none"> <li>- CPO : 26,870 Ton</li> <li>- PK : 6,766.58 Ton</li> </ul>															
<p>Related to that certificate holder has been able to show the details of the sales volume of CPO and PK products certified to Buyer (buyer) are :</p>															
	<table border="1"> <thead> <tr> <th>No</th> <th>Date</th> <th>Buyer Ref</th> <th>Product</th> <th>Volume</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>5/18/2017</td> <td>8104090166</td> <td>CSPO</td> <td>249.43</td> </tr> </tbody> </table>	No	Date	Buyer Ref	Product	Volume	1	5/18/2017	8104090166	CSPO	249.43				
No	Date	Buyer Ref	Product	Volume											
1	5/18/2017	8104090166	CSPO	249.43											

2	4/19/2017	8104089861	CSPO	249.82
3	4/19/2017	8104090166	CSPO	249.56
4	4/19/2017	8104088780	CSPO	249.45
5	4/19/2017	8104088780	CSPO	249.16
6	4/19/2017	8104088192	CSPO	249.44
7	2/8/2017	8104088192	CSPO	249.67
8	1/26/2017	8104087445	CSPO	249.61
9	1/12/2017	8104087445	CSPO	249.74
10	1/12/2017	8104087095	CSPO	499.44
11	12/27/2016	8104085631	CSPO	499.47
12	12/27/2016	8104085202	CSPO	249.74
13	12/27/2016	8104084192	CSPO	249.78
14	12/27/2016	8104084854	CSPO	249.63
15	12/27/2016	8104084478	CSPO	249.71
16	12/27/2016	8104083849	CSPO	249.93
<b>Total CSPK Sales</b>				<b>4,493.58</b>
<b>Remove for GMKM and PNBM</b>				<b>2,273.00</b>
<b>Total</b>				<b>6,766.58</b>
<b>Status: Comply</b>				
<b>E.3</b>	<b>Documented procedures</b>			
<b>E.3.1</b>				
<b>The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:</b>				
<b>a. Complete and up to date procedures covering the implementation of all the elements in these requirements;</b>				
<b>b. The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site procedures for the implementation of this standard.</b>				
The facility has established a procedure of Supply Chain Certification System (NoUnit BGA-SUST-SOP-43-R0) who described the SCCS model are Mass Balance. The procedure has explained the identification of raw materials and products, traceability products. in addition the procedures mentioned that the identification of raw material status (FFB) from RSPO certified area is marked by the use of the RSPO logo on FFB delivery letter. The persons who having responsibility are Comercial and Logistic Group Department, Certification & Compliance d Department Head, Mill Manager and Operational Quality Control (OQC) Department. The certificate holder already conducted training for the persons who responsible about SCCS oon 11 July 2017				
<b>Status: Comply</b>				
<b>E.3.2</b>				
<b>The site shall have documented procedures for receiving and processing certified and non-certified FFBs.</b>				
The facility has established a procedure of Supply Chain Certification System (NoUnit BGA-SUST-SOP-43-R0) who described the SCCS model are Mass Balance. in the procedures mentioned that the identification of raw material status (FFB) from RSPO certified area is marked by the use of the RSPO logo on FFB delivery letter				
Documentation on separation of FFBs Certified and Non-Certified volumes starts from FFB Letter. FFBs that are sourced from certified area using FFB Letters with RSPO stampeds while TBS from uncertified Area uses FFB Letters that are not stamped on RSPO.				
Documents verifications obtained informations if the company has been show the identification blocks who included certified				



area and non certified area are:

Estate	Hectarage (Ha)			Total
	Certified	Non Certified	Plasma (Non Cert)	
PAGE	1,387.43	606.02	812.21	2,805.66
PNBE	1,949.80	243.13		2,192.93
KAGE	2,476.72	1,097.83		3,574.55
PMSE	2,299.09	1,006.11		3,305.20
Total	8,113.04	2,953.09	812.21	11,878.34

**Status: Comply**

**E.4 Purchasing and goods in**

**E.4.1**

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

Certificate holder has documented the volume of certified and Non certified FFBs received. For the period 26 August 2016 – 17 July 2017

Months	Non Certified (Kgs)	Non Certified (Kgs)
26 – 31 August 2016	1,768,954	4,277,710
September 2016	12,802,887	29,685,120
October 2016	12,968,476	31,135,050
November 2016	9,413,381	22,952,540
December 2016	8,487,271	21,198,980
January 2017	5,344,516	17,854,960
February 2017	8,040,183	19,811,880
March 2017	8,876,664	21,800,560
April 2017	9,634,641	23,439,850
May 2017	14,575,622	28,278,490
Juni 2017	11,364,882	24,875,390
1-17 July 2017	7,214,763	17,037,980
<b>Total</b>	<b>110,492,240</b>	<b>262,348,510</b>

Documents verifications obtained informations if the company has been show the identification blocks who included certified area and non certified area are:

Estate	Hectarage (Ha)			Total
	Certified	Non Certified	Plasma (Non Cert)	
PAGE	1,387.43	606.02	812.21	2,805.66
PNBE	1,949.80	243.13		2,192.93
KAGE	2,476.72	1,097.83		3,574.55
PMSE	2,299.09	1,006.11		3,305.20
Total	8,113.04	2,953.09	812.21	11,878.34

**Status: Comply**

**E.4.2**

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

In SOP NO BGA-SUST-SOP-43-R0 dated 8 February 2017 on point 7.3 mentioned a Certification & Compliance Dept. Head will informed to certifications body if any over production of certified tonnage

As verified during the ASA-1 Production of FFB, CPO and Kernel during the period of a year (26 August 2016 to 18 July 2017) there is overproduction of certified tonnage are:

Noted	The previously volume of certified products in the Certificate (26 Agustus 2016 – 25 Agustus 2017)	The actual volume of certified products (June 19, 2016 to 17 April 2018)
FFB	111,033	110,492.24
CPO	26,870	27,966.73
CSPK	4719 extension volume 3,408.6 to be 8,127.6	5,051.61

Related the overproduction of CPO, the compant already informed to CB about the extension additional volume

**Status: Comply**

**E.5**

**Record keeping**

**E.5.1**

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

Based on data of Palm Trace Katari Agro Mill dated July 18, 2017, it is known there are sales of PK certified RSPO from Katari Agro Mil on period 26 August 2016 - 17 July 2017 that is PK: ± 4,500 Ton but certificate holder can not show that sale of certified product must from stock Positive means that the stock of certified products must be greater than shipping and transactions, for example:

Month	Production	Sell
	CSPK (Kg)	CSPK (Kg)
26 August 2016 - 31 August 2016	281,758	
<b>Production</b>	<b>281,758</b>	
Sep-16	524,621	500,000
Oct-16	520,904	1,250,000
Nov-16	447,855	500,000
<b>Production on Sept - Nov 2016</b>	<b>1,493,380</b>	<b>2,250,000</b>
<b>Production on 26 August 2016 - Nov 2016</b>	<b>1,775,138</b>	<b>2,250,000</b>
<b>Stock CSPK</b>	<b>-474,862</b>	
Dec-16	422,783	1,000,000
Jan-17	242,846	750,000
Feb-17	362,200	500,000
<b>Production on Dec 16 - Feb 2017</b>	<b>1,027,829</b>	<b>2,250,000</b>
<b>Production on 26 August 2016 - Feb 2017</b>	<b>2,802,967</b>	<b>4,500,000</b>
<b>Stock CSPK</b>	<b>-1,697,033</b>	
Mar-17	372,105	0
Apr-17	399,076	0
May-17	642,073	0
<b>Production on Dec 16 - Feb 2017</b>	<b>1,413,254</b>	<b>0</b>
<b>Production on 26 August 2016 - Feb 2017</b>	<b>4,216,221</b>	<b>4,500,000</b>
<b>Stock CSPK</b>	<b>-283,779</b>	
Jun-17	506,032	0
1 - 17 July 2017	329,361	0
<b>Production on Juni 2017 - 17 July 2017</b>	<b>835,393</b>	<b>0</b>
<b>Production on 26 August 2016 - 17 Juni 2017</b>	<b>5,051,614</b>	<b>4,500,000</b>
<b>Stocks</b>	<b>551,614</b>	

Based on the data, company has not been able to show the mechanism to ensure the sale of certificate products from the positive stock. **Based on the explanation, raised the Non-Conformance No 2017.14 with Major category**

<b>E.5.1</b>	<b>Status: Nonconformity No 2017. 14 with Major Category</b>
<b>E.5.2</b>	<b>In cases where a mill outsources activities to an independent (not owned by the same organization) palm kernel crush, the crush still falls under the responsibility of the mill and does not need to be separately certified. The mill has to ensure that the crush is covered through a signed and enforceable agreement.</b>
	Katari Agro Mill (PNBM) has not outsources activities to the independent palm kernel crush.
	<b>Status: Comply</b>

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

<b>1.</b>	<b>Evidence of permission or approval certificate and logo from Certification Body which submitted by Client</b>	<b>X or√</b>
<b>ASA-3</b>	PT WNL has been certified by Mutuagung Lestari with certificate code <b>MUTU - RSPO / 089</b>	√
	<b>Status: Comply</b>	
<b>2.</b>	<b>Implementation of certificate and logo used by Client comply with size and type (shape) against Guideline of Logo Use</b>	<b>X or√</b>
<b>ASA-3</b>	The company did not use RSPO logo	√
	<b>Status: Comply</b>	
<b>3.</b>	<b>Implementation of Certificate and Logo is not used on product</b>	<b>X or√</b>
<b>ASA-3</b>	The company did not use RSPO logo	√
	<b>Status: Comply</b>	
<b>4.</b>	<b>Controlling of Certificate and Logo, including withdrawing inappropriate logo.</b>	<b>X or√</b>
<b>ASA-3</b>	The company did not use RSPO logo	√
	<b>Status: Comply</b>	

**3.4 Summary of RSPO Partial Certification**

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

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

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

MUTU Auditor has verified company partial certification and concludes that:

