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## **Roundtable on Sustainable Palm Oil**

### **Annual Surveillance Audit Report**

Report no.: ASA4\_16030

Surveillance assessment against the  
RSPO Principles & Criteria [NI P&C RSPO 2013 for Indonesia] and RSPO SCCS November 2014

### **Wilmar International Limited**

### **PT Bumi Sawit Kencana**

**Head Office :**

Multivision Tower 12<sup>th</sup> floor, Jl. Kuningan Mulia Kav.9B, Guntur, Setiabudi Village, Kuningan Sub District, South Jakarta District, DKI Jakarta Province, Indonesia

**Representative Office :**

Jl. Jenderal Sudirman Km. 62, Sampit-Pangkalan Bun, Seruyan District, Central Kalimantan Province, Indonesia

Date of assessment: August 7<sup>th</sup> to 10<sup>th</sup>, 2017

Report prepared by:

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**(RSPO Lead Auditor)**

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**Abdul Qohar**  
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## 1.0 SCOPE OF ANNUAL SURVEILLANCE AUDIT

### 1.1 National Interpretation Used

The operations of the palm oil mill(s) and its supply base of FFB assessed against the national interpretation RSPO Principles and Criteria 2013 for Indonesia of the RSPO Principles & Criteria and RSPO Supply Chain Certification November 2014 with selected Supply Chain Model Mass Balance (Module E).

### 1.2 Type of Assessment

The 4<sup>th</sup> annual surveillance audit was carried out on 1 (one) mills and 2 (two) estates under PT Bumi Sawit Kencana owned by Wilmar International Limited.

### 1.3 Certification Details

The details of RSPO certification of PT Bumi Sawit Kencana are as per the table below:

**Table 1: RSPO Certification details of PT Bumi Sawit Kencana**

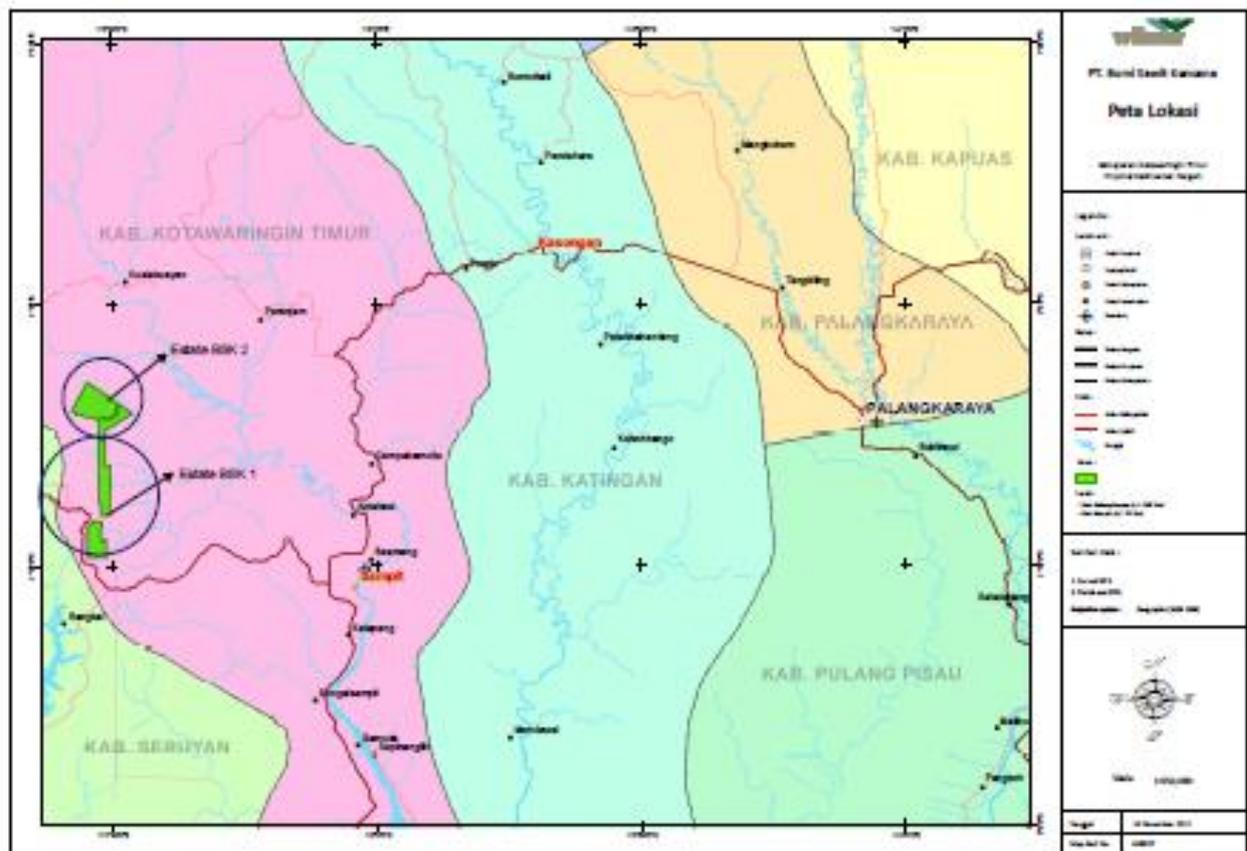
<b>RSPO Membership no.:</b>	2-0017-05-000-00.
<b>RSPO Certificate no.:</b>	824 502 16030
<b>Date of first RSPO certificate &amp; validity:</b>	2013-10-23 until 2018-10-22
<b>Date of certification audit:</b>	2012-10-02 to 2012-10-05
<b>Date of previous surveillance audit:</b>	2016-07-25 to 2016-07-29
<b>Date of revised RSPO certificate &amp; validity (if applicable):</b>	-
<b>CPO tonnages claimed:</b>	<b>23,304.00</b>
<b>PK tonnages claimed:</b>	<b>4,855.00</b>
<b>Net GHG Calculation this year (tCO<sub>2</sub>e/tCPO)</b>	<b>0.89</b>