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

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

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

		<ul style="list-style-type: none"> <li>• Izin Prinsip Arahan Lokasi No. 525.21/660/Ek.SDA/IX/2014 dated 12 September 2014 5,325 Ha</li> <li>• Location Permit SK Dicitric Kotawaringin Timur No. 188.45/330/Huk-BPN/2014, 23 September 2014 5,370 Ha</li> <li>• Environment Permit No. 660/2140/BLH-Ek.SDA/2015, 19 October 2015 for 5,325 Ha</li> <li>• IUP No. 188.45/490/Huk-Ek.SDA/2014, 19 December 2014 4,810.72 Ha</li> <li>• SK HGU No. 5/HGU/KEM-ATR/BPN/2017, January 10th 2017.</li> </ul> <p><b>PT Andalan Sukses Makmur</b></p> <ul style="list-style-type: none"> <li>• Izin Prinsip Arahan Lokasi SK Dicitric Kotawaringin Barat No.590/105/Pem-XI/2012, November 21 2012 for areal 9,000 Ha.</li> <li>• Location Permit SK Dicitric Kotawaringin Barat No.525/68/XII/2012, December 18th 2012 for 9,275 Ha</li> <li>• IUP No. 525/45/ek, 06 February 2013</li> <li>• HGU on process.</li> </ul> <p><b>PT Investa Karya Bhakti</b></p> <ul style="list-style-type: none"> <li>• Izin Prinsip Arahan Lokasi No. 590/09.Pem-II/2014, 3rd February 2014 for areal 14,500 Ha.</li> <li>• Location Permit SK Dicitric Kotawaringin Barat No. 525/62/IX/2014, 1st September 2014, 11,746.74 Ha</li> <li>• IUP No. 525/014/EK, April 21 2015, 5,700 Ha</li> </ul> <p><b>PT RohulSawitIndustri and PT Masuba Citra Mandiri</b></p> <ul style="list-style-type: none"> <li>• HGU on process</li> <li>• Panitia B Inti No. 03/RSL/HGU/2015 seluas 1,893.11 Ha</li> <li>• Panitia B Plasma No. 04/RSL/HGU/2015 seluas 938,16 Ha</li> </ul> <p><b>PT Gunajaya Harapan Lestari</b></p> <ul style="list-style-type: none"> <li>• Izin Prinsip Arahan Lokasi No. 525/426/Bappeda-D year of 2007, 08 May 2007 for areal 3,000 Ha.</li> <li>• Location Permit SK Dicitric Kendawangan No. 265 year of 2007, 28 June 2007 for 3,000 Ha</li> <li>• Revision Location Permit No. 370 year of 2008, 07 October 2008 for 3,000 Ha</li> <li>• Extention Location Permit No. 415 year of 2010, 27 July 2010 for 3,000 Ha</li> </ul>
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		<ul style="list-style-type: none"> <li>• IUP No. 365/DISBUN-D/2012, August 23rd 2012 for 1,750 Ha</li> <li>• HGU No. 62/HGU/KEM-ATR/BPN/2016, 1,973.45 Ha</li> </ul> <p><b>PT Windu Nabatindo Sejahtera</b></p> <ul style="list-style-type: none"> <li>• Izin Prinsip Arahan Lokasi No. 02.04.28/525.26/463/XI/Ekbang/03, 8th November 2003 for areal 7,000 Ha.</li> <li>• Location Permit SK District Kotawaringin Timur No. 165.460.42, 26 February 2004 for 5,370 Ha</li> <li>• IUP No. 525.26/152/V/Ekbang/2004, 17 May 2004 for 5,370 Ha</li> <li>• Permit Location No. 374.460.42, December 13 2006 for 5,000 Ha (Revision)</li> <li>• IUP No. 525.26/386/V/Ekbang/2007, May 30th 2007 for areal 5,000 Ha (Revision)</li> <li>• Kadastral Map No. 355-15.05-2007, July 6th 2007 for areal 4,998.76 Ha</li> <li>• Surat Permohonan HGU 003/WNS-Dir/VII/2007, July 11th 2007 for areal 5,000 Ha.</li> </ul> <p><b>PT Windu Nabatindo Abadi</b></p> <ul style="list-style-type: none"> <li>• Sertifikat HGU No. 37/HGU/BPN RI/2014 seluas 1,987.8 Ha</li> <li>• Sertifikat HGU No. 48/HGU/KEM-ATR/BPN/2015 tanggal 20 Mei 2015 seluas 5.773 Ha</li> </ul> <p><b>PT Nabatindo Karya Utama</b></p> <ul style="list-style-type: none"> <li>• Sertifikat HGU No. 17/HGU/KEM-ATR/BPN/2016 tanggal 07 April 2016 seluas 3,298.63 Ha</li> </ul> <p>HGU on process for Ladang Sawit Mas, PT Lestari Gemilang Intisawit, PT Agro Manunggal Sawitindo, PT Karya Makmur Langgeng, and PT Gemilang Makmur Subur</p> <p><b>Auditor verification</b> Land legal process is still going on and there is a detail update progress documented by the company for each year.</p>
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**3.5 Identification of Findings, Corrective Action, Observations, OFI and Noteworthy Positive Components**

**3.5.1 Identification of Findings, Corrective Actions and Observations at ST-2**

<b>NCR No.</b>	: 2015.01	<b>Issued by</b>	: Bukti Bagja
<b>Date Issued</b>	: 27 June 2015	<b>Time Limit</b>	: Before Certified issued
<b>NC Grade</b>	: Major	<b>Date of Closing</b>	: 26 June 2016
<b>Standard Ref. &amp; Requirement</b>	: 2.1.1 Fulfillment Regulatory		
<b>Non-Conformance Description :</b>			
<ul style="list-style-type: none"> <li>The results of the document examination, it is known that there are employees who work more than 21 working days during the three (3) consecutive months and has not been appointed to be Permanent Daily Employee, for example, in PMSE in the name of Ahmad Budiyanto (Employee Registration Number: 14080006); Abby Takeryo (Employee Registration Number: 15010011); Agustina Herlinda Bele (Employee Registration Number: 140170006), Yuliana Bere (ID Card: 5304225807910003). This is not in accordance with the Regulation of Labor and Transmigration Agency No. 100 Year 2004.</li> <li>Plantation Business Progress Report submitted by PT. WNL has not included Katari Agro Mill, it is not in accordance with Law No. 39 Year 2014 Article 48 Paragraph 3 and 4</li> </ul>			
<b>Root Cause Analysis:</b>			
<ul style="list-style-type: none"> <li>Do not do promotion of employees according to the applicable SOP and policies in the company</li> <li>Failure to do plantation business reporting and the weaknesses in the control function.</li> </ul>			
<b>Correction:</b>			
<ul style="list-style-type: none"> <li>Employees on behalf of Yuliana Bere &amp; Abby Takeryo skip for 5 consecutive days, then made the call and and they were both laid off</li> <li>The promotion of employees on behalf of Ahmad Budiyanto &amp; Agustina Herlinda Bere to become Permanent employees on August 1, 2015</li> <li>Plantation Business Progress Report of first and second quarter in 2015 and the Proof of submission of the reports to the East Kotawaringin Plantation Agency</li> </ul>			
<b>Corrective Action :</b>			
<ul style="list-style-type: none"> <li>Improve the control function on the implementation of regulations and company policies.</li> <li>Compile and report the Plantation Business Progress Report by Regional PAD Department, in accordance with applicable regulations.</li> </ul>			
<b>Assessor Evaluation and Conclusion :</b>			
<b>Auditor Verification, October 7, 2015</b>			
The company can show the proof:			
<ul style="list-style-type: none"> <li>The promotion of temporary workers on behalf of Ahmad Budiyanto &amp; Agustina Herlinda Bere to become permanent employees on August 1, 2015, however, it is required the entire implementation evidence on the application of the appointment rules of employees in accordance with the applicable regulations</li> <li>Reporting the Plantation Business Progress Report in the first and second Quarter, which has been included Katari Agro Mill to the Plantation Agency of East Kotawaringin District on August 23, 2015</li> </ul>			
<b>Auditor Verification, October 21, 2015</b>			
The management unit can show the proof that the employees who work more than 21> days created work agreement of temporary			

workers signed by both parties and in it describes about the Period and the Work Contract Status; Tasks and Placement; Wage; The termination of the Agreement and the Settlement of Disputes, However, according to the Labor and Transmigration Ministerial Decree No. 100 Year 2004 Article 10 (Ten) Paragraph 3 (three) states that "In the case of workers / laborers who work for 21 (twenty one) days or more during the three (3) consecutive months or more, then the Daily Workers Agreement change into Work Agreement of Specific Time"

**Auditor verification, June 10, 2016**

The company show proof of:

- Intern Office Memo from Regional Head 2 Acting staf, No 008/Reg-Head.2/Int/VI/2016 dated June 6, 2016 to Head of Kalteng about request plan of designation program of temporay employees to permanent employees for Pantai Mas Estate as 104 and Katari Agro Estate as 119 employees (total 223 temporary employees).
- List of temporary employees of Pantai Mas Estate and Katari Agro Estate which will be programmed to permanent employees.

Based on evidence that has been showed, auditor team concluded that is still required proof of over all implementation rules of employees designation according to the legal rules, so this nonconformance is still not fullfilled.

**Auditor verification, June 26, 2016**

- **Root Cause**

Not doing employees promotion based on procedure and policy of the company, because of lack of control and knowledge from Area Human Resources Department, and replacement of Human Resources Department staff, wher all of the previous HRD staff has been mutated.

- **Corrective action**

Employees on behalf of Yuliana bere & Abby Takeryo skip for 5 days, then both were called and dismissed. Designation employees on behal f of Ahmad Budiyanto and Agustina Herlinda Bere to permanent daily employee, since August 1, 2015. Identification for all employees which work more than 21 days and 3 month continues and make designation programme.

- **Preventive action**

Increase control function of implementation of company rules and policy by doing rspo monthly meting, where HRD as part of team and doing internal audit every year to monitor and make sure employees designation has been done based on related procedure & policy.

**Auditor observation on June 26, 2016**

Company can show additional proof as of:

- Identification of root cause, corrective action and preventive action which will be done.
- Proposal of non permanent daily worker which will be promoted on June 2016, that is 38 employees from Katari Agro Estate and 36 employees from Pantai Mas Estate.
- Approval and response from Head of Kalteng to IOM approval designation permanent daily employees PMSE and KAGE2016 on June 22, 2016.
- Examples of non permanent employee designation letter to daily permanent employee of KAGE and PMSE.
- Minutes of meeting RSPO dated May 26, 2016 and June 21, 2016 which one of the discussion point are obedience of rules, to ensure that company comply with all related regulation and work agreement is implemented.

**Auditor conclusion**

Based on the evidence given, auditor team stated that nonconformance is **closed with observation**.

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

<b>NCR No.</b>	<b>: 2015.02</b>	<b>Issued by</b>	<b>: Moh Arif Yusni</b>
<b>Date Issued</b>	<b>: 27 June 2015</b>	<b>Time Limit</b>	<b>: ASA-1</b>

<b>NC Grade</b>	: Minor	<b>Date of Closing</b>	: 07 October 2015
<b>Standard Ref. &amp; Requirement</b>	: 4.7.6 Work Accident Insurance		
<b>Non-Conformance Description</b> Work Accident Insurance PT WNL has not been able to show the proof that all Temporary staff or daily workers were included in the program of Work Accident Insurance.			
<b>Root Cause Analysis:</b> Employment policies related to the Social Insurance Agency for employees from the Head Office which has not been implemented by the Regional HRD Personnel			
<b>Correction:</b> <ul style="list-style-type: none"> <li>Registration of Social Insurance Agency for Temporary Workers by Regional HRD</li> <li>Proof of Social Insurance Agency payment in August 2015, and the list of participants who took part.</li> </ul>			
<b>Corrective Action :</b> Registering every new employees who are registered as workers, in accordance with the regulations and company policies			
<b>Assessor Evaluation and Conclusion:</b> <b>Auditor Verification, October 7, 2015</b> The company can show the proof of Employment Social Insurance Agency payment for Temporary Workers in August 2015 and paid on September 15, 2015  <b>Auditor conclusion</b> Based on the evidence given, auditor team stated that nonconformance is <b>closed with observation.</b>			
<b>Verified by</b>	:	Moh Arif Yusni	

<b>NCR No.</b>	: 2015.03	<b>Issued by</b>	: M Arif Yusni
<b>Date Issued</b>	: 27 June 2016	<b>Time Limit</b>	: ASA-1
<b>NC Grade</b>	: Minor	<b>Date of Closing</b>	: 21 July 2017
<b>Standard Ref. &amp; Requirement</b>	: 5.3.3 Handling the potential of mill effluent pollution		
<b>Non-Conformance Description</b> <ul style="list-style-type: none"> <li>Waste management facilities (WWTP) of Katari POM is located higher than the surrounding environment (<math>\pm</math> 5 meters). However, it has not shown the evidence of analysis and plans to mitigate the risk of pollution in case of damage in the embankment on a large scale.</li> <li>The company could not show the evidence of management and monitoring of effluent out from the mill, especially the boiler waste and mill drainage in order to conform with the provisions</li> </ul>			
<b>Root Cause Analysis:</b> Lack of supervision from assistant process related to mill effluent pond			



<b>Correction :</b> The Company shall present documentary evidence containing analysis and plans for handling pollution risks due to adequate waste leakage	
<b>Corrective Action</b> To increase the thickness of the mill effluent pond 1. The addition of plant nuts 2. Monitoring and measuring the quality of liquid waste and river water quality	
<b>Assessor Evaluation and Conclusion:</b> <b>Verify July 20, 2017</b> Based on the results of field visits it is known that the company has made improvements in the form of: 1. Increase the thickness of the mill effluent ponds 2. The addition of plant of legume cover crop 3. Monitoring and measuring the quality of liquid waste and river water quality	
<b>Auditor conclusion</b> Based on the evidence given, auditor team stated that nonconformance is <b>closed</b>	
<b>Verified by</b>	: M Arif Yusni

<b>NCR No.</b>	: 2015.04	<b>Issued by</b>	: M Arif Yusni
<b>Date Issued</b>	: 27 June 2016	<b>Time Limit</b>	: ASA-1
<b>NC Grade</b>	: Minor	<b>Date of Closing</b>	: 20 July 2017
<b>Standard Ref. &amp; Requirement</b>	: 6.1.4 Evaluation of Social Impact Management Plan.		
<b>Non-Conformance Description</b> Has not provided proof of a regular review of the Social Management Plan in a participatory manner to anticipate changes and developments on the plantation business such as the operationalization of Katari Agro Mills POM.			
<b>Root Cause Analysis</b> Control of less cost effective CSR documents			
<b>Correction :</b> Provide proof of evaluation of the implementation of social governance of PT WNL period 2014-2015 1. Distribute questioner to stakeholders to prepare WNL social governance plan for the period of 2017			
<b>Corrective Action :</b> CSR Dept Head will conduct an annual coordination meeting with all CSR Areas related to CSR implementation and follow-up of the program as per the management policy 1. Control of documents and records of CSR programs in accordance with SOP Document Control and Records			
<b>Assessor Evaluation and Conclusion:</b> <b>Verify July 20, 2017</b> PT Windu Nabatindo Lestari already has plans to avoid or mitigate negative impacts and increase positive impacts. These are described in the environmental impact assessment documents, monitored and managed socio-cultural aspects consisting of Employment and Employment Opportunities, Community Income Levels, Public Unrest and Potential Conflict, Traffic Accident			

Potential and Disease Transmission. There is also a document of the WNL Social Management Plan of the Year 2016 - 2017

As for the year 2017 PT WNL has initiated the implementation of the Social Management Review of PT WNL Plantation. Survey activity was conducted by conducting survey through questionnaire. The social survey was conducted in collaboration with SMK N 1 Cempaga Hulu which is in the agreement of BGA Survey Social Index (No 01 / BGA 2-SMK CH / IV / 2017) on 10 April 2017. The result of the study of the questionnaire has been distributed in some villages around the company for example: Pelantaran Village,

**Auditor conclusion**

Based on the evidence given, auditor team stated that nonconformance is **closed**

**Verified by** : M Arif Yusni

<b>NCR No.</b>	: 2015.05	<b>Issued by</b>	: M Arif Yusni
<b>Date Issued</b>	: 27 June 2016	<b>Time Limit</b>	: 19 September 2017
<b>NC Grade</b>	: Minor RAISED TO MAJOR	<b>Date of Closing</b>	: 24 August 2017
<b>Standard Ref. &amp; Requirement</b>	: 6.5.3 Avaibility clean water for worker		
<b>Non-Conformance Description</b>			
The company could not show enough evidence of decent water supply for workers according to the standard from Regulation of Health Ministry No. 416 Year 1990 on the terms and supervision of water quality			
<b>Root Cause Analysis :</b>			
Lack of understanding of the Unit Management in the regulatory reference related to testing the quality of clean water for domestic purposes referring to PP. 82 of 2001 which should refer to Permenkes of 1990 (on water quality requirements and supervision) as well as understanding of SOP Monitoring & Measurement. Mean while also there is			
<ul style="list-style-type: none"> <li>• Lack of commitment to continuous improvement of Unit Management in initiatives for activities;</li> <li>• Follow up audit results (Internal &amp; External);</li> <li>• Correction &amp; Prevention Measures;</li> <li>• Review Management Review regularly to review the effectiveness of RSPO implementation in KAGM</li> </ul>			
<b>Corrective Action :</b>			
Conducting a re-test of clean water quality refers to Permenkes of 1990 (on water quality requirements and supervision)			
<b>Preventive Action :</b>			
PT WNL must develop & implement the Environmental Quality Monitoring Schedule consistently as set out in the Monitoring & Environment SOP and conducted Review Management Review regularly to review the effectiveness of RSPO implementation in the overall KAGM Management Unit coordinated by Sustainability Region and controlled by Area Controller.			
<b>Assessor Evaluation and Conclusion :</b>			
The Company has not been able to show the results of clean water quality testing for workers as stipulated in Permenkes No 416 of 1990, thus MINOR NCR No. 2015.5 raised to MAJOR			
<b>Auditor Verification:</b>			
The Company can show the results of testing the quality of clean water at home for the period of 1st semester of 2017 dated July 24, 2017 conducted by accredited laboratories (LP-001-IDN) in accordance with the Permenkes standard 416 of 1990 on water quality requirements and supervision.			

<b>Verify August 24, 2017</b>			
Based on the evidence given, auditor team stated that nonconformance is <b>closed</b>			
<b>Verified by</b>		: <b>Moh Arif Yusni</b>	
<b>NCR No.</b>	: <b>2015.06</b>	<b>Issued by</b>	: <b>M Arif Yusni</b>
<b>Date Issued</b>	: <b>27 June 2016</b>	<b>Time Limit</b>	: <b>Before Certified Issued</b>
<b>NC Grade</b>	: <b>Major</b>	<b>Date of Closing</b>	: <b>20 October 2015</b>
<b>Standard Ref. &amp; Requirement</b>	: <b>SCCS Standard 2014 Verification of certified and uncertified fruit</b>		
<b>Non-Conformance Description :</b> Katari Agro Mill POM facility has not been able to demonstrate well the verification of incoming fruit from certified and uncertified sources mainly from the nucleus estate which is divided into several estates in the name of PT. WNL, PT. FBI, and PT. GSM			
<b>Root Cause Analysis :</b> Was not done separation of FFB original recording, both from the Delivery Order Letter or recording in the POM, which is derived from PT WNL and / or PT FBI & GSM			
<b>Correction :</b> <ul style="list-style-type: none"> <li>- Perform the Delivery Order Letter separation for FFB derived from PT WNL, PT FBI and PT GSM. (For example, Delivery Order Letter for PMSE &amp; KAGE)</li> <li>- Perform manual recording in KAGM POM based on the Delivery Order Letter for FFB from PT WNL and others</li> </ul>			
<b>Corrective Action :</b> <ul style="list-style-type: none"> <li>- Improving the control function on the recording of FFB that goes to POM</li> <li>- Fixing the recording system, both from the number of blocks, and data in SAP</li> </ul>			
<b>Assessor Evaluation and Conclusion :</b> <b>October 7, 2015.</b> Auditor appreciate the effort that has been done and has observed the separation of Delivery Order Letter documents from PT. FBI (uncertified) and PT. WNL (certified).  However, to complete the verification process of certified and non-certified FFB in the POM, needed the additional documents in the form of: <ul style="list-style-type: none"> <li>- The list of block defined includes <i>uncertified</i> (PT. FBI) which supply the fruit / will supply the fruit to the POM</li> <li>- Examples of daily recapitulation which shows the calculation results of <i>certified</i> and <i>uncertified</i> FFB which includes fruits from PT. FBI.</li> </ul>			
<b>Auditor Verification, October 21, 2015</b> The management unit can show the block list which became the part of certified and non-certified area, along with the production recapitulation of Certified and non-certified FFB from the nucleus estate which is divided into several estates in the name of PT. WNL, PT. FBI and PT. GSM. Based on the evidence of these improvements, the auditor team stated that the findings stated <b>closed with observation</b> .			
<b>Verified by</b>		: <b>Bukti Bagja</b>	

**3.5.2 Identification of Findings, Corrective Actions and Observations at ASA-1 Assessment**

<b>NCR No.</b>	: 2017.01	<b>Issued by</b>	: Rizliani Aprianita Hsb
<b>Date Issued</b>	: 21 July 2017	<b>Time Limit</b>	: ASA-2
<b>NC Grade</b>	: Minor	<b>Date of Closing</b>	:
<b>Standard Ref. &amp; Requirement</b>	<b>2.1.2</b> <b>A documented system, which includes written information on legal requirements, shall be maintained.</b>		
<b>Non-Conformance Description &amp; Evidence observed :</b>			
<p>The Certificate holder has a list of rules and their evaluation last update March 31, 2017, but the list does not cover all relevant regulations, for example but not limited to:</p> <ul style="list-style-type: none"> <li>- Permenakertrans No. 7 of 2013 on minimum wages (still referring to the 1999 no longer valid Permenakertrans no 1)</li> <li>- PP. 78 of 2015 concerning remuneration</li> <li>- Regional regulations such as Central Kalimantan Governor Decree No. 24 of 2016 on minimum wages and sectoral minimum wage of central Kalimantan provincial districts in 2017</li> </ul>			
<b>Root Cause Analysis :</b>			
<b>Correction :</b>			
<b>Corrective Action :</b>			
<b>Assessor Evaluation and Conclusion :</b>			
<b>Verified by</b>	:		

<b>NCR No.</b>	: 2017.02	<b>Issued by</b>	: Moh Arif Yusni
<b>Date Issued</b>	: 21 July 2017	<b>Time Limit</b>	: ASA-2
<b>NC Grade</b>	: Minor	<b>Date of Closing</b>	: 04 September 2017
<b>Standard Ref. &amp; Requirement</b>	<b>2.2.2</b> <b>Legal boundaries shall be clearly demarcated and visibly maintained.</b>		
<b>Non-Conformance Description &amp; Evidence observed :</b>			
<p>The certificate holder has not been able to show any evidence that the realization of boundaries pole monitoring has been in accordance with the period specified in the procedures held (BGA / WNL-LGL / IK-38 / IX / 12 dated September 1, 2012) which explains that monitoring is conducted once in a month.</p> <p>Based on the result of document review at Pelantaran Agro Estate and Katari Agro Estate, it is known that the maintenance and monitoring program of the boundary is every 4 months. In addition, the results of the field visit samples are known that there are some poorly maintained. Pole conditions such as covered in weeds and shrubs, for example in Katari Agro Estate pole assist number 36 and number 38 and in Pelantaran Agro Estate National Land Agency Pole Number 65 and Number 14.</p>			