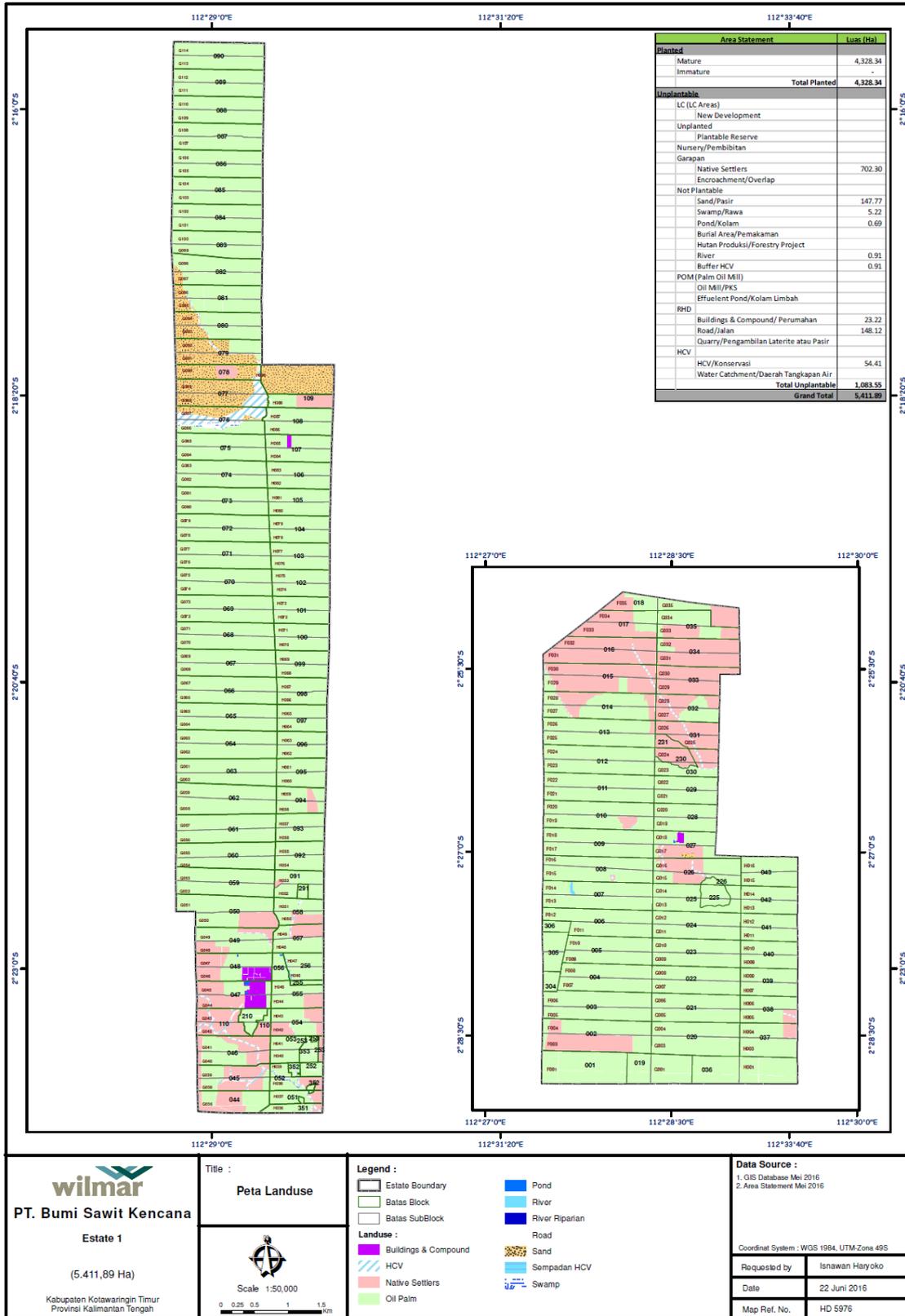
**1.4 Location and Maps**

**Table 2: GPS locations for all estates and mills included in annual surveillance assessment**

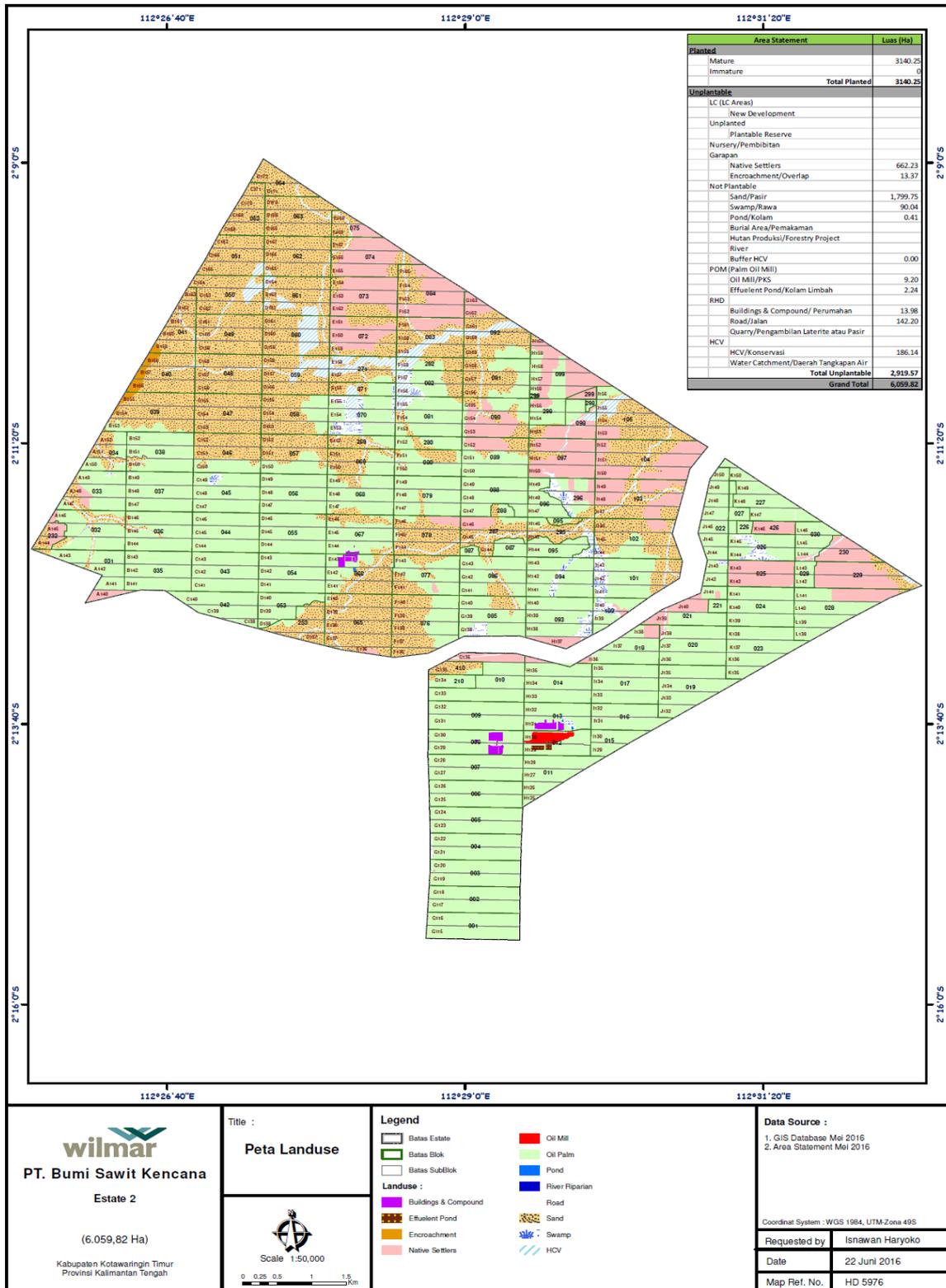
Name of mill / estate	Location	GPS locations	
		Latitude	Longitude
BSK Mill	Sebabi Village, Telawang Subdistrict, Kotawaringin Timur District, Central Kalimantan, Indonesia	02° 13'46" S	112° 29' 39" E
BSK 1 Estate	Sebabi Village, Telawang Subdistrict, Kotawaringin Timur District, Central Kalimantan, Indonesia	02° 23' 3" S	112° 29' 20" E
BSK 2 Estate	Sebabi Village, Telawang Subdistrict, Kotawaringin Timur District, Central Kalimantan, Indonesia	02° 13' 47" S	112° 29' 16" E

**Figure 1: Location map of PT Bumi Sawit Kencana in Kotawaringin Timur District, Central Kalimantan, Indonesia**





**Figure 2. Land use map BSK 1 estate**



**Figure 3. Land use map BSK 2 estate.**

**1.5 Organisational Information / Contact Person**

Contacts details of the company are as follows:

<b>Company Name:</b>	PT Bumi Sawit Kencana
<b>Address:</b>	<p><b>Head office:</b>                  Multivision Tower 12th floor, Jl. Kuningan Mulia Kav.9B, Guntur, Setiabudi Village, Kuningan Sub District, South Jakarta District, DKI Jakarta Province, Indonesia.</p> <p><b>Branch office:</b>                  Jl.H.M Arsyad KM 2.3 No.41A, Sampit, Kotawaringin Timur District, Central Kalimantan Province</p> <p><b>Plantation &amp; Mill :</b>                  Tangar Village, Telawang Subdistrict, Kotawaringin Timur District, Central Kalimantan, Indonesia</p>
<b>Contact Person:</b>	<b>Mr Isnawan Haryoko</b>
<b>Telephone:</b>	Tel. (0531) 34520-24 Fax. (0531) 34534
<b>Email:</b>	isnawan.haryoko@id.wilmar-intl.com

**1.6 Description of Supply Base**

**Table 3: FFB Supply Information for PT Bumi Sawit Kencana Mill year 2016 & year 2017 (July 2017)**

FFB Contributors	FFB supplied year 2016*		FFB supplied year 2017 (until July 2017)**	
	Tonnes	%	Tonnes	%
<b>PT Bumi Sawit Kencana Mill</b>				
<b>Company owned estates (certified):</b>				
Bumi Sawit Kencana 1 estate	30,843.430	20.60	18,030.370	16.06
Bumi Sawit Kencana 2 estate	49,049.670	32.77	42,575.662	37.92
<b>Sub Total***</b>	<b>79,893.100</b>	<b>53.37</b>	<b>60,606.032</b>	<b>53.98</b>
<b>Other Wilmar estate (certified):</b>				
Mentaya Sawit Mas 2 estate	1,137.370	0.76	169.560	0.15
<b>Sub Total</b>	<b>1,137.370</b>	<b>0.76</b>	<b>169.560</b>	<b>0.15</b>
<b>Other supplier (non-certified):</b>				
Karunia Kencana Permaisejati 1 estate	68,668.290	45.87	51,504.700	45.87
<b>Sub Total</b>	<b>68,668.290</b>	<b>45.87</b>	<b>51,504.700</b>	<b>45.97</b>
<b>Total</b>	<b>149,698.760</b>	<b>100.00</b>	<b>112,280.292</b>	<b>100.00</b>

\*) January to December 2016 (after grading)

\*\*) January to July 2017 (after grading)

\*\*\*) not all ffb production are supplied to BSK Mill but also supplied to other certified mills (under wilmar group) i.e PT Mustika Sembuluh 2 POM and PT Mentaya Sawit Mas POM amount of 67,873.70 MT

**1.7 Actual production volumes, tonnages and projected outputs.**

**Table 4: Certified tonnages claimed, certified tonnages purchased or sold, total and projected CPO and PK production from PT Bumi Sawit Kencana**

	Amount (MT)	
	2016	2017
<b>Certified tonnages previous claimed</b>	CPO: 40,629.60 PK: 7,618.05	
<b>Certified tonnages sold**</b>	CPO: 0.00 PK: 3,808.998	
<b>Certified tonnages purchased*</b>	0.00	
<b>Actual Production*</b>	CPO: 32,604.389 PK: 6,990.932	
<b>Actual certified production*</b>	CPO: 17,648.44 PK: 3,784.12	
<b>Actual OER &amp; KER</b>	OER: 21.78 & KER: 4.67	
<b>Total FFB receipt by BSK POM year 2016</b>	149,698.760	
<b>Actual certified FFB receipt by BSK POM year 2016</b>	81,030.470	
<b>Projected FFB for next 12 months</b>		153,300.000
<b>Projected certified FFB for next 12 months</b>		97,100.000
<b>Projected total output for next 12 months CPO &amp; PK</b>		CPO: 36,792.00 PK: 7,665.00
<b>Projected certified output for next 12 months CPO &amp; PK</b>		CPO: 23,304.00 PK: 4,855.00
<b>Projected OER &amp; KER for next 12 months.</b>		OER: 24.00% & KER: 5.00%

\*Data from January until December 2016 which ffb processed in BSK Mill

\*\*Based on Mass Balance Year 2016 that Certified CPO sold under other schemes (ISCC) amount 30,206.70 MT and Certified PK Sold under Palmtrace.

**1.8 Dates of Plantings and Replanting Cycles**

The company follows a replanting cycle of 25 years. Information on the dates of plantings are as per the table below.

**Table 5: Age and year of plantings of company estate supplying to PT BSK mill**

Age & Year of Plantings	Oil palm planted area at each estate (ha)		
	BSK 1	BSK 2	Total*
11 & 2006	3,501.66	0.00	3,501.66
10 & 2007	752.06	2,776.58	3,528.64
9 & 2008	12.02	312.99	325.01
8 & 2009*	0.00	53.60	53.60

Age & Year of Plantings	Oil palm planted area at each estate (ha)		
	BSK 1	BSK 2	Total*
6 & 2011	62.60	0.00	62.60
<b>TOTAL</b>	<b>4,328.34</b>	<b>3,143.17</b>	<b>7,471.51</b>

Note: \*) There is changes in the area statement with previous audit because the company has takeover the land as large as 2.92 ha (YoP 2009) at BSK 2

**Table 6: Planned and actual oil palm replanting activities for PT Bumi Sawit Kencana**

Year	Total planned replanting area (ha)	Total planned replanting area for each estate (ha)		Actual total area replanted (ha)
		BSK 1	BSK 2	
-	-	-	-	-
<b>Total</b>	-	-	-	-

Company has no replanting plan because all plantation in PT Bumi Sawit Kencana still young, as seen on the above information.

### 1.9 Area of Plantation (Total, Planted and Mature)

**Table 7: Oil Palm Planted Area Summary, FFB Production and Average yield/ha for PT Bumi Sawit Kencana**

#### Year 2016 (January until December 2016)

Estate Name	Total area (ha)	Oil Palm Planted area (ha)	Mature (Production) area (ha)	Immature (Non-production) area (ha)	FFB Production* (tonnes)	Average yield/ ha
BSK 1	5,411.89	4,328.34	4,328.34	0.00	91,484.02	21.14
BSK 2	6,059.82	3,143.17	3,143.17	0.00	56,282.78	17.90
<b>TOTAL</b>	<b>11,471.71</b>	<b>7,471.51</b>	<b>7,471.51</b>	<b>0.00</b>	<b>147,766.80</b>	<b>19.78</b>

Note: \* Production from January until December 2016 (after grading) and ffb supplied to other certified mills (under wilmar group) i.e PT Mustika Sembuluh 2 POM and PT Mentaya Sawit Mas POM.

#### Year 2017 (January until July 2017)

Estate Name	Total area (ha)	Oil Palm Planted area (ha)	Mature (Production) area (ha)	Immature (Non-production) area (ha)	FFB Production* (tonnes)	Average yield/ ha
BSK 1	5,411.89	4,328.34	4,328.34	0.00	18,030.370	4.16
BSK 2	6,059.82	3,143.17	3,143.17	0.00	42,575.662	13.54
<b>TOTAL</b>	<b>11,471.71</b>	<b>7,471.51</b>	<b>7,471.51</b>	<b>0.00</b>	<b>60,606.032</b>	<b>8.11</b>

Note: \* Production from January until February 2017 (after grading)

**Table 8: Land use data for PT Bumi Sawit Kencana**

Estate Name	Total area (ha)	Oil Palm Planted Area (ha)	HCV/ Potential HCV areas (ha)	Land used for other purposes (ha)			
				Housing, Road, Drainage, Nursery	Not plantable area	Mill	Enclave
BSK 1	5,411.89	4,328.34	54.41	171.34	155.50	-	702.30
BSK 2	6,059.82	3,143.17	186.14	156.18	1,890.21	11.44	672.68
<b>TOTAL</b>	<b>11,471.71</b>	<b>7,471.51</b>	<b>240.55</b>	<b>327.52</b>	<b>2,045.71</b>	<b>11.44</b>	<b>1,374.98</b>