<p><b>Root Cause Analysis :</b> The frequency of monitoring the condition of the boundaries pole is too fast and besides the PIC to monitor the condition of the boundaries pole as a whole the area within the concession of PT. WNL is charged to Regional GIS Staff</p>
<p><b>Corrective Action :</b> Revised SOP of Maintenance of boundaries pole, which includes: 1. period of Monitoring condition of boundaries pole is revised from 1 month to 4 months. 2. PIC Maintenance of the HGU pole in the respective areas of the Estate concession shall be the responsibility of the concerned Estate.</p>
<p><b>Preventive Action :</b> 1. Consistent SOP of Maintaining boundaries pole 2. Implementation of internal audit and management review.</p>
<p><b>Assessor Evaluation and Conclusion :</b> <b>Verify August 25, 2017</b> Company can show evidence of improvement in the form:</p> <ul style="list-style-type: none"> <li>Revised of the boundaries pole maintenance procedure (WNL-GIS-SOP-01) which explains that the HGU Patrol Monitoring frequency is changed from once a month to at least 4 months and PIC Monitoring boundaries poles monthly boundaries pole is centered on GIS Staff The area is the responsibility of each respectively Estate Managers.</li> <li>There is evidence of boundaries pole examination in Katari Estate which was executed on July 21, 2017 but evidence of monitoring and maintenance of the pole in PAGE (Pelantaran Agro Estate can not be presented yet).</li> </ul> <p>Based on evidence of improvements that have been submitted and field verification, the discrepancy in this indicator is not fulfilled before attaching additional evidence.</p> <p><b>Verification 04 September 2017</b> Company can show evidence of improvement in the form:</p> <ul style="list-style-type: none"> <li>Schedule of checking period of boundaries pole in Agro Estate Delivery scheduled every 3 months</li> <li>Realisation documentation of boundaries pole inspection on Pelantaran Agro Estate on 20 and 22 July 2017</li> </ul> <p>Based on the evidence given, auditor team stated that nonconformance is <b>closed with observation</b>.</p>
<p><b>Verified by</b> : <b>Moh Arif Yusni</b></p>

<b>NCR No.</b>	: 2017.03	<b>Issued by</b>	: Moh Arif Yusni
<b>Date Issued</b>	: 21 July 2017	<b>Time Limit</b>	: 19 September 2017
<b>NC Grade</b>	: Major	<b>Date of Closing</b>	: 22 August 2017
<b>Standard Ref. &amp; Requirement</b>	2.3.1 <b>Maps of an appropriate scale showing the extent of recognised legal, customary or user rights (Criteria 2.2, 7.5 and 7.6) shall be developed through participatory mapping involving affected parties (including neighbouring communities where applicable, and relevant authorities).</b>		
<b>Non-Conformance Description &amp; Evidence observed :</b>			
The certificate holder already has a document of statement area approved by the Director of PT WNL which shows various land uses within the HGU area, and there is an Occupation area of 1,380.05 Ha. Based on the results of field visits such			

as around the BPN Pole Number 066 and Number 065 in the PAGE of the area in the form of Rubber Plants and oil palm owned by the Community and around BPN Pole Number 37 and Number 38 of the area in the form of palm oil belonging to the Community.

The certificate holder can show the Certificate of Kerung Village Government No: 01 / KD-K / VII / 2017 from Kerung Village Government (signed by the Village Head) on 20 July 2017 which describes the land owner, location and total area with total area 648.34 Ha. In the letter explained also that between companies and land owners never interfere with each other and maintain security and order land management. However, at the time of audit of ASA-1 the Certificate Holder has not been able to show:

1. Mapping process Identify all users of land or arable area of ± 731,71 Ha
2. Evidence of participatory mapping process by involving affected parties.

**Root Cause Analysis**

The coordination and follow-up process of the associated PIC (PAD Staff) with the Okupan & local government apparatus is less intense as the related PIC is undergoing an outpatient treatment process.

**Corrective Action**

Providing documents Agreement between Okupan and Management PT. WNL. for all Occupational areas contained within the concession area of PT. WNL

**Preventive Action**

Implementation of management review regularly related to condition of development of occupation area and updated all recording Agreement between Okupan with Management PT. WNL

**Assessor Evaluation and Conclusion**

The certificate holder may show evidence a letter from the Village Head of Katari Village No: 119 / KD-P-CH / VII / 2017 dated July 27, 2017 which describes the ownership of community land in the area of land use of PT WNL of 145.12 Ha; letter of Village Head of Sei Ubar Mandiri Village No: 42 / KD-SUM-CH / VII / 2017 dated July 27, 2017 which describes the ownership of community land inland use area of PT WNL of 300.84 Ha and letter of Village Head of Pantai Harapan Village No: / KD-P-CH / VII / 2017 dated July 27, 2017 which describes the ownership of community land in the area of HGU PT WNL of 285.75 Ha. In the letter is explained about the landowners who accompanied the location (blocks) and estates. It is also explained that between PT WNL and the land owner never interfere with each other and maintain security and order in the management of the land.

Based on the evidence given, auditor team stated that nonconformance is **closed with observation**.

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

<b>NCR No.</b>	: 2017.04	<b>Issued by</b>	: Moh Arif Yusni
<b>Date Issued</b>	: 20 July 2017	<b>Time Limit</b>	: 19 September 2017
<b>NC Grade</b>	: Major	<b>Date of Closing</b>	: 22 August 2017
<b>Standard Ref. &amp; Requirement</b>	: 4.6.2 Records of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications) shall be provided.		
<b>Non-Conformance Description &amp; Evidence observed :</b>			
Pelantaran Agro Estate has not been able to show the recording document of the use of pesticides (including active ingredients used and LD50 from the active ingredient, application area, amount of active ingredient use per ha and amount of applications).			



<b>Root Cause Analysis:</b>	
The misunderstanding between Assistant and staff RSPO PAGE during audit process, where basically the evidence of PAGE pesticide usage is available which is controlled by Krani RSPO PAGE.	
<b>Correction :</b>	
provide evidence of use of pesticides (including active ingredients used and LD50 from the active ingredient, treatment area, amount of active ingredient use per hectare and number of applications).	
<b>Corrective Action :</b>	
Document handling & record control from Krani RSPO & Assistant PAGE during external audit process takes place in a calm manner to understand questions & documents / records requested by auditors	
<b>Assessor Evaluation and Conclusion:</b>	
<b>Auditor Verification</b>	
Company can show evidence of improvement in form	
<ul style="list-style-type: none"> <li>• Recommendation of the use of pesticides which mentioned that the pesticides class 1A and 1B and paraquat are no longer used.</li> <li>• Analysis of the use of active ingredients of pesticides at the Pelantaran Agro Estate describing trademark name, active ingredient type, toxicity (LD50), total usage, total active ingredient usage, total active ingredients usage per ton FFB and Per Ha, for January - June period 2017</li> </ul>	
Based on the evidence given, auditor team stated that nonconformance is <b>closed with observation..</b>	
<b>Verified by</b>	: <b>Moh Arif Yusni</b>

<b>NCR No.</b>	: <b>2017.05</b>	<b>Issued by</b>	: <b>Satria Adi Putra</b>
<b>Date Issued</b>	: <b>21 July 2017</b>	<b>Time Limit</b>	: <b>19 September 2017</b>
<b>NC Grade</b>	: <b>Major</b>	<b>Date of Closing</b>	: <b>24 August 2017</b>
<b>Standard Ref. &amp; Requirement</b>	<b>4.6.6</b> <b>Storage of all pesticides shall be according to recognised best practices. All pesticide containers shall be properly disposed off and not used for other purposes (see Criterion 5.3).</b>		
<b>Non-Conformance Description &amp; Evidence observed :</b>			
Based on observation to the chemical storage warehouse in Pelantaran Agro Estate is known that:			
<ul style="list-style-type: none"> <li>- Storage Warehouse is not equipped with air vents.</li> <li>- The warehouse condition is adjacent to the storage of foods (milk and rice) with no upper barrier (restriction thoroughly) so the food can be contaminated by air.</li> <li>- There is no emergency response facility in case of emergency (eg first aid kit and washing facilities)</li> </ul>			
It is not in accordance with Work Instruction no. Policy BGA / WNL-K3 / IK-01/03/2012 which describes some requirements of pesticide storage warehouse.			
<b>Root Cause Analysis :</b>			
<ul style="list-style-type: none"> <li>• Lack of understanding of PAGE Management Unit in chemical handling at workplace which must be in accordance with SOP of Chemical Management, this is because the Unit has not received the socialization of SOP of Chemical Management and also Handling of Chemical Material</li> <li>• Unavailability of emergency response facilities in Chemical Warehouse area due to the absence of SOP of Chemical Management in the Unit and also related to their understanding of chemical handling.</li> </ul>			

**Correction :**

Repairing the work area of Chemical Warehouse, Milk & Rice Storage for employees, by:

1. Install vents for air circulation in the Warehouse.
2. Install the barrier (installation of the ceiling for the storage of milk & rice in order to avoid contamination).
3. Complete emergency equipment in Chemical Warehouse area (First Aid Box & Hand Wash for Warehouse Worker).

**Corrective Action :**

1. Socialization of Chemical Management to all related employees by Estate Manager / HSE Officer.
2. Implementation of Occupational Health and Safety Inspection by the Management Unit (HSE Officer PAGE, QC Staff, HSE Officer Area)

**Assessor Evaluation and Conclusion :**

Company (PAGE) can show evidence of improvement in the form:

- Evidence of inclusion with documentation of the manufacture of air vents in the storage of chemicals on July 31, 2017
- Evidence and documentation of the process of making barrier on the warehouse of Chemicals Warehouse so that between pesticides and foodstuffs there is no chance of contamination
- Evidence of inclusion with the installation of emergency facilities in the form of first aid kit and hand wash in warehouse B3 PAGE in accordance with established procedures
- Evidence of inclusion of B3 handling socialization to warehouse officers at PAGE on July 27, 2017.

Based on evidence of improvement that has been submitted then the nonconformity on this indicator is not fulfilled before clarification of the questions that arise in the Roots of the Problem

**Verify August 24, 2017**

The Company has shown that we have conducted HSE Workshop for all HSE Officer & Mill Manager we have done, on 14-15 November 2016 (Batch 1) & date 17-18 November 2016 (Batch 2).

Based on the evidence given, auditor team stated that nonconformance is **closed with observation**.

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

<b>NCR No.</b>	<b>: 2017.06</b>	<b>Issued by</b>	<b>: Rizliani Aprianita Hsb</b>
<b>Date Issued</b>	<b>: 21 July 2017</b>	<b>Time Limit</b>	<b>: ASA 2</b>
<b>NC Grade</b>	<b>: Minor</b>	<b>Date of Closing</b>	<b>: 25 August 2017</b>
<b>Standard Ref. &amp; Requirement</b>	<b>: 4.6.10 Proper disposal of waste material, according to procedures that are fully understood by workers and managers shall be demonstrated</b>		

**Non-Conformance Description & Evidence observed :**

Based on observations to the PPE and Knapsack washings at Pelantaran Agro Estate found that the former water wash and Knapsack did not flow to the shelter, but directly to the environment. This is not in accordance with Working Instruction No / WNL-K3 / IK-01/03/2012.

**Root Cause Analysis :**

Monitoring the environmental quality of the foreman and HSE Officer is lacking because they have not understood the monitoring parameters item for the important aspects of the environment (water used for washing) resulting from the

leaching of PPE and Knapsack in the BSS area that must be managed according to SOP Monitoring & Measurement as well as the implementation of SOP for corrective & prevention action for identified environmental nonconformities.

**Correction :**

1. Repair the PPE & Knapsack washing facility in the BSS area.
2. Controlling the flow of water from PPE & Knapsack by closing the flow to the environment.

**Corrective Action :**

1. Socialization of hazardous waste management to all related employees.
2. Improve environmental monitoring from the relevant foreman & HSE Officer

**Assessor Evaluation and Conclusion :**

**Auditor Verification:**

The Company showed evidence of improvements in the form of documents and the manufacture of water containers for ex-washing of PPE and Knapsack at BSS House to the holding hole on July 24, 2017 and documentation on corrective actions that have been implemented. Besides, there is evidence of document of hazardous waste handling socialization to warehouse officer in PAGE on July 27, 2017.

Based on evidence that have been submitted then the nonconformities on this indicator is not closed before clarification of the questions that arise in the Roots Cause Analysis.

**Verify August 25, 2017**

The Company showed evidence of HSE Workshop implementation for all HSE Officers & Mill Managers, on 14-15 November 2016 (Bacth 1) & dated 17-18 November 2016 (Bacth 2).

Based on the results of the clarification of the root of the problems that have been done by the management of Katari Agro Mill and the supplier's estate then the nonconformities on this indicator is stated has been closed and will be verified at the time of the next appraisal

**Verified by** : Moh Arif Yusni

<b>NCR No.</b>	: 2017.07	<b>Issued by</b>	: Sandra Purba
<b>Date Issued</b>	: 20 July 2017	<b>Time Limit</b>	: 19 September 2017
<b>NC Grade</b>	: Major	<b>Date of Closing</b>	: 14 September 2017
<b>Standard Ref. &amp; Requirement</b>	<p>4.7.2  <b>All operations where health and safety is an issue shall be risk assessed, and procedures and actions shall be documented and implemented to address the identified issues. All precautions attached to products shall be properly observed and applied to the workers.</b></p>		
<b>Non-Conformance Description &amp; Evidence observed :</b>			
<p>Katari Agro Estate (KAGE) has not implemented a comprehensive risk control plan established in the heavy equipment (Tractors) and FFB truck. Based on the results of field observations in Division 2 Katari Agro Estate there are workers who perform unsafe acts of sitting on top of the tractor tractor and above the FFB truck cabin (while truck was operating)</p>			
<b>Root Cause Analysis :</b>			
<p>In relation to HIRAC not yet in the formation of heavy equipment, as the ASA-1 KAGM process takes place, due to the competence of the Unit Manager &amp; Team related to Hazard Identification &amp; Risk Assessment of heavy equipment operation</p>			

is not adequate and for that we (CCM Dept. Head) provide guidance & briefing to the relevant Unit Manager and Sustainability Region in preparing the HIRAC of the Heavy Equipment.

**Correction :**

1. Making of HIRAC Heavy Equipment Operations
2. HIRAC heavy equipment briefing to all Heavy Equipment Drivers (Tractor & Dump Truck TBS) by Unit Manager / HSE Officer.

**Corrective Action :**

**Corrective Action (completed by the organization being audited):**

- Occupational Safety and Health Inspection at the workplace by HSE Officer to ensure safe working procedures & HIRAC Heavy Equipment is implemented consistently by Driver (Tractor & Dump Truck TBS)
- Occupational Safety and Health Inspection by HSE Officer coordinated by HSE Coordinator regularly according to HSE Inspection K3L.
- Control mechanism for deviation from system or SOP through:
  - Implementation of the audit (internal & external)
  - Request Repair & Prevention Measures in accordance SOP Action Repairs & Prevention.
  - Implementation of management review

Note:

HSE Coordinator who initiates regular HSE performance reviews together with relevant HSE Officer & Unit Manager.

**Assessor Evaluation and Conclusion :**

**Evaluation of the Assessors and Conclusions (completed by the auditor):**

The Company has shown evidence of improvements

- The results of risk identification and analysis for operational activities of loaders, tractors and dump trucks. In the 'risk control' section it has been mentioned about the ban on boarding a tractor other than the operator and a ban on the helper to sit on top of the DT cabin. Date set July 31, 2017.
- Socialization and briefing on OHS for FFB loader conducted on July 25, 2017 with the number of participants as many as 30 people. And a statement from an employee who did unsafe acts (3 people).

**Verify 13 September 2017**

Company can show evidence of improvement in the form:

- Minutes of HIRARC's socialization to Drivers on July 31, 2017, Employee Unloading on 25 and 29 July 2017
- Minutes of HIRARC's socialization manuring worker, sprayers, and harvester on August 29, 2017

**Verify September 14, 2017**

Based on the evidence given, auditor team stated that nonconformance is **closed with observation**.

**Verified by** : **Sandra Purba / Moh Arif Yusni**

<b>NCR No.</b>	: <b>2017.08</b>	<b>Issued by</b>	: <b>Rizliani Aprianita Hsb</b>
<b>Date Issued</b>	: <b>21 Juli 2017</b>	<b>Time Limit</b>	: <b>ASA 2</b>
<b>NC Grade</b>	: <b>Minor</b>	<b>Date of Closing</b>	:
<b>Standard Ref. &amp; Requirement</b>	: <b>5.1.2</b> <b>There are environmental management plan document must be available to prevent negative impacts and implementation reports and revisions, if identifiable impacts should change the activities of the company in progress. The management of the</b>		

	<b>company must appoint the person responsible for the implementation of the environmental management plan.</b>
<b>Non-Conformance Description &amp; Evidence observed :</b>	
<p>The Certificate holder already has several environmental licence documents consisting of:</p> <ul style="list-style-type: none"> <li>- Environmental Management Efforts/ Environmental Monitoring Efforts Document Pelantaran Agro Estate Environmental permit in accordance with the Decree of Kotawaringin Timur no. 188.45 / 297 / Huk-BLH / 2013</li> <li>- Environmental Management Efforts/ Environmental Monitoring Efforts document Katari Agro Mill Environmental permit pursuant to Decree of Kotawaringin Timur no. 188.45 / 298 / Huk / BLH / 2013</li> <li>- Environmental documents (Pantai Mas and Katari Estate) in accordance with the Decree of Kotawaringin Timur no. 16 / Komisi-Kotim / VI / 2008.</li> </ul> <p>The certificate holder has presented Environmental Management Plan/ Environment Monitoring Plan documents of PT WNL in semester II of 2016 with the types of impacts that are managed and monitored are noise level, air quality level, vibration level, water quality, liquid waste quality, soil fertility, water and soil conservation erosion hazard, hazardous waste, fire potential control, abundance and diversity of aquatic biota, disruption of flora and fauna, number and distribution of population, employment and striving, education level, unrest and potential for community conflicts, and public health. However, the verification result of the document is known that:</p> <ul style="list-style-type: none"> <li>- Not yet proven that the environmental management plan has been in accordance with Environmental Management Plan/ Environment Monitoring Plan matrix identification in each environmental permit</li> <li>- The data presented in the document is not a data obtained through periodic measurements, for example in the document has not contain data of water quality test results semester 2 of 2016,</li> <li>- There are still unimproved and monitored impacts such as solid waste pollution, WTP water, and waste water on the ground.</li> </ul>	
<b>Root Cause Analysis :</b>	
<b>Correction :</b>	
<b>Corrective Action :</b>	
<b>Assessor Evaluation and Conclusion :</b>	
<b>Verified by</b>	:

<b>NCR No.</b>	: 2017.09	<b>Issued by</b>	: Rizliani Aprianita Hsb
<b>Date Issued</b>	: 21 July 2017	<b>Time Limit</b>	: ASA 2
<b>NC Grade</b>	: Minor	<b>Date of Closing</b>	:
<b>Standard Ref. &amp; Requirement</b>	5.1.3 <b>This plan shall incorporate a monitoring protocol, adaptive to operational changes, which shall be implemented to monitor the effectiveness of the mitigation measures. The plan shall be reviewed as a minimum every two years to reflect the results of monitoring and where there are operational changes that may have positive and negative environmental impacts.</b>		
<b>Non-Conformance Description &amp; Evidence observed :</b>			
<p>There is insufficient evidence that the environmental monitoring plan report document and its implementation report have been monitored / reviewed, this is because:</p> <ul style="list-style-type: none"> <li>- Not yet proven that the environmental monitoring plan has been in accordance with Environmental Management Plan/ Environment Monitoring Plan matrix identification in each environmental permit</li> <li>- The that data presented in the document is not a data obtained through periodic measurements, for example in the document has not contain data of water quality test results semester 2 of 2016,</li> </ul>			

- There are still unimproved and monitored impacts such as solid waste pollution, WTP water, and waste water utilization on the ground.	
<b>Root Cause Analysis :</b>	
<b>Correction :</b>	
<b>Corrective Action :</b>	
<b>Assessor Evaluation and Conclusion :</b>	
<b>Verified by</b>	:

<b>NCR No.</b>	: 2017.10	<b>Issued by</b>	: Rizliani Aprianita Hsb
<b>Date Issued</b>	: 21 July 2017	<b>Time Limit</b>	: 20 September 2017
<b>NC Grade</b>	: Major	<b>Date of Closing</b>	: 13 September 2017
<b>Standard Ref. &amp; Requirement</b>	: 5.3.2 All chemicals and their containers shall be disposed of responsibly.		
<b>Non-Conformance Description &amp; Evidence observed :</b>			
Based on the results of field visits and document review it is known that			
<ul style="list-style-type: none"> <li>- Records (Logbook) of hazardous waste coming out and not regularly at hazardous waste temporary warehouse in KAGE and PAGE</li> <li>- Theres packing chemicals (jerry Ex Basta) in chemical warehouse (Pelantaran Agro Estate)</li> <li>- Theres oil packaging behind of harardous waste temporary warehouse at Pelantaran Agro Estate</li> <li>- Theres filter beside of harardous waste temporary warehouse at Katari Agro Mill</li> </ul>			
Related to this matter, there is insufficient evidence that the Certificate Holder has been managing the chemical waste in accordance with the applicable regulations.			
<b>Root Cause Analysis :</b>			
<ul style="list-style-type: none"> <li>• Understanding of hazardous waste warehouse officer is inadequate related to the management of hazardous Waste in the Working Unit because Employees related to hazardous waste management have not received dissemination of SOP of hazardous Waste Management</li> <li>• Poor supervision by HSE officers, this is because the person who has acted as HSE Coordinator of Territory whose function is to coordinate HSE Officer activity and evaluate HSE performance in each Work Units related to OHS Control activities and Management of Chemicals &amp; hazardous Waste in unit work.</li> </ul>			
<b>Correction :</b>			
Hazardous Waste Management in each related Work Unit, which includes:			
<ol style="list-style-type: none"> <li>a. Registration of hazardous waste according to SOP of hazardous waste management.</li> <li>b. Moving the chemical packaging (Ex Basta jerry) to the hazardous Waste warehouse in PAGE by the warehouse officer.</li> <li>c. Transfer the oil packs to the hazardous waste warehouse.</li> <li>d. Moving the former Fiter into the hazardous waste warehouse</li> </ol>			
<b>Corrective Action :</b>			
<b>Corrective Action (completed by the organization being audited):</b>			
1. Socialization of hazardous waste Management in each Work Unit by related Unit Manager & B3 Waste Management in respective Working Units according to SOP of hazardous waste management.			