**1.10 Progress against Time Bound Plan**

**Table 9: Time Bound Plan of the Other Management Units**

Name of Holding	Location	Time bound plan for certification (year)	Remarks
Sapi (1 + 2)	Sandakan, Sabah	2008	Certified
Sabahmas	Lahad Datu, Sabah	2008	Certified
Reka Halus	Sandakan, Sabah	2008	Certified
Saremas (1 + 2)	Miri Serawak	2008	Certified
Kaminsky	Miri Serawak	2008	Certified
Suai	Miri Serawak	2008	Certified
Segarmas	Miri Serawak	2008	Certified
Terusan (1 + 2)	Sandakan, Sabah	2009	Certified
Kiabau	Sandakan, Sabah	2009	Certified
Ribubonus	Sandakan, Sabah	2009	Certified
PT Perkebunan Milano (Sungai Daun, Batang Saponggol & Merbau estate)	North Sumatra	2009	Certified
PT Mustika Sembuluh	Central Kalimantan	2009	Certified
PT Kencana Sawit Indonesia	West Sumatra.	2010	Certified
PT Kerry Sawit Indonesia	Central Kalimantan	2010	Certified
PT Tania Selatan (Burnai Barat & Burnai Timur estate)	South Sumatra	2010	Certified
Hibumas	Sandakan, Sabah	2010	Certified

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Name of Holding	Location	Time bound plan for certification (year)	Remarks
Sri Kamusan	Sandakan, Sabah	2010	Certified
Sekar Imej	Sandakan, Sabah	2010	Certified
Aktif Kukuh & Koerasi	Sandakan, Sabah	2010	Certified
PT AMP Plantation	West Sumatra	2011	Certified
PT Primatama Muliajaya	West Sumatra	2011	Certified
PT Agro Nusa Investama (Sambas)	West Kalimantan	2012	Certified
PT Buluh Cawang Plantations (include Bambu Kuning estate (PT Tania Selatan))	South Sumatra	2012	Certified
PT Bumi Sawit Kencana	Central Kalimantan	2012	Certified
PT Sarana Titian Permata	Central Kalimantan	2012	Certified
PT Gersindo Minang Plantations	West Sumatra	2013	Certified
PT Daya Labuhan Indah (Cabang Dua Estate)	North Sumatra	2013	Certified
PT Permata Hijau Pasaman	West Sumatra	2013	Certified
PT Perkebunan Milano	North Sumatra	2013	Certified
BBPOP (Benso Plantation)	Ghana	2015	Certified
PT Mentaya Sawit Mas	Central Kalimantan	2014	Certified
PT Mustika Sembuluh 2	Central Kalimantan	2014	Certified
PT Putra Indotropical	West Kalimantan	2018	Planned
PT Pratama Prosentindo	West Kalimantan	2018	Planned
PT Indoresin Putra Mandiri	West Kalimantan	2018	Planned
PT Sinarsiak Dianpermai	Riau	2018	Pre assessment done
PT Agronusa Investama (Pahauman)	West Kalimantan	2018	Rescheduled
PT Murini Sam Sam	Riau	2015	Certified
PT Agro Palindo Sakti	South Sumatra	2014	Certified
PT Agro Palindo Sakti 2	West Kalimantan	2018	Rescheduled
PT Musi Banyuasin Indah	South Sumatra	2018	Rescheduled
PT Karunia Kencana Permai Sejati	Central Kalimantan	2015	Main Assessment done & waiting for certificate
PT Rimba Harapan Sakti	Central Kalimantan	2015	Certified
PT Bumipratama Khatulistiwa	West Kalimantan	2016	Main Assessment done & waiting for certificate

**New Development Area under Wilmar International**

Name of Holding	Location	Total area	NPP Status according to RSPO NPP procedure
PT Agro Indah Persada	Merangin. Jambi	1,200 ha	Approved
PT Agro Nusa Investama Sambas	Sambas, West Kalimantan	1,024 ha	Approved
Biase Plantations (Ibiae Estate)	Calabar, Nigeria	5594 ha	Approved
Biase Plantations (Calaro Extension)	Calabar, Nigeria	3066 ha	Approved
Eiyup Industry (Oban Estate)	Calabar, Nigeria	2986 ha	Not submitted (Pending HCV/HCS study)
Biase Plantations (Biase estate)	Calabar, Nigeria	8029 ha	Overlapping boundaries

**1.11 Compliance to Rules for Partial Certification**

Compliance of the uncertified management units of Wilmar International Indonesia against the rules for partial certification according to RSPO Certification System clause 4.2.4 was assessed by reviewed Wilmar Plantation self assessment reports. A summary of findings is as stated below.

Partial Certification Requirements	Audit Findings
(a) The parent organization or one of its majority owned and / or managed subsidiaries is a member of RSPO.	Wilmar International Indonesia is RSPO member with membership number <b>2-0017-05-000-00</b> .
(b-d) A challenging time-bound plan for certifying all its relevant entities submitted to the Certification Body (CB) during the first certification audit. The time-bound plan should contain a list of subsidiaries, estates and mills.  Any revision to the time-bound plan or to the circumstances of the company shall cause the plan reviewed. for whether it is still appropriate, such that changes to the time-bound plan are permitted only where the organisation can demonstrate that they are justified	Refer to the time bound plan under Section 1.10 above
(e) No replacement of primary forest or any area identified as containing High Conservation Values (HCVs) or required to maintain or enhance HCVs in accordance with RSPO criterion 7.3. Any new plantings since January 1st 2010 must comply with the RSPO	There are some newly developed plantation areas under Wilmar International such as in Jambi province, West Kalimantan province Indonesia and Nigeria. Some areas have undergone the New Planting Procedure (NPP) and been approved such as PT Agro Indah Persada, PT Agro Nusa Investama Sambas, Bi-

<p>New Plantings Procedure</p>	<p>ase Plantation (Ibiae Estate, Nigeria) while some areas are still undergoing the NPP such as Biase Plantation (Calaro Extension, Nigeria), Biase Plantation (Biase estate, Nigeria) and Eiyup Industry (Oban estate, Nigeria)</p>
<p>(f) Land conflicts, if any, 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>	<p>PT Asiatic Persada, which was previously a subsidiary of Wilmar had a significant land conflict issue but has been sold to other plantation company and is now no longer a subsidiary of Wilmar Plantation.</p> <p>Wilmar International carried out the New Planting Procedure for BIASE Plantation Limited (Ibiae estate) in Nigeria with an announcement made on the RSPO website on 9 November 2012. During this NPP process, a complaint was submitted by the Rainforest Resource &amp; Development Centre (RRDC) on behalf of the Ibiae Land Lord Community. The complaint covered infringements to several aspects of Principle 1 and Principle 2 of the RSPO P&amp;C. The case was taken up and investigated by the RSPO Complaints Panel, with decision made for RSPO to a lawyer well acquainted with Nigerian laws to review and give an authoritative opinion on whether the company had complied with the legal requirements of Nigeria. The legal opinion was received by the RSPO on 27 August 2014, and based on this opinion, the RSPO confirmed that BIASE Plantations was in compliance with legal requirements and closed the case. However, the result was not accepted by RRDC as well as the NGO, Friends of the Earth and the issue remains ongoing with no resolution. As the company has complied with requirements to attempt to resolve the dispute through the RSPO grievance procedure, this is noted by the TUV Rheinland audit team as an observation and progress of the case will be monitored.</p> <p>Further details on this case are available here: <a href="http://www.rspo.org/members/complaints/status-of-complaints/view/26">http://www.rspo.org/members/complaints/status-of-complaints/view/26</a> .</p> <p>There is also on ongoing land dispute at PT Gersindo Minang Plantation (GMP), West Sumatra under Wilmar, which has been ongoing since year 1997 with the village of Jaorang Rantau. This company has been RSPO certified by another certification body who is monitoring the status of the dispute with the RSPO.</p>
<p>(g) Labour disputes, if any, are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.</p>	<p>There are no other identified labour disputes ongoing at other subsidiary companies of Wilmar.</p>
<p>(h) Legal non-compliance, if any, are being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2.</p>	<p>Some of Wilmar's other management units have not complied with certain legal requirements, for example in PT Sarana Titian Permai under another Wilmar International management unit, there is an issue with the land area stated in the land use right certificate (HGU). However, the company is taking action by inviting the National Land Agency (BPN) to remeasure the land and resolve the issue. The process is still ongoing.</p> <p>At time of this audit, the company was still making efforts to close these legal non-compliances.</p>

**1.12 Compliance to other RSPO Procedure**

RSPO NPP	-
RSPO Compensation and Remediation procedure	-
Areal Subject to sanction	-

**1.13 Compliance to RSPO Guidance on GHG calculation**

During the audit, the audit team verify and confirm that:

The RSPO PalmGHG Calculator used	Version 3.0.1
Accurate data has been put into the RSPO PalmGHG Calculator	Yes
Net GHG Emission Figure (tCO <sub>2</sub> e/tCPO)	0.89

**1.14 Progress of associated smallholders or outgrowers towards RSPO compliance**

Based on incoming FFB data and clarification from mill manager, PT Bumi Sawit Kencana Mills are no received FFB from smallholder or outgrower. Smallholders scheme program under developing, until the audit time. The cooperation has established and the land has dedicated for smallholder. The progress of smallholders towards to RSPO certification will observed during next recertification audit.

**1.15 Revised Approximate Tonnages Certified**

The tonnages certified have revised from the previous amount stated in the RSPO certificate issued in year 2016 due to a decrease in the projected estimates (CPO and PK). The revised approximate tonnages certified (as per Appendix 1), based on production in 2017 are as follows:

Crude Palm Oil (CPO) : 23,304.00 mt  
 Palm Kernel (PK) : 4,855.00 mt

**1.16 Other Achievement s and Certification Helds**

Name of mill / estate	Certification Standard / Award achieved	Certification Body / Awarder	Date Achieved
PT Bumi Sawit Kencana	ISCC	ASG	2012

## 2.0 ASSESSMENT PROCESS

### 2.1 Certification Body

PT TUV Rheinland Indonesia is member of Group TÜV Rheinland Group, a global leader in independent testing and assessment services. The TÜV Rheinland Group established in 1872 with offices located in over 490 locations in 62 countries on all five continents. PT TUV Rheinland Indonesia offers certification for a wide range of management systems according to established international standards including ISO 9001, ISO 14001, OHSAS 18001, SA 8000, as well as CDM Validations and Verifications. PT TUV Rheinland Indonesia's office is located in Jakarta.