2. Appointment of Sustainability Region acts as HSE Area Coordinator whose function is to coordinate HSE Officer activities and evaluate HSE performance in each Work Units related to OHS Control activities and Chemical & Waste Material & hazardous waste management in Work Unit.

**Assessor Evaluation and Conclusion :****Verify August 22, 2017**

- The Company shows the socialization of the handling of hazardous waste on 26 July 2017 which is given to the employees responsible for managing the hazardous waste warehouse.
- The Company shows the sheets of hazardous waste storage activities in the Pelantaran Agro Estate in the form of used container (ken) and used oil.
- The company showed minutes and photo of filter displacement at hazardous waste storage in Katari Agro Mill.

**Verify September 4, 2017**

Company can show evidence of improvement in the form:

- Document of oil filter displacement to hazardous waste storage in KAGM dated July 26, 2017 along with photo of its implementation,
- Document of the removal of oil marks on July 26, 2017 at hazardous waste warehouse at PelantaranAgro Estate Distribution along with photo of its implementation.
- Document of socialization / training on hazardous waste management, among others:
  - Minutes of hazardous waste management socialization on August 26 2017 at KAGM by 6 participants.
  - Minutes of hazardous waste management socialization on July 27, 2017 at PAGE by 6 participants.
  - Minutes of the hazardous waste management waste socialization on July 22, 2017 at KAGE by 4 participants.
- Referring to the HSE Coordinator (SK No: 016 / BGA-WNL / Srt.Tgs / VIII / 2017 which is responsible for planning, evaluating and following up the EHS committee and OHSAS program region 2 overall in accordance with established policies and applicable regulation.

Related to the evidence of improvement that has been submitted by the auditor team to assess the non-compliance of this indicator is not fulfilled because it has not completed the evidence as clarification result of evaluation on points 2 and 3 above (verification dated August 22).

**Verify September 11, 2017**

The Company showed the hazardous waste monitoring document, among others:

- Manifest delivery of hazardous waste documents for Used Oil and Used hazardous waste Packaging on August 1, 2017.
- Hazardous waste balance for each hazardous waste generated in the Pelantara Agro Estate and Katari Agro Estate.

In relation to the evidence of improvement submitted by the team, the auditor assessed that the discrepancy in this indicator was not fulfilled due to the incomplete evidence of the recording of waste recording in and out of hazardous waste storage (used filter that entered) at Katari Agro Mill in accordance with the evidence of improvement that was sent in the form of minutes transfer of used oil filter to hazardous waste storage KAGM dated July 26, 2017 (verification dated September 4).

**Verify September 13, 2017**

Company showed evidence of improvement in the form:

- waste monitoring sheet for each waste generated at Katari Agro Mill include Grease container, Used Filter, Used Oil and used / leather gloves for the period January - March 2017 and April - June 2017

Based on the results of the clarification of the problems that have been done by the management of Katari Agro Mill and

the supplier's estate then the nonconformise on this indicator is stated has been closed and will be verified at the time of the next assessment.

**Verified by** : Rizliani A & Moh Arif Yusni

<b>NCR No.</b>	: 2017.11	<b>Issued by</b>	: Rizliani Aprianita Hsb
<b>Date Issued</b>	: 21 July 2017	<b>Time Limit</b>	: ASA 2
<b>NC Grade</b>	: Minor	<b>Date of Closing</b>	: 25 August 2017
<b>Standard Ref. &amp; Requirement</b>	: 5.3.3 A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented.		
<b>Non-Conformance Description &amp; Evidence observed :</b>			
Based field visit in Block C55a of Katari Agro Estate is known to be liquid waste being in the application but the responsible officer is not in place for example on line 32. This is not appropriate in accordance with technical guidelines of POME application no. BGAAGRKS-PTKS-PMK documents stating that POME applications must be strictly supervised. In addition, there are traces of liquid waste runoff from application blocks to community-owned areas on line 31.			
<b>Root Cause Analysis :</b>			
Lack of understanding of LA operators in the estate regarding LA operations due to lack of socialization of work procedures for LA operations in accordance with POME technical application guidelines no. documents BGAAGRKS-PTKS-PMK.			
<b>Correction :</b>			
1. Creation of a barrier to control the LA wastewater spill to community land & rorak emergency. 2. Operational control of LA in the Estate by the Operator as per the technical guidelines of POME application no. documents BGAAGRKS-PTKS-PMK.			
<b>Corrective Action :</b>			
<b>Corrective Action (completed by the organization being audited):</b>			
Operational Land Application according to BGAAGRKS-PTKS-PMK document Set-up of control / supervision mechanism to prevent repeatability through monitoring of environmental conditions around Land Application weekly by the Operator and also report directly to foreman / Assisstant in case of environmental mismatch in LA area.			
<b>Assessor Evaluation and Conclusion :</b>			
<b>Auditor Verification</b>			
The Company may show evidence of improvements in the form of the LA Repair document and also documentation on July 26, 2017 in the form of socialization to LA officers and improvements in Flat bad C55a block application by making embankment around flatbad.			
<b>Verify August 25, 2017</b>			
The Company has shown that they have conducted HSE Workshop implementation for all HSE Officers & Mill Managers, on 14-15 November 2016 (Bacth 1) & date 17-18 November 2016 (Bacth 2).			
Based on the results of the clarification of the problems that have been done by the management of Katari Agro Mill and the supplier's estate then the nonconformise on this indicator is stated has been closed and will be verified at the time of the next assessment.			

<b>Verified by</b>	: Moh Arif Yusni		
<b>NCR No.</b>	: 2017.12	<b>Issued by</b>	: Rizliani Aprianita Hsb
<b>Date Issued</b>	: 21 July 2017	<b>Time Limit</b>	: 19 September 2017
<b>NC Grade</b>	: Major	<b>Date of Closing</b>	: 04 September 2017
<b>Standard Ref. &amp; Requirement</b>	: 6.5.2 Labour laws, union agreements or direct contracts of employment detailing payments and conditions of employment shall be available in the languages understood by the workers or explained carefully to them by a management official.		
<b>Non-Conformance Description &amp; Evidence observed :</b>			
Based on the result of field visit in block C20 of Division III of Pelantaran Agro Estate, it is known that there are harvester that do harvest work with the help of others (wife) without having job ties with the company. Related to this matter the company has not been able to show evidence that all workers working in the operational area of the company already have a working relationship.			
<b>Root Cause Analysis:</b>			
Lack of supervision from the Harvest & Assistant Obligations related to the implementation of IOM Prohibition for harvester to assist him in work that is not a company employee (Wife, children, friends & relatives).			
<b>Correction :</b>			
<ol style="list-style-type: none"> <li>1. IOM re-socialization Prohibition for workers to assist in non-company employees (Wives, children, friends &amp; relatives) and bringing children to work sites in the Estate and contractors bringing their families to the Factory by the associated Unit Manager.</li> <li>2. Provide proof of recording Letter Statement of the ability of each employee to implement this prohibition policy in the Unit (KAGM, PMSE, PAGE, KAGE).</li> </ol>			
<b>Corrective Action :</b>			
<ol style="list-style-type: none"> <li>1. Provide proof of recording Letter of Statement of ability of each employee to implement this prohibition policy in Unit (KAGM, PMSE, PAGE, KAGE).</li> <li>2. Implementation of monitoring of compliance with IOM application of the ban, through: <ol style="list-style-type: none"> <li>a. Internal Audit &amp; Management Review regularly.</li> <li>b. Daily monitoring during Morning Circle by Assistant / Foreman.</li> </ol> </li> </ol>			
<b>Assessor Evaluation and Conclusion :</b>			
<b>Auditor Verification</b>			
Company can show evidence of improvement in the form:			
<ul style="list-style-type: none"> <li>- Inter Office MEMO from Estate Manager PAGE no 004 / PAGE-EM / VI / 2017 dated July 19, 2017 concerning the prohibition of bringing unregistered labor as employees.</li> <li>- Socialization of IOM Manager PAGE regarding the prohibition of bringing unregistered workers in Division 4 on July 20, 2017.</li> <li>- Examples of harvesting employee inspection reports conducted by QC staff Area 3.</li> </ul>			
<b>Verification of Auditors September 4, 2017</b>			
<ul style="list-style-type: none"> <li>- Inter Office MEMO from Regional Head 2 April 20, 2017 no 004 / PAGE-EM / VI / 2017 dated July 19, 2017 regarding the prohibition of employment / employment not as an employee and bringing children to work.</li> <li>- The socialization of the prohibition of carrying family members / not as an employee on 31 August at the</li> </ul>			

Pelantaran Agro Estate and on August 24, 2017 at Katari Agro Estate

Based on the results of the clarification of the problems that have been done by the management of Katari Agro Mill and the supplier's estate then the nonconformise on this indicator is stated has been closed and will be verified at the time of the next assessment.

**Verified by** : Moh Arif Yusni

<b>NCR No.</b>	: 2017.13	<b>Issued by</b>	: Moh Arif Yusni
<b>Date Issued</b>	: 21 July 2017	<b>Time Limit</b>	: 19 September 2017
<b>NC Grade</b>	: Major	<b>Date of Closing</b>	: 22 August 2017
<b>Standard Ref. &amp; Requirement</b>	: 8.1 Growers and millers regularly monitor and review their activities, and develop and implement action plans that allow demonstrable continual improvement in key operations.		

**Non-Conformance Description & Evidence observed :**

Based on the results of the nonconformities identified, the auditor team considers that a continuous improvement commitment that has not been applied thoroughly related to the recurrence of non-conformities that arise in subsequent audit activities such as:

- Accumulation of insufficient evidence of implementation for management as indicated by 5.3.3 (eg waste management), and 6.5.3 (employee infrastructure)
- Continuous improvement of adequate sanitary conditions in the employee's premises, for example, a septic tank was found in some houses in division 2 of Pelantaran Agro Estate in damaged condition.

In this regard, there is the potential for systematic failure in the implementation of the RSPO standard due to the repetition of the same non-conformity of the two audit stages being carried out.

**Root Cause Analysis :**

Management's review of the effectiveness of RSPO implementation in the company has not been well implemented through: Data analysis, internal audit, Corrective & Prevention Action and meeting review due to organizational change in PT. WNL related PIC Management Representative and Sustainability Region Staff acting to coordinate, monitor, evaluate and follow up the RSPO improvement program in the company as a whole.

**Corrective Action :**

1. Implementation of the Improvement Program for Indicator 5.3.3 (hazardous Waste Management ) in each Work Unit.
2. Improvement of facilities for employees in both employee and workplace housing in each Work Unit for fulfillment of 6.5.3 P & C RSPO indicators..

**Preventive Action :**

1. BGA Management Instructions to implement good sustainability practices for all BGA Management Units.
2. Implementation of Management Review on the effectiveness of RSPO implementation through: Data analysis, internal audit, Corrective Action & Prevention and regular review meetings.

**Assessor Evaluation and Conclusion :**

The certificate holder may show evidence of improvement:

- Scheduled waste management improvement program at PT WNL Management Unit accompanied by evidence of follow-up and News of hazardous waste socialization to responsible employees,
- Employee facility improvement program in the form of septictank facility at home, workshop improvement program (hazardous waste warehouse in PAGE so it is not mixed between foodstuff and pesticide)
- Email / IOM from Top Management Bumitama Agri related Commitment to carry out Sustainability Practices All BGA Management Unit on July 17, 2017 is addressed to all Bumitama units stating that sustainability policies and

practices should be a concern and obligation for Top Management (board level ) to all layers of employees in the field.

Based on the results of the clarification of the problems that have been done by the management of Katari Agro Mill and the supplier's estate then the nonconformise on this indicator is stated has been closed and will be verified at the time of the next assessment.

**Verified by** : Moh Arif Yusni

<b>R No.</b>	: 2017.14	<b>Issued by</b>	: Moh. Arif Yusni
<b>Date Issued</b>	: 21 Julyl 2017	<b>Time Limit</b>	: 19 September 2017
<b>NC Grade</b>	: MAJOR	<b>Date of Closing</b>	: 22 August 2017
<b>Standard Ref. &amp; Requirement</b>	<p><b>SCCS Modul E for CPO Mills: Mass Balance</b>  <b>E.5.1</b></p> <ul style="list-style-type: none"> <li>a. Facility shall record and balance all RSPO certified FFB and CPO, KPO and Kernel certified RSPO certified on a quarterly basis</li> <li>b. All volumes of palm oil and palm kernel oil delivered are subtracted from material accounting systems according to the conversion rates mentioned by the RSPO.</li> <li>c. Facility can only send Mass Balance sales from positive stock. Positive stock can include order products for delivery within a quarterly period. However, facilities are allowed to sell lower (as the product can be sold before it becomes stock).</li> </ul>		

**Non-Conformance Description & Evidence observed :**

Based on data of Palm Trace Katari Agro Mill dated July 18, 2017, it is known there are sales of PK certified RSPO from Katari Agro Mil on period 26 August 2016 - 17 July 2017 that is PK: ± 4,500 Ton but holder of certificate can not show that sale of certified product must from stock Positive means that the stock of certified products must be greater than shipping and transactions, for example:

Month	Production	Sell
	CSPK (Kg)	CSPK (Kg)
26 August 2016 - 31 August 2016	281,758	
<b>Production</b>	<b>281,758</b>	
Sep-16	524,621	500,000
Oct-16	520,904	1,250,000
Nov-16	447,855	500,000
<b>Production on Sept - Nov 2016</b>	<b>1,493,380</b>	<b>2,250,000</b>
<b>Production on 26 August 2016 - Nov 2016</b>	<b>1,775,138</b>	<b>2,250,000</b>
<b>Stock CSPK</b>	<b>-474,862</b>	
Dec-16	422,783	1,000,000
Jan-17	242,846	750,000
Feb-17	362,200	500,000
<b>Production on Dec 16 - Feb 2017</b>	<b>1,027,829</b>	<b>2,250,000</b>
<b>Production on 26 August 2016 - Feb 2017</b>	<b>2,802,967</b>	<b>4,500,000</b>
<b>Stock CSPK</b>	<b>-1,697,033</b>	
Mar-17	372,105	0

Apr-17	399,076	0
May-17	642,073	0
<b>Production on Dec 16 - Feb 2017</b>	<b>1,413,254</b>	<b>0</b>
<b>Production on 26 August 2016 - Feb 2017</b>	<b>4,216,221</b>	<b>4,500,000</b>
<b>Stock CSPK</b>	<b>-283,779</b>	
Jun-17	506,032	0
1 - 17 July 2017	329,361	0
<b>Production on Juni 2017 - 17 July 2017</b>	<b>835,393</b>	<b>0</b>
<b>Production on 26 August 2016 - 17 Juni 2017</b>	<b>5,051,614</b>	<b>4,500,000</b>
<b>Stocks</b>	<b>551,614</b>	

Based on the data, company has not been able to show the mechanism to ensure the sale of certificate products from the positive stock.

**Root Cause Analysis :**

The basic cause of this potential problem is the misinterpretation of the KAGM Management Unit of the Certified CSPO & CSPK Volume listed in the RSPO Certificate of KAGM as the threshold balancing stock of positive three months daily basis, rather than the actual production of CSPO & CSPK Certified KAGM.

**Corrective Action :**

Commercial Dept. and Certification & Compliance Dept. has been controlling stock balancing stock product (CPO & PK) for three monthly basis through monitoring of monthly production data and transactions at Palm Etrace where the control of CSPO & CSPK's stock positive product is effective as of June 6, 2017 (when RSPO Certificate of PT KMB suspended) as well as intense communication & coordination with RSPO

**Preventive Action :**

Establish balancing stock positive product (CPO & PK) mechanism for quarterly basis, through good coordination & instension between Commercial, Factory Management Unit and Certification & Compliance Dept. in data control:

- a. The actual production of CPO & PK monthly.
- b. CSPO & CSPK KAGM sales process to stock CSPO & CSPK stock positions in KAGM to meet SCCS requirements, E.5.1
- c. Mass Balance CSPO & CSPK based on Palm Trace.

**Assessor Evaluation and Conclusion :**

The certificate holder may show evidence of improvement:

- Analysis and results of mass balance calculation KAGM - 2016 -2017
- Evidence of SCCS understanding training with Commercial Center on 05 June 2017

Based on the results of the clarification of the problems that have been done by the management of Katari Agro Mill and the supplier's estate then the nonconformise on this indicator is stated has been closed and will be verified at the time of the next assessment.

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



**3.5.3 Opportunity for Improvement**

No	Ref Std	Descriptions
1	2.1.1	Follow up the schedule of K3 electrical training to the related agencies (safety and health safety company)
2	4.4.4	Ensure monitoring and maintenance of flowmeter conditions in WTP
3	4.7.5	KAGE can improve monitoring of first aid kits in the field
4	6.9.1	Socialization of gender committees

**3.5.4 Noteworthy Positive Components**







No	Descriptions
1	The company has commitment to implementation sustainability on oil palm plantation
2	Has realized the development of smalholder scheme for the community around the plantation.

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

Public Issues (Institution/ NGO/Community)	Auditor Verification
<p><b>Bipartite Cooperation</b> Interview with board of Bipartite Cooperation</p> <ul style="list-style-type: none"> <li>Workers' salary is in accordance with Decree of Governor of Kalimantan Tengah</li> <li>Certificate holder has registered all workers in Employment insurance. As for health insurance is covered by certificate holder.</li> <li>Certificate holder also recruit local communities as worker</li> <li>All complaint is delivered to the committee of bipartite cooperation and resolved by discussion between the worker and bipartite cooperation.</li> </ul>	<p>The management unit has demonstrated evidence of compliance with the RSPO P &amp; C such as criterion 6.6.1, 6.5.1, 4.7.6</p>
<p><b>Gender Committee</b> <b>Interview with Board of Gender Committee</b></p> <ul style="list-style-type: none"> <li>Gender committee has been socialized related to protection on female worker policies</li> <li>Female workers can take the menstruation leave by doctor recommendation letter.</li> <li>There is no issue related to sexual harassment and complaint related to discrimination.</li> </ul>	<p>The management unit has demonstrated evidence of compliance with the RSPO P &amp; C such as criterion 6.9.1, 6.9.2, 6.9.3</p>
<p><b>Head of Pelantaran Village</b></p> <ul style="list-style-type: none"> <li>Transparency : there is no request of information to certificate holder. Nevertheless, Head of Pelantaran Village have understood the accessible information and the mechanisms to obtain it.</li> <li>Communication and consultation : the procedure related to communication and consultation has been understood, in addition CSR staff are actively communicating and consulting with stakeholders.</li> <li>Complaint and grievant : the mechanism to raise complaint or grievance has been understood. There is no complaint from villagers.</li> <li>CSR : certificate holder has implemented CSR program such as road maintenance and infrastructure. The arrangement of CSR program has been conducted by consultation with head of village.</li> <li>There is no issue related to environmental, legality, or worker welfare</li> </ul>	<p>The certificate holder has implemented the principles of transparency (verified in criterion 1.1). Communication and complaints procedures have been socialized, CSR Staff actively communicate and consult with stakeholders. There were no complaints from the villagers (verified in criteria 6.2 and 6.3). The CSR program has been implemented and developed in consultation with the village apparatus (certified in indicator 6.11). There are no issues of environmental pollution, legality or employment (verified in criteria 2.1 ; 2.2 ; 2.3 ; 4.4; 5.1; 5.6; 4.7 and 4.8)</p>
<p><b>Keruing village (Head of Village)</b></p> <ul style="list-style-type: none"> <li>The Company has realized some assistance such as assistance for religious events, road repairs, cooperation with smallholders.</li> <li>There is no conflict or dispute with the community of Keruing. .</li> </ul>	<ul style="list-style-type: none"> <li>land dispute has been explained in criterion 2.3; and 6.4.</li> <li>Liquid waste has been explained in indicator 5.3.3</li> <li>The company has CSR program and evidence of implementation. It refer to criterion 6.11.</li> </ul>

Public Issues (Institution/ NGO/Community)	Auditor Verification
<ul style="list-style-type: none"> <li>• There is no negative issues related operations such as fire, discrimination etc.</li> <li>• There is issue related overflowing of liquid waste in keruing village</li> <li>• The company has always inform if there is a job vacancy information.</li> <li>• There is socialization related to HCV and social assessment.</li> </ul>	
<p><b>Labour and Transmigration Agency of KOTIM District</b></p> <ul style="list-style-type: none"> <li>- Wages of all workers have been paid in accordance with the government regulations (UMK).</li> <li>- There are still workers with KHL and PKWT status (contract worker) working in PNBE and Plasma.</li> <li>- Overtime has been paid to the workers in accordance with the applicable provisions (no reports related to unpaid overtime wages to workers).</li> <li>- Incentive can be applied in the entire company, provided that the wage value is not under the overtime calculation and based on worker agreement.</li> <li>- POM and Estate already have an approved Guiding Committee of Occupational Safety &amp; Health (P2K3) Organization structural.</li> <li>- Guiding Committee of Occupational Safety &amp; Health (P2K3) Activites have been reported every 3 Months.</li> <li>- WLTk have been reported every 3 months.</li> <li>- There are still Operators that do not have Operator License, eg Operator License of DUMP TRUK driver.</li> <li>- There are still workers who have not been registered on the Social Security Administration Bodies Health program, due to the ID card administration problem.</li> <li>- Should be reassured if there is a deduction of BPJS Health contribution for unregistered workers.</li> <li>- Emplacement facilities, worshipping, fresh water and electricity for workers are available.</li> <li>- Gender committees are available.</li> <li>- The contractor must have a legal entity.</li> <li>- To date, there is no work accident issue.</li> </ul>	<p>Based on interview with management unit, all workers have registered to Employment insurance and has been able to show the payment record. And for medical insurance, company covers all workers (permanent and temporary workers) and their family health care. It is stated on Company Regulation and based on interview with worker, their health care is covered by company. There is no deduction for medical insurance</p> <p>The management unit has demonstrated evidence of compliance with the RSPO P &amp; C such as criterion 2.1; 4.7; 6.5; 6.6; 6.8</p>
<p><b>Environment Agency of KOTIM District</b></p> <ul style="list-style-type: none"> <li>- Mill, Estate &amp; Plasma already have environment document in the form of AMDAL and UKL / UPL.</li> <li>- Environmental Impact Assessments and UKL / UPL has been conducted in a participatory.</li> <li>- The RKL / RPL implementation report has been reported periodically.</li> <li>- Already have certified hazardous waste storage, and located in Mill and PNBE.</li> <li>- Hazardous waste storage transit is allowed as long as there is a regulating SOP / mechanism.</li> <li>- The waste storage period of hazardous waste in hazardous waste storage must refer to applicable license.</li> </ul>	<p>The management unit has demonstrated evidence of compliance with the RSPO P &amp; C such as criterion 4.4; 5.1; 5.2; 5.3</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
<ul style="list-style-type: none"> <li>- Already have land application license, in form of Approved Land Application license by District government.</li> <li>- There were not land fires issues.</li> <li>- There were not pollution issues caused by Mill and Estate activities.</li> <li>- POM has got proper by government</li> </ul>	
<p><b>Plantation Agency of KOTIM District</b></p> <ul style="list-style-type: none"> <li>- Respondents do not know the plantation business permit &amp; Estate Classes for Estate, Mill &amp; Plasma.</li> <li>- Report of LPUP does not exist.</li> <li>- Land fires reporting has been done periodically.</li> <li>- There is a associated smallholder, KUD Harapan Abadi with the number of farmer members 875 householder.</li> <li>- There is an increase in the number of farmers' members from the established ones and it has an effect on the reduction of estate residual income.</li> <li>- Plasma FFB prices based on price fixing by Plantation Agency.</li> <li>- Plasma farmer consist of surrounding community / Dayak Tribe and immigrant.</li> </ul>	<p>The management unit has demonstrated evidence of compliance with the RSPO P &amp; C such as criterion 2.1; 2.2</p>