### 2.2 Qualifications of Lead Assessor and Assessment Team

The assessment team members of this surveillance audit that were part of the same assessment team for the surveillance audit are as follows:

1. -

New assessment team members that were not part of the previous assessment team are as per the table below:

Name	Position	Qualifications / Experience
Naik Monang Parlingungan Lingga	Lead Auditor	<p><b>Education:</b></p> <p>Bachelor of Forestry, Gadjah Mada University.</p> <p><b>Training attended:</b></p> <p>ISPO Auditor, Quality Management System (QMS) Auditor/Lead Auditor (ISO 9001:2008) by IRCA, Environmental Management Systems Auditor/Lead Auditor Conversion Training by IRCA (ISO 14001-2004), Lead Auditor RSPO Training, SCCS Training and HCVA Training</p> <p><b>Working experience:</b></p> <p>Field Assistant PT Sapta Karya Damai (2008-2013), Auditor in PT Sucofindo (2013-2015), and Auditor in PT TUV Rheinland Indonesia (2015-present).</p>
Andreas Rahutomo	Auditor	<p><b>Education:</b> Forestry Undergraduate – Universitas Gadjah Mada.</p> <p><b>Training attended:</b></p> <p>RSPO LA Training, Upgrading ISO 9001:2015; Lead Auditor IRCA Approved ISO 9001, ISPO Lead Auditor Training, IFCC Auditor Training, RSPO Supply Chain Auditor Training, FSC FM/CoC Auditor Training.</p> <p><b>Professional experience:</b> 5 years of working experience. Consultancy in several environmental projects (forestry and climate change) i.e. Forest Carbon Partnership Facility (Ministry of Forestry – World Bank), UNDP REDD+, and Indonesian Palm Oil Pledges (IPOP). Auditing experiences as palm oil and forestry auditor for several certification bodies i.e. Control Union, Bureau Veritas, and currently as permanent auditor at TUV Rheinland</p>
Doni	Auditor	<p><b>Education:</b></p> <p>Master in Rural Sociology, Graduate School of Bogor Agricultural University</p>

		<p>completed in 2005.</p> <p><b>Training attended:</b></p> <p>GIS Training, Auditor Training of Indonesian Sustainable Palm Oil (ISPO), Training of Participatory Mapping, Training of Document Preparation HCV and SIA, Auditor Training of Sustainable Production Forest Management (SFM), Training and Up-Grading of SFM, Training of Mentoring technique for the Rural Farmers, Conflict Resolution Training and Journalism Training.</p> <p><b>Working experience:</b></p> <p>Frequently conducted certification audits of RSPO and ISPO for Palm plantation, the certification audit of SFM (Sustainable Production Forest Management) for HPH and HTI, worked as a consultant for the National Development Planning Agency, Ministry of Environment and Forestry, Indonesian People Bank (BRI), Ministry of Rural Development (KPDT) and the Ministry of Public Works, Director General of Cipta Karya, JICA and UN-HABITAT and UNDP, HCVF document drafting team for the company of HTI, HPH and constituent team for documents of HCV / SIA for oil palm plantations. Since March 2016 till now, work at PT. TUV Rheinland Indonesia.</p>
<p>Wahyu</p>	<p>Auditor</p>	<p><b>Education:</b></p> <ul style="list-style-type: none"> <li>• Master Degree of Management of Manufacturing Engineering, Faculty of Engineering, University of Pancasila</li> <li>• Degree of Mechanical Engineering, University of Indonesia</li> </ul> <p><b>Training attended:</b></p> <p>RSPO Lead Auditor Course, Pro-Forest &amp; Daemeter, Calculation of Green House Gas at Palm Oil Plantation, Komisi ISPO, ISPO Lead Auditor Course, Komisi ISPO, Verified Legal Compliance &amp; Reduced Impact Logging Auditor Training, by Tropical Forest Foundation, SVLK Auditor Training, Ministry of Forestry, CoC Auditor – LEI, ISO 9001:2008, IRCA Approved Course, ISO 14001:2004, IRCA Approved Course</p> <p><b>Working experience :</b></p> <p>PT Carsurin, as QHSE Coordinator (2006 -2009), PT Mutu Hijau Indonesia, Jakarta as Technical Manager (2010-May 2014) and Auditor PT TUV Rheinland Indonesia (May 2014-present)</p>

### 2.3 Assessment Methodology & Agenda

The surveillance audit was conducted between 7-10 August 2017 as per the assessment program below. The assessment carried out in accordance with PT TUV Rheinland Indonesia's RSPO audit procedure as well as the RSPO Certification Systems document. During assessment, the qualified TUV Rheinland assessors used the RSPO standard as endorsed for the country in which the assessment took place and recorded their findings.

Due to the location and proximity of the estates, combined with common management systems, it was possible to carry out both field and document assessments of all estates and the mill within the timeframe without compromising the integrity of the assessment in anyway.

All 2 estates and 1 mill were visited and the assessment team carried out field and document assessments of compliance to all the RSPO principles and criteria. Common systems identified and specific evidence recorded for individual estates. Interviews conducted at all estates and the mill.

The company proposed the correction and corrective action for all identified non-conformities raised to the certification body 30 days after the closing meeting. Verification of closure of major non-conformances conducted

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2 months after the closing meeting of the main assessment and implementation of corrective actions for minor non-conformities will be verified during the next surveillance audit. The surveillance assessment agenda is as explained below.

**Surveillance Assessment Agenda.**

Date	Location/ Main sites	Main activities
7 August 2017	-	Travelling from Jakarta to mill / estate location
	Regional Office	Opening Meeting
8 August 2017	POM Office	Verification previous audit findings Verification of document and field relate of : <ul style="list-style-type: none"> <li>• Incoming FFB verification (security post, loading ramp)</li> <li>• Interview with mill workers (boiler supervisor)</li> <li>• Good Agricultural Practices</li> <li>• Field visit to land application site for mill effluent</li> <li>• Waste management (hazardous waste store, palm oil mill effluent treatment ponds, mill license for temporary hazardous waste storage, license for land application, land application records)</li> <li>• Pollution prevention control</li> <li>• Water management</li> <li>• OSH system (fire simulation records, medical check reports for year 2016)</li> <li>• Warehouse (mill compound, chemical store)</li> <li>• Worker facilities, medical facilities at PT BSK</li> <li>• Environmental (Environmental Management and Monitoring Program) and implementation reports, environmental objectives, targets and improvement plan, greenhouse gas calculation sheet, renewable energy efficiency analysis document)</li> <li>• Training (boiler operator training certificates and licenses)</li> <li>• Consultation with local community supplier</li> <li>• SCCS</li> </ul>
9 August 2017	Mill	Field verification relate of : <ul style="list-style-type: none"> <li>• Incoming FFB verification (security post, loading ramp)</li> <li>• Interview with mill workers (boiler supervisor)</li> <li>• Good Agricultural Practices</li> <li>• Field visit to land application site for mill effluent</li> <li>• Waste management (hazardous waste store, palm oil mill effluent treatment ponds, mill license for temporary hazardous waste storage, license for land application, land application records)</li> <li>• Pollution prevention control</li> <li>• Water management</li> <li>• OSH system (fire simulation records, medical check reports for year 2016)</li> <li>• Warehouse (mill compound, chemical store)</li> <li>• Worker facilities, medical facilities at PT BSK</li> <li>• Environmental (Environmental Management and Monitoring Program) and implementation reports, environmental objectives, targets and improvement plan, greenhouse gas calculation sheet, renewable</li> </ul>

		<p>energy efficiency analysis document)</p> <ul style="list-style-type: none"> <li>• Training (boiler operator training certificates and licenses)</li> <li>• Consultation with local community supplier</li> <li>• SCCS</li> </ul>
	BSK Estate	<p>Verification of document related of all estate :</p> <ul style="list-style-type: none"> <li>• Good Agricultural practices</li> <li>• Legal land and maintenance of boundary stones/pillars</li> <li>• HCV document</li> <li>• OHS system (accident records, recommendation letters for transfer of work for workers found with high blood cholinesterase levels and pregnant female sprayers, evidence of transfer to other work for aforementioned workers, OSH policy, OSH committee letter of approval from the Manpower Department).</li> <li>• Waste ( medical waste disposal records)</li> <li>• Legal requirement register</li> <li>• Insurance of worker (Jamsostek) payment records for temporary workers</li> <li>• Interview with harvesters and harvesting supervisor</li> <li>• Interview with female sprayers</li> <li>• Hazardous waste store</li> <li>• Fertilizer store</li> <li>• Sprayer's washroom</li> <li>• Chemical container and fertilizer and washing area</li> <li>• Housing compound</li> <li>• Domestic waste landfill</li> <li>• Clinic</li> <li>• Consultation with local community leader</li> </ul>
10 August 2017	Estate	<p>Verification of field related of all estate :</p> <ul style="list-style-type: none"> <li>• Good Agricultural practices</li> <li>• Legal land and maintenance of boundary stones/pillars</li> <li>• HCV document</li> <li>• OHS system (accident records, recommendation letters for transfer of work for workers found with high blood cholinesterase levels and pregnant female sprayers, evidence of transfer to other work for aforementioned workers, OSH policy, OSH committee letter of approval from the Manpower Department).</li> <li>• Waste ( medical waste disposal records)</li> <li>• Legal requirement register</li> <li>• Insurance of worker (Jamsostek) payment records for temporary workers</li> <li>• Interview with harvesters and harvesting supervisor</li> <li>• Interview with female sprayers</li> <li>• Hazardous waste store</li> <li>• Fertilizer store</li> <li>• Sprayer's washroom</li> <li>• Chemical container and fertilizer and washing area</li> <li>• Housing compound</li> <li>• Domestic waste landfill</li> <li>• Clinic</li> <li>• Consultation with local community leader</li> </ul> <p>Closing meeting</p>

**Agenda for Verification of Closure of Major Non-conformities**

This agenda is not applicable because there is no verification of closure of major non-conformities is need to be done

Date	Location / Main sites	Auditor	Main activities
-	-	-	-

**2.4 Stakeholder Consultation and Stakeholders Contacted**

The stakeholder consultation involved both external and internal stakeholders. External stakeholders notified to make comments on the certification assessment by placing an invitation to comment on the RSPO website. Stakeholders included those immediately linked with the operation of the company such employees, outgrowers, the local government, NGO's, trade and labour unions and local communities.

Stakeholder consultation visited to stakeholder's location and interviews. Meetings with stakeholders held to seek their views on the performance of the company with respect to the sustainability practices outlined in the RSPO Principles & Criteria, and to comment on aspects where improvements could made. Meetings with local communities held at their respective premises within and near the company's area.

In all the interviews and meeting, the objectives of the RSPO and the purpose of the assessment was clarified at the outset followed by an evaluation of the relationship between the stakeholders and the company before discussion proceeded to obtain the stakeholders feedback on the company's compliance to different aspects of the RSPO Principles & Criteria. Although several stakeholders were not familiar with RSPO but they agreed with its objective and expressed their willingness to collaborate in the promotion of sustainable palm oil in Central Kalimantan Province. In all interviews and meeting, the assessment team did not restrict discussion of both the positive and negative aspects of operations conducted by PT BSK estates and mill.

The interview with employee and related stakeholder held during the audit was extensive and productive, with an attendance of more than 40 person. This followed by site inspections, including visits to the local communities, interviews with land claimants and contractors, and inspections of worker amenities and infrastructure. The list of stakeholders that attended the stakeholder consultation meeting and stakeholders interviewed during the assessment is included as Appendix 3.

### 3.0 ASSESSMENT FINDINGS

#### 3.1 Summary of Findings

During the surveillance audit, there is 8 identified nonconformities were assigned during this year surveillance audit i.e. 4 nonconformitis against Major Compliance indicators while 4 nonconformities were assigned against Minor Compliance Indicators, 4 observations or opportunities for improvement were identified. Further explanation of the non-conformities raised and corrective actions taken by the company provided in Section 3.3. The observations & opportunities for improvement listed in Section 3.4.

The following is a summary of findings made for the criteria listed in the RSPO Principles & Criteria [NI P&C RSPO 2013 for Indonesia] for detail information about company’s compliances to RSPO P & C.

**Criterion 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**

**Findings:**

PT BSK has demonstrated it compliances regarding adequate information on (environmental, social and/or legal) issues relevant to RSPO Criteria to relevant stakeholders. There is a standard operation procedure has been established to response request of information from the management, i.e. SOP47/PR/6/0516 revision 6 dated May 1, 2016. The SOP explain mechanism for request of information and its responses, according to the procedure, all information requested will be handle by “Bina Mitra” department immediately. All Wimar workers who receive request of Information will be transfer to Singapore Office if the information related to external which involves Wilmar project in Central Kalimantan. Name and address of CSR the contact person in Singapore is already included in the procedure. “Bina Mitra” Departement Ministry will respond no later than 14 days from the reciving request the information. Requests for information could be by email, letter, telephone, and fax or directly visit BSK office of Regional Office Central Kalimantan Project or Sampit Office. Stakeholder can fill form Public Information request (1 / SOP / 47 / PR / 5/1115 if they visit directly to BSK office. Bina Mitra Officer will record all the information that comes into the logbook.

It was observed from the log book starting since July 1, 2008 to April 2016 there are 20 incoming letters from many stakeholders to PT BSK e.g.:

- Request to support heavy equipment for road construction from Pantap village dated December 29, 2016.
- Request to support ceremony for Sebabi Village head Inauguration head dated 11 February 2016.
- May 19, 2017 Pantap Village through letter no. 145/158 / PEMDes-PTP / V / 2017 applying for village operational support to PT Bumi Sawit Kencana.

The company can not showing the response evidence for the letter issued by head of Pantap village No.145/251/PEMDES-PTP/VII/2017 related discussing the plan of village development. The letter addressed to head of PT BSK where the letter give to security on behalf Amir. This condition raise as **Non conformity (NCR RSPO 01325)**

**Compliance status:**  Yes  No

**NCR RSPO 01325**

The company can not showing the response evidence for the letter issued by head of Pantap village No.145/251/PEMDES-PTP/VII/2017 related discussing the plan of village development. The letter addressed to head of PT BSK where the letter give to security on behalf Amir

**Criterion 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.**

**Findings:**

The SOP47/PR/6/0516 for providing adequate information to relevant stakeholders. In section 4.16, the company should disseminate all information and it updated regularly to relevant stakeholder. The company can provide evidence that the list and summary of document has distributed to relevant stakeholders.

**Compliance status:**  Yes  No

NCR No: -

**Criterion 1.3. Growers and millers commit to ethical conduct in all business operations and transactions.**

**Findings:**

The company as part of WILMAR Corporation has already documented a policy regarding Code of Ethical Conduct that published by Wilmar International as stated on document 044/Dir-KP/XII/2015. The policy was available in Bahasa and well understood by the workers. Communication and socialization was done to workers as observed on the records i.e.

- Dated April 9, 2016 to maintenance section of BSK 2, attended by 25 participants
- Dated April 5, 2016 to harvesting section of BSK 1, attended by 23 participants
- Dated April 7, 2016 to maintenance section of BSK 1, attended by 18 participants
- Dated April 14, 2016 to spraying and foreman of BSK 1, attended by 17 participants
- Dated May 23, 2017 to workers BSK POM attended by 95 participants

The policy including information about 3 main principles i.e:

- To avoid conflict of interest
- To avoid misues and/pr abuse of position
- To ensure confidentiality of information and to prevent misues of information gained through the company's operations, either for personal gain or for any purpose other than that intended by the Company.

In term of company's commitment to all principle above, auditor team can find enough evidence during the 4th surveillance audit, that company's staff level has been attend the socialization or other mechanism to ensure the implementation of policy, and sign the commitment on July 26, 2016 for BSK estate. Result of interview with management side, it was known that socialization of Code of Ethical Conduct policy was conducted by representative of management for contractor on 23, 24 May 2017.

**Compliance status:**  Yes  No

NCR No: -

**Criterion 2.1: There is compliance with all applicable local, national and ratified international laws and regulations.**

**Findings:**

**Compliance status:**  Yes  No

NCR No: -

The company has established a documented procedure, i.e.: "identifikasi pemenuhan dan evaluasi aspek hukum dan peraturan perundang-undangan (document no. KSI-Pro-BNM-001, revision 00, dated September 15, 2010. The procedure defined that evaluation of legal and regulations will be performed periodically 2 (twice) a year. There is evidence that the company has evaluated the legal and regulations each field accordingly. The last evaluation of list of legal and regulations each field performed on May 01, 2017.

Complete List of laws and regulations on field of plantation, environmental, OHS and labor and copy of laws and regulations are available on sites. The copy of laws and regulations kept and maintained by respective fields appropriately.

The company has a documented procedure of "Identifikasi Aturan dan Persyaratan Hukum, procedure no. SOP 08/CKP/(3)/0416, revision 3, dated April 01, 2016. The procedure included personnel in charge to identify and evaluate the legal documents was defined in the procedure, i.e.:

- Legal officer has responsibility to arrange list of laws, licensing, and other regulations
- Legal officer has responsibility to identify, make, and update list of law registers. And performed regular audit (twice a year)
- Legal officer has responsibility to arrange a program of legal compliance
- Estate and POM manager have responsibility to ensure that all relevant legal and other regulations fulfilled
- General manager has responsibility to compliance dan pelaksanaan and ensure that resources to comply is provided including financial resource
- Staff legal officer has responsible that list of law and regulations updated

The procedure also contains a mechanism that includes the following set of legal documents, comprehensive list of international, national and provincial and district laws which details the requirements of specific to the mill and estate operations, and relevant sections within the law that is identified and linked to activities. There is evidence that the documents are available to all levels of management.

The company has defined documented procedures that contained mechanism for ensuring compliance to legal and regulations, i.e. SOP 08/CKP/(3)/0416, revision 3, dated April 01, 2016 as explained above and internal audit procedure, document no. SOP 65/CKP/(0)0811, Revision 0, dated August 01, 2011. Part 6.2 of the internal audit procedure is described as follows:

- Coordinator of sustainability: will define yearly program of internal audit and share to all operating units within the company every beginning of year.
- Coordinator of sustainability will distribute audit plan (FRM 01/SOP 65/CKP/(0)0811) to all auditee at least 1 week before audit performed.
- Coordinator of sustainability defined team auditor.

There is evidence that internal audit has been performed on March 13 – 16, 2017. One of the internal audit purposes is for ensuring compliance to legal and regulations. There is evidence that the mechanism has been implemented, as proved on some documents below, i.e.:

- Audit Plan year 2017 – Central Kalimantan (including PT

<p>BSK). The internal audit planned on March 13 – 16, 2017.</p> <ul style="list-style-type: none"> <li>• Official report of internal audit verification RSPO dated June 14, 2017, at PT BSK-POM, Auditor Roni Susanto, M. Chumaidi and Rezka Raminda.</li> <li>• Official report of internal audit RSPO, dated March 15, 2017, at PT BSK POM, attendance list, and internal audit results.</li> <li>• Internal audit report of RSPO PT BSK (FRM 04/SOP 65/CKP/(0)/0811) – Internal audit findings of RSPO wa raised 44 NCR (consist of 25 Minor and 19 Major)</li> <li>• Document of correction and corrective actions (FRM 02/SOP 63/CKP/0/0811), dated March 13-16, 2017. 43 of 44 NCR has been closed, and the rest still in progress.</li> <li>• Document of verification correction and corrective actions (FRM 03/SOP 63/CKP/(0)/0811, tanggal 01 Agustus 2011.) dated July 17-19, 2017. Found that all NCR has closed.</li> <li>• Official report of Management Review, regrding Internal Audit RSPO result, dated March 24, 2017, and enclosed attendance list, and action plan.</li> </ul> <p>The company has defined documented methodology for tracking changes and communication of changes to relevant sections of the legislation as described on SOP 08/CKP/(3)/0416, Revision 3, dated April 01, 2016, namely Identifikasi Aturan dan Persyaratan Hukum. The SOP explained, as below:</p> <ul style="list-style-type: none"> <li>• Point 5.2, said: “Legal officer has responsible for identify, arrange, revised and perform audit (2 times a year).</li> <li>• Point 6.2.1, said: “Legal officer should be gathered information of all relevant legals and regulations from any sources. The sources of information, i.e.: Book of laws and regulations, related association (GAPKI, SPSI, KMSI, etc), Seminar or conferences, relevant governmental agencies (law, environmental, Manpower, Plantation, and Forestry), local governmental agencies etc.</li> <li>• Point 6.3, said: “Mechanism for updating law and regulations</li> <li>• Point 6.4, said: “Legal officer should be distributed copy of legals and regulations to all operating unit within the company.</li> <li>• Point 6.5.5, said: “CKP Legal officer has responsible to ensure that all licenses requirements was fulfilled through performed audit (2 times a year) or review on compliance at all operating unit within the company.</li> </ul> <p>The company has establish a mechanism for nonconformity control, Correction, and Corrective Action as documented on the SOP No. 63/CKP/(2)/0316, Revision 02, dated March 01, 2016.</p>	
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**Criterion 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.**

<p><b>Findings:</b></p> <p>The company has record of legal ownership of land i.e:</p> <ul style="list-style-type: none"> <li>• Decree of National Land Agency No: 64/HGU/BPN/2005 dated 2 June 2005 about granting of land use permits to PT. Bumi Sawit Kencana as large as 11,471.707 hectares located in Mentaya Hulu and Kota Besi Sub District, Kotawaringin Timur District, Central Kalimantan Province.</li> <li>• Land use permit certificate No. 31 located in Tangar and Sebabi village, Mentaya Hulu and Kota Besi Sub District,</li> </ul>	<p><b>Compliance status:</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p><b>NCR RSPO 01326</b></p> <p>During field visit, there is no found boundary pillar BPN No. 60</p> <p><b>NCR RSPO 01327</b></p> <p>The company can not showing the iden-</p>
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Kotawaringin Timur District, Central Kalimantan Province as large as 11,471.707 hectares.

The company also has legality about land status such as:

- EIA document (AMDAL) for plantation and mill as large as 11,050 hectares year 2009 with mill capacity is 90 tonnes/hour
- Document of high conservation value year 2009
- Document of CSocial Impact Assessment year 2017

The company has land map No.015/2014 dated 6 December 2004 as large as 11,471.707 ha located in Mentaya Hulu and Kota Besi Sub District, Kotawaringin Timur District, Central Kalimantan Province issued by Head of National Land Agency. During field visit, there is no found boundary pillar BPN No. 60. This condition raise as **Non-conformity (NCR RSPO 01326)**. The company has procedure of installation and monitoring of pillars HGU (001/SOP/GIS/2014 revision 00 effective dated 1 July 2014). The procedure regulated about maintenance of pillars HGU conducted every 3 months. The company has been conduct regularly monitoring and maintenance on February 2017 that equipped with minutes of monitoring and maintenance.

PT BSK has plantation business permit according to decree letter from head of Kotawaringin Timur No. 525.26/206/V/ELBANG/2004 for oil plantation development and mill with total area 11,050 ha dated May 18, 2004. The area stated on the license is not comply with the actual productive area i.e. 11,471 ha. The company proposed to revise the license through letter no. 01/BSK/ADM/XI/2013 dated November 29, 2013, management PT BSK issued another letter to following up "proposed to revise the license" by letter no. PT BSK No.05/BM-BSK/IV/2015 dated April 02, 2015 and letter No. 02/BSK/ADM/BM/VI/2016. Until the 4<sup>th</sup> surveillance audit the revised letter still not finished and still under progress revising.

PT BSK has two location permit to established oil palm plantation i.e.:

1. Location permit according to decree letter No. 179.460.42 from Head of Kotawaringin Timur District for oil palm plantation development on behalf PT Bumi Sawit Kencana located on Tangar village, Mentaya Hulu sub district, Kotawaringin Timur district, Central Kalimantan province with total area 8,550 ha, valid from March 8, 2004 for 3 years period.
2. Location permit according to decree letter No. 353.460.42 from Head of Kotawaringin Timur District for oil palm plantation development on behalf PT Bumi Sawit Kencana located on Sei Babi village, Mentaya Hulu Sub district, Kotawaringin Timur district, Central Kalimantan province with total area 2,700 ha, valid from March 8, 2004 for 3 years period.

After both locations permit expired, the land title for PT BSK has received according to decree letter for National Land Agency No. 64/HGU/BPN/2005 regarding land title (HGU) for PT BSK located on Mentaya Hulu and Kota Hulu sub district, Kotawaringin Timur district, Central Kalimantan province dated June 5, 2005 valid for 35 years with total area 11,471.707 ha.