<b>4.0</b>	<b>CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY</b>						
<b>4.1</b>	<b>Formal Sign-off of Assessment Findings</b>						
	<p>Hereunder sign by management representative from inspected company to acknowledge a field assessment and agree for all content explained in this assessment report, included of non-compliance findings.</p> <p>Signed on behalf of:</p> <table data-bbox="399 806 1356 1187"><tr><td data-bbox="399 806 718 896">PT Windu Nabatindo Lestari CCM Department Head</td><td data-bbox="1085 806 1356 896">Mutuagung Lestari Lead Auditor</td></tr><tr><td data-bbox="446 918 670 1075"></td><td data-bbox="1085 918 1356 1075"></td></tr><tr><td data-bbox="446 1097 670 1187"><b><u>Diar H Damanik</u></b> 14 September 2017</td><td data-bbox="1085 1097 1356 1187"><b><u>Moh Arif Yusni</u></b> 14 September 2017</td></tr></table>	PT Windu Nabatindo Lestari CCM Department Head	Mutuagung Lestari Lead Auditor			<b><u>Diar H Damanik</u></b> 14 September 2017	<b><u>Moh Arif Yusni</u></b> 14 September 2017
PT Windu Nabatindo Lestari CCM Department Head	Mutuagung Lestari Lead Auditor						
							
<b><u>Diar H Damanik</u></b> 14 September 2017	<b><u>Moh Arif Yusni</u></b> 14 September 2017						

**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	Board of Bipartite Cooperation	Village of Pundu, Subdistrict of Cempaga Hulu, Kotawaringin Timur Regency, Province of Kalimantan Tengah	-	Interview	18 July 2017	√	
2	Board of Gender Committee	Village of Pundu, Subdistrict of Cempaga Hulu, Kotawaringin Timur Regency, Province of Kalimantan Tengah	-	Interview	18 July 2017	√	
3	Head of Keruing Raya villae	Village of Keruing, Subdistrict of Cempaga Hulu, Kotawaringin Timur Regency, Province of Kalimantan Tengah	-	Interview	18 July 2017	√	
4	Head of Pelantaran	Village of Pelantaran, Subdistrict of Cempaga Hulu, Kotawaringin Timur Regency, Province of Kalimantan Tengah	-	Interview	18 July 2017	√	
5	Local Contractor (FFB Supplier) from Pundu Village	Village of Pundu, Subdistrict of Cempaga Hulu, Kotawaringin Timur Regency, Province of Kalimantan Tengah	-	Interview	18 July 2017	√	
6	National Land Agency of Kotawaringin Timur District	Kotawaringin Timur District	-	Interview	18 <sup>th</sup> April 2017		
7	Labour and Transmigration Agency of Kotawaringin Timur District	Kotawaringin Timur District	-	Interview	18 <sup>th</sup> April 2017	√	
8	Environment Agency of Kotawaringin Timur District	Kotawaringin Timur District	-	Interview	18 <sup>th</sup> April 2017	√	
9	Plantation Agency of Kotawaringin Timur District	Kotawaringin Timur District	-	Interview	18 <sup>th</sup> April 2017	√	



**Appendix 2. Assessment Program**

DATE		17 until 21 July 2017	
PLANNED TIME	ACTUAL DURATION	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
<b>Monday, 17 July 2017</b>			
06.00 - 08.30	06.00 - 08.30	<b>Jakarta – Palangkaraya</b>	
09.00 – 12.00	09.00 – 12.00	<b>Palangkaraya → PT Windu Nabatindo Lestari</b>	<b>MAY / SDP / SAP / RAH</b>
13.00 – 14.00	13.00 – 14.00	<b><u>BREAK</u></b>	
14.00 – 15.00	14.00 – 15.00	<ul style="list-style-type: none"> <li>• <b>Opening meeting</b> <ul style="list-style-type: none"> <li>- Auditee Speech (Introduction of PIC, Profile of Certified Management Unit)</li> <li>- Auditor Team Speech (Introduction, Audit Objective, Audit Scope, Audit Plan Discussion, Determine of Audit Sample, Transparency and Confidentiality Clarification)</li> </ul> </li> </ul>	<b>MAY / SDP / SAP / RAH</b>
15.00 – 17.00	15.00 – 17.00	<ul style="list-style-type: none"> <li>• <b>Document Review:</b> <ul style="list-style-type: none"> <li>- Review of previous (Initial assessment) findings (ASA-2)</li> <li>- Verification of Basic Information Mill and Estate</li> <li>- Confirmation of Time Bound Plan</li> <li>- Review of Partial Certification</li> </ul> </li> </ul>	<b>MAY / SDP / SAP / RAH</b>
<b>Tuesday, 18 July 2017</b>			
08.00 – 12.00	08.00 – 12.00	<ul style="list-style-type: none"> <li>• Stakeholder consultation to affected communities surrounding the plantations.</li> <li>• Interview with Gender Committee, Worker's Union, Worker's Cooperative (if any), Local Contractor (for Mill and Estate), Third Party Supplier</li> </ul>	<ul style="list-style-type: none"> <li>• <b>RAH</b></li> <li>• <b>SAP</b></li> </ul>
08.00 – 12.00	08.00 – 12.00	<b>Field observation to KATARI AGRO MILL :</b> <ul style="list-style-type: none"> <li>• Supply Chain verification (FFB Receiving, Weighbridge, FFB Sorting, Processing Activity, Despatch CPO)</li> <li>• Occupational Health &amp; Safety Aspect (Inspection to Chemical Storage, Hazardous Waste Storage, Fire Control Simulation, POME Pond)</li> </ul>	<ul style="list-style-type: none"> <li>• <b>MAY</b></li> <li>• <b>SDP</b></li> </ul>
12.00 – 14.00	12.00 – 14.00	<b>Break</b>	
14.00 – 17.00	14.00 – 17.00	<ul style="list-style-type: none"> <li>• Continue Field Observation and field observation clarification</li> <li>• Document review &amp; Follow-up and Clarification of Field Observation</li> </ul>	<b>MAY / SDP / SAP / RAH</b>
<b>Wednesday, 19 July 2017</b>			
08.00 - 12.00	08.00 - 12.00	<b>Field Observation to PELANTARAN AGRO ESTATE</b> <i>Aspect to be verified :</i>	

DATE		17 until 21 July 2017	
PLANNED TIME	ACTUAL DURATION	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
		<ul style="list-style-type: none"> <li>- Implementation of Legal Aspect (Land Ownership, Legal Boundaries);</li> <li>- Implementation of Agronomy Aspect (Harvesting &amp; Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application)</li> <li>- Implementation of Environmental, Conservation/HCV and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management)</li> <li>- Implementation of Occupational Health &amp; Safety Aspect</li> <li>- Implementation of Employment Procedure and Mechanism Aspect</li> <li>- Observation of Workers Facilities (Housing, School, Worship Place).</li> </ul>	<ul style="list-style-type: none"> <li>• MAY</li> <li>• RAH / SAP</li> <li>• SDP</li> <li>• RAH / SAP</li> <li>• RAH / SAP</li> <li>• SDP</li> </ul>
12.00 – 14.00	12.00 – 14.00	<b>BREAK</b>	
14.00 – 17.00	14.00 – 17.00	<ul style="list-style-type: none"> <li>• <b>Continue Field Observation and field observation clarification</b></li> <li>• <i>Stakeholders consultation to related agencies in Kotawaringin Timur Regency (By Phone)</i></li> <li>• Document review &amp; Follow-up and Clarification of Field Observation</li> </ul>	<b>MAY / SDP / SAP / RAH</b>
<b>Thursday, 20 July 2017</b>			
08.00 – 10.30	08.00 – 10.30	<b>Field Observation KATARI AGRO ESTATE</b> Aspect to be verified : <ul style="list-style-type: none"> <li>- Implementation of Legal Aspect (Land Ownership, Legal Boundaries);</li> <li>- Implementation of Agronomy Aspect (Harvesting &amp; Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application)</li> <li>- Implementation of Environmental, Conservation/HCV and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management)</li> <li>- Implementation of Occupational Health &amp; Safety Aspect</li> <li>- Implementation of Employment Procedure and Mechanism Aspect</li> <li>- Observation of Workers Facilities (Housing, School, Worship Place).</li> </ul>	<ul style="list-style-type: none"> <li>• MAY</li> <li>• RAH / SAP</li> <li>• SDP</li> <li>• RAH / SAP</li> <li>• RAH / SAP</li> <li>• SDP</li> </ul>
10.30 – 12.00	10.30 – 12.00		
12.00 – 13.00	12.00 – 13.00	<b>LUNCH BREAK</b>	
13.00 – 15.30	13.00 – 15.30	<ul style="list-style-type: none"> <li>• Continue Field Observation and field observation clarification</li> </ul>	<b>MAY / SDP / SAP / RAH</b>
15.30 – 17.30	15.30 – 17.30	<ul style="list-style-type: none"> <li>• Document review &amp; Follow-up and Clarification of Field Observation</li> </ul>	
<b>Friday, 21 July 2017</b>			
08.00 – 09.00	08.00 – 09.00	<ul style="list-style-type: none"> <li>• Internal discussion by auditor team preparing for Closing Meeting</li> </ul>	<b>MAY / SDP / SAP / RAH</b>
09.00 – 11.00	09.00 – 11.00	<ul style="list-style-type: none"> <li>• <b>Closing Meeting</b> <ul style="list-style-type: none"> <li>- Presentation of audit findings (Noteworthy Positive Component, Non Conformities, OFI, Timeline of CAR's, Conclusion)/</li> <li>- Comments, Responses and Questions</li> </ul> </li> </ul>	
12.00 – 16.00	12.00 – 16.00	<ul style="list-style-type: none"> <li>• <b>PT Windu Nabatindo Lestari → Palangka Raya</b></li> </ul>	
17.00 -	17.00 -	<ul style="list-style-type: none"> <li>• <b>Palangkaraya → JAKARTA</b></li> </ul>	