Even the company has valid HGU, there is still ongoing process to solve the land status problem for PT BSK area that still include in Productive Forest status area. There is letter from Forestry Depart-

tify evidence of landowners of Block D137 and 138.

ment of Kalimantan Province No. 522.22/KD6/DK-II/2014 dated March 20 March 2014 to East Kalimantan Governor regarding technical consideration for replacement area proposal become Forest area on behalf PT. BSK. There is 1,234.882 Ha area recommended as replacement area. There is letter from head of district Kutai Barat No. 503/384/DK-TU/P/III/2013 dated March 27, 2013 regarding recommendation fro proposed replacment area become forest area on behalf PT Bumi Sawit Kencana.

There is claim of land in Block D137 and D138. The company can not showing the identify evidence of landowners of Block D137 and 138. This condition raise as **Non conformity (NCR RSPO 01327)**

**Criterion 2.3: Use of the land for oil palm does not diminish the legal, customary or user rights of other users without their free, prior and informed consent.**

**Findings:**

The company has a policy to circumvent instigated violence to maintain peace and order in current and planned operations. There is no evidence that the company use of confrontation and intimidation by the company to the communities that claim tPT BSK land. The company involve all relevant institutions such as local governemnt, local BPN, local Agriculture office to communicate related to problem solving. No para militaries and mercenaries use in the plantation except security to protect the company’s aset from the thief activities.

It was verified by the auditor during visited to villages surrounding PT BSK area such as, all head of villages from Pantap village, Biru Ma-ju village, and Tangar village confirmed that PT BSK management has good communication and cooperation with the villager and provide donation including technical asistant if any problem occure in the villages.

As explained above, PT BSK made land claimed map, according to the map, there are 4 (four) claim area in PT BSK. The map made internally by GIS deprtemen. There is some evidence that company conduct participatory mapping (survey location) or survey together for dispute area with the land claimer. Such as land case with Zainal and land case with Simamora all in BSK 2. There are complete land conflict resolutions including negotiation with FPIC meth-od to Zainal Arifin and Simamora. All relevant information are avail-able in Bahasa Indonesia and cleraly understood by both parties in-cluding the local communities. There is also evidence that commu-nities represented through institutions or representatives of their own choosing.

**Compliance status:**  Yes  No

**NCR No:** -

**Criterion 3.1: There is an implemented management plan that aims to achieve long-term economic and financial viability.**

**Findings:**

The company have a documented business or management plan for period of 5 years, 2015 to 2020. The management plan has in-clude land area statement (planting years, non-planted areas, i.e. HCV, conservation areas, fragile soils, enclaves) with updated loca-tion maps, quality of planting materials, crop projection (Fresh Fruit

**Compliance status:**  Yes  No

**NCR No:** -

Bunches, FFB) yield trends, forecast prices, financial indicators – profitability forecast (income vs cost), projected expansion (area, mill capacity, infrastructure, social amenities)

There is evidence that budget evaluated and updated every year. The company has a financial schedule for yearly budget. Information on document consist of general routine operational activities such plantation maintenance, harvesting, fertilizer, investment plans such enrichment planting (planting of various plant species to enhance biodiversity), mill activities such FFB processed, projected oil extraction rate (OER) and kernel extraction rate (KER, . projected crude palm oil (CPO) and palm kernel (PK) production, CSR programmes and environmental monitoring, HCV management plan and other activities to fulfil RSPO requirements.

While for company's 3 years budget plan only focus to company's expenditure for each activity (including activities for environmental management programmes and all CSR related expenses, legal compliance and RSPO P & C compliance) and revenue from company's production including all company's liabilities. The amount of profit estimated to achieve each year was clearly calculated, and all information clearly explained in PT BSK projection plan for a period of 5 years from 2015 to 2020.

Documentation of cost projection for estates and mill are integrated, and the projected financial feasibility of the company for next 5 years based from the current FFB price can seen from these documents.

Summary of budget or summary of expenditure consist of FFB process, OER, KER, CPO production, PK production, number of shift, number of workers, working hours/day, mill throughput, mill running hours, number of working days, capital expenditure, total production cost (total fixed cost and total variable cost), and etc.

Replanting cycle defined every 25 years, and replanting program will begin in 2033, since the oldest plantings in PT BSK in year 2009. A sample of 5 years management plan data as presented on table below.

Items	2016	2017	2018	2019	2020
Land clearing, ha	0	0	0	0	0
New planting, ha	0	0	0	0	0
Immature area, ha	0	0	0	0	0
Replanting area, ha	0	0	0	0	0
Mature area, ha	7,469	7,469	7,469	7,469	7,469
Total planted, ha	7,469	7,469	7,469	7,469	7,469
Unplanted, ha	4,003	4,003	4,003	4,003	4,003
Total area, ha	11,472	11,472	11,472	11,472	11,472
FFB production, Mt	204,000	208,200	205,300	198,400	191,100
Yield, tonne FFB/ha/year	27.30	27.90	27.50	26.60	25.60
OER, %	24.00	24.00	24.00	24.00	24.00
KER, %%	4.25	4.25	4.25	4.25	4.30
CPO production, Mt	46,656	47,899	48,118	47,496	48,540
PK production, Mt	8,262	8,842	8,521	8,411	8,596
Profit / losses after tax	Profit	Profit	Profit	Profit	Profit

**Criterion 4.1: Operating procedures are appropriately documented, consistently implemented and monitored.**

**Findings:**

There is no revision on Integrated Management System (IMS) Manual of PT BSK since previous audit. The IMS Manual was cover the whole procedure of the company's activities, such as related procedures for Mill and Plantation. All procedures are maintained and well documented, such as:

- The Procedures related to all activities of Plantation, such as land preparation activities, Nursery, Planting, Integrated Pest Management (IPM), Manuring/Fertilization of Immature Oil Palm/Mature Oil Palm and harvesting activity, is compiled and maintained in The Agricultural Manual and Standard Operating Procedure for Oil Palm 2015
- The organization, through EMU department issued some procedures as complement of Agricultural Manual and Standard Operating Procedure for Oil Palm 2015 such as, procedures of handling seedling (001 / AGR-CKP / XII / 08 ), Pest & Disease (P & D) (SA 02 / EMU / (1) / 0710, Peat (SA 03 / EMU / (1) / 1215), until composting procedures (SA 13/EMU/(0)/1015
- Related procedures to Safety Standard Operating Procedure is set starting from PSKK 01/CKP (2)/0815 up to PSKK 07/CKP (1)/1209. Activities regulated such as Harvesting, Pruning, Chemical Spraying and transportation of FFB, etc.
- Related procedures to Emergency response is set from PTD-01/CKP(0)/0409 up to PTD 11/CKP(0)/0409. For Example Land and forest fire procedure, Spills Chemicals & Fertilizer, etc.
- Related procedure to mill activity, such as Recording and weighing FFBS, Loading Ramp, Water Treatment, the operational at each station (Sterilizer, Press, etc.), workshop, and maintenance is complied and maintained in "Operating Procedure of Palm oil Mill (WIP/POM/SOP/01/02-14)". In addition, related to Supply Chain Requirements are also well documented, such as SOP FFB Incoming (SOP / BSKPOM-LOG-003, SOP Traceability for CPO production (SOP-Mill-008) and SOP Mass Balance (SOP-Mill-10).
- Some of the procedures supported by working instructions and the monitoring of operational activities recorded in operational forms.

All procedures written in Bahasa, so easy to understood by all personnel at all levels and functions within the company. There is evidence that the procedures available at the point of use, such as by attached copy of procedures near the area (at mill) and bring by the leader of group (at fields/plantation).

During this audit, fields visit has performed on some locations and activities in BSK-1 estate i.e.: Division 2 Block 060 (spraying activities), Block 062 (manuring activities, Block 98 (peat land area) and Division I Block 007 (harvesting activities), Block 024 (sample of IPM implementation, tyto alba cages). Based on interview with harvesters understood the procedure of FFB harvesting, especially as stated on section 7 (criteria of loose fruit fall).

**Compliance status:**  Yes  No

NCR No: -

On-site interview with relevant workers during fields visit has conducted to ensure that the workers have knowledge and ability appropriately.

Fields visit also conducted to Mill, especially press stations, during visit, the digester not operated. According to SOP Pressing Station (WIP/POM/SOP/01/02-14, Rev 0, February 01, 2014) stated that operating temperature of digester set on  $95^{\circ}\text{C} \pm 5^{\circ}\text{C}$ , and found that the thermometer of digester equipped by boundary marks of operating temperature (maximum and minimum marks of temperature). The marks created to facilitate the monitoring of the operating temperature.

The company has document of Master List Document, all of documents such as procedures, working instructions, and others document listed in the document. Revision status and retention time also stated in the documents. Control of document mechanism has been defined in Procedure of Document Control (SOP 37/CKP/(0)/0409).

PT BSK has establishes documented procedure of Internal Audit, document no. (SOP 65 / CKP / (0) / 0811. The procedure stated that internal audit will be performed 1 (one) time a year. Scope of internal audit was covered all aspects of management / SOP that has been set. The last Internal Audit was conducted on March 13-16, 2017 and Internal auditors has verified and ensured had competent with attend training regarding the conduct of the audit. Auditors who conduct audits, such as Roni Sutrisno, Rezka and Sarimanah.

In case, at the time of the internal audit found non-compliance, the follow-up of non-compliance is referring to the Procedure Correction and Corrective Action (SOP 63 / CKP / (2) / 0316). The company also consistent to record any action taken as evidence of compliance with standard operating procedures (SOP) that have been determined. This recording control refers to the SOP Control of record (SOP 36 / CKP / (1) 0310). Records related to Internal Audit/Control, can be seen in the document "Correction & Corrective Action (FM-03 / SOP 63 / CKP / (0) / 0811)

Related to the consistency of the implementation of the Harvesting, a mechanism that done is a Quantitative Agro Management System (QAMS). This mechanism carried out in the whole Mature Oil Palm area. QAMS conducted in accordance with a set schedule those 1-5 days after harvesting. Related to this harvesting activity, during field visit in Block 007, Division 1, BSK-1, auditor verifying harvesting activities and also verify the the previous audit findings related loose fruit. Based on interview with some harvesters, found that they are consistently implement harvesting criteria 2 (two) loose fruits on the ground as defined on SOP Harvesting Fresh Fruit Bunch (Chapter 7 of Agricultural Manual & Standard Operating Procedure for Oil Palm Year 2015). It means corrective actions have taken since previous audit are effective.

Records of harvesting statistics and other operational results as required in their SOPs, includes data on the amount (tonnes) of FFB harvested from each estate block, no. of bunches harvested, average bunch weight and yield per ha available.

The estates also maintain records of amounts of chemicals used each month (recorded in 'Agrochemical Use Summary' for each year).

SOPs for PT BSK POM is available for all operations, including the weighbridge, operation of sterilizer, loading ramp, thresher, digester, press, vibrating screen, decanter, sludge separator, ripple mill, clay bath, depericaper, kernel, boiler, water treatment plant, and for taking water samples from POME, SOPs for the laboratory and logistics (from reception to despatch of CPO and PK). The person-in-charge for FFB sortation interviewed on site and found to be following the documented SOP for FFB sortation (SOP/BSKPOM-ST5-001). SOP for maintenance of machinery is also available and records of maintenance checks conducted as required in the SOPs. From site visits to the mill, it also observed SOPs displayed at mill stations, e.g. vibrating screen station. The mill maintains records of operational results as required in their SOPs.

The company has procedure of FFB reception with document number SOP/BSKPOM-LOG-003 revision 02 effective date 29 May 2017. The procedure has described about FFB reception from certified estate and non-certified estate. The company has list of FFB supplier i.e. certified and non-certified FFB supplier. During the audit, the company has implemented the procedure and has been conduct recording for FFB in accordance with procedure. The company has record of FFB from own estate and from one of group company which record in recapitulation of FFB reception. Record of FFB reception has verified against entire document.

**Criterion 4.2: Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.**

**Findings:**

The company has established a documented procedure – Agronomy, Soil sampling for soil fertility status, document no. SA 12/EMU/2/0916, revision 2, dated September 01, 2016. The SOP said that soil sampling is an activity of taking soil samples from the land to determine the status of soil fertility as well as a database in determining the dosage of recommended fertilizer oil palm. Database of soil still refer to document of soil survey issued by consultant year 2007. Based on the documents, number 6.1 stated that the soil sampling will be taken every 5 – 15 year once regularly or if any needed when replanting.

Based on Agronomy Manual Book and Procedure of Palm Oil Plantation – Wilmar year 2015, Part 3 (Fertilizing of Palm Oil, number 1.3.1, said: “fertilizer type, amount, and frequency of application recommended by Agronomy” and number 1.3.2 said: “Yearly leaf sampling for leaf analysis performed by Agronomy department to defined nutrient status for provision of fertilizer recommendation.

The company maintained records of fertilizer input appropriately and proof that the fertiliser program linked to the agronomic report. Some records were reviewed, for example:

- Record of “Total Kebutuhan dan Schedule Pemupukan Tanaman” containing information/data year of planted, block, soil type, wide of areal, fertilizer type, dosage, amount, and realization. Sample at BSK-2 year 2017 – Divisi 1

**Compliance status:**  Yes  No

NCR No: -

- Recapitulation of Fertilizer Usage of 2016 and 2017 both BSK 1 and 2.
- Records of fertilizer usage per tonne of FFB production summarize as sample below.

Fertilizer type	PT BSK Estate 1 & 2 year 2016			
	Amount (MT)	Applica-tion area (ha)	FFB Prod'n (tonne)	Kg/tonn e FFB
Urea	7.65	37.55	130,716.21	0,059
MOP	1,492.80	7,125.04	130,716.21	11,420
Gafsa/RP	89.35	895.87	130,716.21	0,684
Borate	25.30	1,264.90	130,716.21	0,194
Kieserite	244.65	2,336.36	130,716.21	1,872
Dolomite	243.95	1,218.11	130,716.21	1,866
ZA/SOA	1,600.28	7,088.24	130,716.21	12,242
NPK Super K13	4,562.35	14,339.03	130,716.21	34,903
<b>Total</b>	<b>8,266.33</b>	<b>34,305.10</b>	<b>130,716.21</b>	<b>63,239</b>

There is evidence that leaf analysis has been performed every year regularly both on BSK-1 and BSK-2. Records of leaf analysis of 2015 and 2016 are available. For 2017, analysis has performed, however the analysis result has not available yet. The 2017 fertilizer programme based on a leaf analysis of 2016.

The company has nutrient recycling strategy by implemented other applications, such as EFB Mulching and POME Application to the land application. EFB applications in the field (mulching with EFB) conducted in accordance with the related procedures and the application doses according to the recommendations. Records of EFB applications well maintained, for example, total EFB application in the BSK-1, for year 2016 was 12,191.53 ton and spread in 330.14 ha of area. And total EFB application in BSK-2 for year 2016 was 22,270.94 ton and spread on 60.37 ha of area.

Relating to Land application of POME, the company has a permit from The Regent of Kotawaringin Timur No. 660/3/3 / BLH-LA / IV / 2013, dated 30 April 2013, valid for period of 5 (ive) years, Regarding Permit for utilize of Waste water/Palm Oil Mill Effluent (POME) to the land, PT Bumi Sawit Kencana. Some blocks have been applied (in accordance with a permit), that is 016, 017, 019, 006 and 005. Total area for land application is 350,82 ha.

Records of land application documented in the document "Form Laporan Aplikasi Limbah Cair ke Lahan Apilkasi" (FRM-SD-19-02, Rev. 02). Utilization of POME for land application well recorded. For example data of land application for January – April 2017 as follows:

Item	January	February	March	April
FFB processed (tonne)	15,139.79	12,556.81	16,006.74	15,702.73
Mill effluent inlet (M3)	12,277	11,224	13,898	12,745
Mill effluent outlet	12,026	11,941	12,178	12,764

(for land applica- tion) – M3				
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Based on field visit to land application area, POME processes, and FFB application locations, found that all processes well managed. Based on-site interview with persons in charge, show that they can demonstrated their knowledge and ability in accordance best practices and procedures.

**Criterion 4.3: Practices minimize and control erosion and degradation of soils.**

**Findings:**

The company has a detailed soil map showing gradients and all soil types within all 3 estates, done by Param Agricultural Soil Surveys (M) Sdn. Bhd., dated June 2007. Refer to Map of fragile soil with scale 1:50.000, there are Sandy Soil (fragile soil), i.e buso (podsolik humik), miri (pudsol humik), and serai (arenosol albik). For BSK 1 and BSK 2, A detail area Sandy Soil in accordance with the following table :

Estate	Area (Ha)	Sandy Soil				
		Bso	Mri	Sri	(Ha)	(%)
BSK 1	5,412.00	485.00	225.90	148.97	859.87	15.89
BSK 2	6,059.82	296.53	467.73	1,558.52	2,352.78	38.83
<b>Total</b>	<b>11,471.82</b>	<b>781.53</b>	<b>693.63</b>	<b>1,737.49</b>	<b>3,212.65</b>	<b>28.00</b>

The company has detailed soil map with scale 1:25,000 and peat soil maps with scale of 1: 115,000. From the maps obtained information that in BSK-1 has amounted to 89.72 hectares of peat land (1.66% from 5,411.89 ha of total area) and BSK-2 has 122.53 ha of peat land (2.02% from 6,059.82 ha of total area), so total of peat land was 212.25 ha from 11,471.71 ha total area.

Meanwhile, Based on detailed soil map, obtained information that area of BSK-1 and BSK-2 has a flat (slope between 0 - 6°) and no a steep slope, so the land slope in Bumi Sawit Kencana is mostly flat. Because of the land slope is mostly flat, so there were no plans for planting in locations that have a steep slope.

Nevertheless, the company still monitor the erosion, in accordance with SOP Erosion (SA 08 / EMU / (0) / 0811) "Guidelines for Measurement of Soil Erosion Level.

Based on peat soil map with scale 1:50,000 of PT BSK-1 & PT BSK-2, locations of peat land at each estate, i.e.: BSK-1 located at blocks 98 & 103 and BSK-2 located at Blocks 46 & 85. The company also has map of Weirs Subsidence and Water Levels, as follows:

- PT BSK – 1: shown on Map of Weirs Subsidence and Water Level: at Block 98 (3 points of subsidence) & 103 (2 points subsidence)
- PT BSK – 1: shown on Map of Weirs Subsidence and Water Level: at Block 46 (3 points of subsidence) & 85 (3 points of subsidence)

Actually the peat lands both on BSK-1 and BSK-2 has been plant-

**Compliance status:**  Yes  No

NCR No: -

ed palm oil, as follows:

- PT BSK – 1:
  - a. Block 98: planted year on August 2006
  - b. Block 103: planted year on March 2007
- PT BSK – 2:
  - a. Block 46: planted year on February 2007
  - b. Bock 85: planted year on May 2007

Based on the above condition, the company has established a SOP of Peat Land Management and Monitoring on Peat Land was Palm Oil Planted Appropriately. SOP No. SA 03/EMU/(4)/1215, Rev.04, December 01, 2015.

The organization has documented road maintenance programme yearly with supporting budget and resources (labor, financials, equipments etc. Records of roads maintenance well maintained. For example, year 2016:

- Program: collection road: 54,633 meter; main road: 10,927 meter, boundary road: 2,185 meter
- Realization: collection road: 59.616 meter; main road: 11,416 meter, boundary road: 876 meter

And, road maintenance program programme and realization year 2017 as below:

- Program: collection road: 33,664 meter; main road: 11,216 meter, boundary road: meter
- Realization:, collection road: 37,149 meter; main road: 68,178 meter, boundary road: 1,356 meter

Peat land at Central Kalimantan Project (CKP), especially BSK is inland peat/non-marine peat, and no marine peat, and peat land area at CKP is spots area. There is an SOP to provide guidance on subsidence management that is SOP Management and Monitoring of Peat Land that has Planted, SOP No. SA 03/EMU/(4)/1215, Rev.04, December 01, 2015. RSPO BMPs on pet has referred on the procedure. How to monitoring subsidence has explained on the procedure, i.e. point number 9.3: "monitoring and reading of decreasing peat land surface shall be conducted once a year minimally. Furthermore, point number 6.1 said: "water level from land surface maintained between 50-75 cm, where the lowest water level is 75 cm during dry season". At point nuber 6.4 said: "Water level signs shall be placed on appropriate locations on secondary or main drain monitored and water level recorded daily". Some locations has been defined as monitoring of peat subsidence, i.e.: BSK-1 estate 5 (five) points (3 points at block 103 and 2 points at block 98); BSK-2 estate 6 (six) points (3 points at block 46 and 3 points at block 85). Based on fields observation found that the monitoring stakes available and maintained.

Records of subsidence monitoring are available on document "Data Pengukuran Tahunan Subsidence Permukaan Tanah Gambut". Based on the records, obtained information as below:

- BSK-1 estate: initial measurement/monitoring conducted on May 14, 2014 and defined as "reference/zero point". Results of the latest monitoring/measurement that conducted on May 04, 2017, i.e.: Point #1: 7.5 cm; #2: 6.6 cm; #3: 7.6 cm; #4: 4.7 cm; and #5: 5.8 cm.
- BSK-2 estate: initial measurement/monitoring conducted on November 20, 2012 and defined as "reference/zero point". And, results of the latest monitoring/measurement that was conducted on May 03, 2017, i.e.: Point #1: 7.6 cm; #2: 7.2 cm; #3: 5.2 cm;

#4: 9.4 cm; #5: 7.4 cm and #6: 4.5 cm

The company has control water level by conducted construct some weirs and water gates to minimize of subsidence. The company has been construct 9 weirs on BSK-1 and 8 weirs on BSK-2. There is a water management programme and evidence of implementation as recorded on the document “Data Pengukuran Tahunan Subsidence Permukaan Tanah Gambut”.

There is no replanting program on peat, and then there is no drainability assessment to determine the long-term viability of the necessary drainage for oil palm growing.

**Criterion 4.4: Practices maintain the quality and availability of surface and ground water.**

**Findings:**

The company has established water management plan both for Mill an plantations, i.e.: SOP Management of DAS (SOP 21 / EHS / (0) / 0409) and SOP Management of Riparian Area/Riparian Belt (SOP 20 / HCV / (1) / 0115). The procedure included the following: water sources identification, water efficiency, renewability of water sources, impact on catchment area and local stakeholders, access of clean water, and avoidance of surface and ground water contamination. The company has defined actions plan of those, such as no spraying or chemical treatment at all riparian zone. Attentions/prohibition marks/signage are available on-site. The company has defined water management plan into some area such as office, warehouse, housing, field activities (estate/plantation) and palm oil mill (POM). Water sources for warehouse and housing taken from wells (ground water) and water pond. Water treatment plant and water quality check has performed before consumed.

The company has map of identifying watercourses, i.e.: “Peta Sungai” both in BSK -1 (scale 1:77,000) and BSK – 2 (scale 1:57,000). There is no wetland within the company area.

PT BSK has established some procedures related to maintain the quality and availability of surface and ground water and for riparian and buffer zone protection, such as SOP Management of DAS (SOP 21 / EHS / (0) / 0409) and SOP Management of Riparian Area/Riparian Belt (SOP 20 / HCV / (1) / 0115).

There is evidence that the above procedures implemented, for example: the effectiveness of fertilization, especially in the Riparian, BSK 1 and BSK 2 has done a detailed census of the trees that are in the Riparian, as an effort to customize of material request, such as for fertilizers and herbicides and presence of prohibition mark/signage around riparian zone.

The company has palm oil mill effluent (POME) treatment to process wastewater produced by the Mill. The POME was manage and monitor as applicable regulations and SOP Waste water, Land Application and solid waste (WIP / POM / SOP / 01 / 02-12), and also SOP POME Pond (SOP 15 / EHS / (0) / 0409).

The company’s POME consist of 12 ponds with total volume 162,248 M3, and detailed as below:

**Compliance status:**  Yes  No

NCR No: -

- Cooling Pond I: 3,300 M3
- Mixing Pond I: 2,852 M3
- Mixing Pond II: 2,852 M3
- Acidification Pond: 19,440 M3
- Anaerobic Pond I: 19,440 M3
- Anaerobic Pond II: 10,400 M3
- Anaerobic Pond III: 28,350 M3
- Anaerobic Pond IV: 28,350 M3
- Facultatif Pond: 10,400 M3
- Aerobic Pond I: 15,360 M3
- Aerobic Pond II: 12,288 M3
- Safety Pond: 9,216 M3

The company has license for utilized POME for land application from Regent of Kotawaringin Timur District No. 660/313/BLH-LA/IV/2013, dated April 2013, regarding Permit to Utilize Palm Oil Mill Effluent For Land Application of PT BSK. The license valid until April 2018. As stated on the license, area wide for land application is 535.22 ha (26 block) and BOD < 5,000 and pH: 6 – 9.

As license holder, the company have the duty of waste water quality monitoring at #7 pond (secondary aerobic pond), frequency of monitoring has defined as follow:: daily flow rate, monthly BOD5, Monthly COD, daily pH, Monthly oil and fat, Monthly Pb, Cu, Cd & Zn, ground water every 6 (six) month, and soil once a year. The company must be report to regent of Kotawaringin Timur District, provincial government of Kalimantan Tengah Province, and ministry on Environmental and Forestry. Mill effluent must be reported once a month, ground water every 6 month once and soil every 1 year once.

There is evidence that the company performed appropriate processes for checking and monitoring water discharge quality and comply with applicable regulations. Some of records and documents were reviewed as below:

- Report of Effluent Quality for period July - September 2016, report no. 01/BSK POM/EHS/XI/2016, dated November 02, 2016. The data as follow:
  - a. Effluent flow rate in average: July: 741.6 M3/day; August: 571.76 M3/day; and September 446.37 M3/day.
  - b. Production/material consumption: July 531.93 ton/day; August: 607 ton/day and September 643 ton/day
  - c. pH in average: 7
  - d. Effluent quality test result: BOD: July: 389, August: 264 and September: 225 (test performed by Unilab Perdana, KAN Accredited Laboratory, LP-195-IDN)
- Report of Effluent Quality for period October - December 2016, report no 002/BSK POM/EHS/I/2017, dated January 30, 2016. The data as follow:
  - a. Effluent flow rate in average: October: 461.97 M3/day; November: 432.8 M3/day; and December: 516.42 M3/day.
  - b. Production/material consumption: October: 623.33 ton/day; November: 538.57 M3/day and December 442.81 ton/day.
  - c. pH in average: 7
  - d. Effluent quality test result: BOD: October: 239, November: 240 and December: 250 (Test performed by Unilab Perdana, KAN Accredited Laboratory, LP-195-IDN)

- Report of Effluent Quality for period January – March 2017, report no. 005/EHS/BSK-POM/IV/2017, dated April 06, 2017. The data as follow:
  - a. Effluent flow rate in average: January 400.87 M3/day; February: 426.46 M3/day; and March: 392.84 M3/day.
  - b. Production/material consumption: January: 605.59 ton/day; February: 523.20 ton/day and March: 615.64 ton/day
  - c. pH in average: 7
  - d. Effluent quality test result: BOD: January: 310, February:169, and March: 623 (Test performed by Unilab Perdana, KAN Accredited laboratory, LP-195-IDN)
- Report of effluent quality for period April – June 2017, report no. 014/EHS/BSK-POM/VII/2017, dated July 14, 2017. The data as follow:
  - a. Effluent flow rate in average:: April 425,47 M3/day; May: 427.35 M3/day; June 459.35 M3/day.
  - b. Production/material consumption : April 682.73 ton/day; May: 695.28 ton/day, and June : 661.87 ton/day
  - c. pH in average: 7
  - d. Effluent quality test result: BOD: April: 125, May: 932, and June: 463 (test performed by Unilab Perdana, KAN Accredited Laboratory, LP-195-IDN)
- Letter No. 005/EHS/BSK-POM/IV/2017, dated April 28, 2017, about Monitoring of Effluent Quality period January – March 2017, to Head of Environmental Agency of Kotawaringin Timur District
- Letter no. 014/EHS/BSK-POM/VII/2017, dated July 20, 2017, about Monitoring of Effluent Quality period April – June 2017, to , to Head of Environmental Agency of Kotawaringin Timur District
- Letter no. 014/EHS/BSK-POM/VII/2017, dated July 20, 2017, about Monitoring of Effluent Quality period April – June 2017, to Head of Environmental Agency of Central Kalimantan Province.

The company has a mechanism to measure mill water usage and well implemented. Records of mill water use per tonne of FFB available and maintained. Water usage per tonne FFB of year 2016 as below:

Month	FFB Processed (Mt)	Water Use* (M3)	Water Use /tonne FFB (M3/Mt)
January	13,585	25,343	1,86
February	13,555	22,205	1.64
March	10,698	21,327	1.99
April	9,965	21,091	2.12
May	8,740	14,752	1.69
June	8,700	14,678	1.69

July	7,979	19,723	2.47
August	12,747	20,971	1.65
September	17,361	26,463	1.52
October	18,700	28,370	1.52
November	16,157	26,062	1.61
December	11,513	22,670	1.97
<b>Total</b>	<b>149,700</b>	<b>263,655</b>	<b>1.76</b>

\*water use for process and domestic/housing

**Criterion 4.5: Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques.**

**Findings:**

The company has a procedure for Detection and Census of Oil Palm Pests and Diseases document. The SOP is in Indonesian language and includes a detailed flow chart on the Procedure for Census and Management of Rat Pests. The SOP refers to Wilmar's Agriculture Manual and SOP Procedures for Oil Palm (2007), Chapter 8 - Plant Protection - Pest & Disease Management, and #SA2/EMU/(01)0710.

All estates also have a documented IPM programme which includes a schedule for planting of the beneficial plants, vertiver grass (to reduce erosion) and turnera subulata (a plant which attracts natural predators of leaf pests), at each estate division and the area to be planted. All estate maintain monthly records for Progress of Planting of Beneficial Plants as part of their IPM program.

Regarding Pest and Disease, the Company conducted with the technique of Integrated Pest Management (IPM). Procedures have been established in the Agricultural Manual and Standard Operating Procedure for Oil Palm 2015, Chapter 8, "The Plant Protection - Pest and Disease Management", and also SOP Detection and Census Pests and Diseases Palm Oil (SA / 03 / EMU / (1) / 0710). In both procedures are regulated how an integrated plant protection mechanisms in the field conducted by pests / diseases that attacked, such as:

- mechanism to control of leaf- eating pest i.e.
  - a. Demarcate the oil palm into three zones with respect to pest outbreak
  - b. Census System / Monitoring (Detection and Enumeration System, and System Census Grid Point)
  - c. Economic thresholds and affected level
- Chemical control selection with recognizing the different life stages (larvae) of different leaf eating pest
  - a. Chemical Control
  - b. Biological Control

**Compliance status:**  Yes  No

NCR No: -

- c. Physical Control
- d. Cultural Control
- Management of *Oryctes Rhinoceros* ( Rhinoceros Beetle)
- Management of *Coptotermes cuvignathus*
- Ganoderma
- Etc.

Implementation of IPM has been well documented, for example as documented on documents below:

- Program of P&D Detection and Tyto Alba Census on BSK-1 for year 2016 and 2017.
- Program of P&D Detection and Tyto Alba Census on BSK-2 for year 2016 and 2017.

Program of P&D detection of 2017 planned twice a month both on BSK-1 & BSK-2. Otherwise, program of Tyto Alba census for year 2017 planned once a month both BSK-1 and BSK-2. Based on the result of last census (2016), Rats are pest that reach threshold of attack.

As described in the 2015 Palm Oil Plantation Agronomy and SOP Manpower Manual from Wilmar International Limited, palm oil pests have described that is leaf-eating pests, Caterpillars, mammal pests (e.g. elephants, monkeys, porcupines, squirrels and mice) *Oryctes rhinoceros* (rhino beetle), termites, Ganoderma, and minor pests on oil palm. The procedures also described the economic threshold values for different pest population levels.

The SOP Agronomy Detection and Census of Oil Palm Pests and Diseases, document No. SA 02 / EMU / 01 01/0710, Revision 01, dated July 01, 2010. Was described the process of detecting pests and diseases, pest and disease census, beneficial plan, and reporting. Specifically for Rat pests, in this procedure described census results (statistical data, mouse rats' results map), e.g.:

- For immature oil plant: (census on oil palm: new attack < 5% and >5%) → If attack > 5% control will be taken.
- For matura oil plant (census on TPH: if census result of new attack on TPH < 20% will be perform re-detection and if new attack on TPH > 20% will continue perform census on oil palm and if result of census on oil palm > 5% control will be taken.

Evidence of the implementation of the IPM program, among others has carried out detection of Pest and Disease Attack on May 18, 2017, Census implemented by personnel who have received training. Results of detection indicates that there is no rat pest attacks exceeds the threshold (5%) in several blocks.

Based on the results of the detection is continued with the Census. Examples of documents "Rat Attack Census on TM, PT BSK - 2, Division / Section 2A; census on TPH block 035, 042, 043, 031, 044, 036, 046, 0 54, and 055. The results shows that the attack levels on TPH 046, 054 and 055 reach 2%, 25% and 24%. Otherwise, remain below 20%. For the attack rate reaching more than 20% followed by the census on oil palm.

Others IPM implementation as sample:

- Provide Tyto Alba Cages, plan 1 cage/20 ha. Total Cage on BSK-1: 133 cages and on BSK - 2: 90 cages.
- Maintenance of Tyto Alba Cages Program.
- Tyto Alba Census on July 2017: BSK-2: adult: 57, child:: 4,

<p>Egg: 34 and BSK-1: adult 77, child: 30 and egg: 17.</p> <ul style="list-style-type: none"> <li>- Beneficial Plant Planting: Turnera and Antigonon:</li> </ul> <p>Records of training provided to those involved in the implementation of IPM are available and maintained, as sampled:</p> <ul style="list-style-type: none"> <li>- Official report of Training of P&amp;D on Palm Oil dated May 06, 2017, performed by EMU. The training located on BSK-2 and attended by 28 persons.</li> <li>- Training program of P&amp;D on Palm Oil for year 2016 planned on April.</li> <li>- Official report of Training of P&amp;D on Palm Oil dated April 13, 2016. The training located on BSK-1 and BSK-2 and attended by 28 persons.</li> </ul>	
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**Criterion 4.6: Pesticides are used in ways that do not endanger health or the environment.**

<p><b>Findings:</b></p> <p>The company has procedure for Spraying &amp; Fogging (PSKK2/CKP/(2)/1111 revision 2 dated November 2011), which consists of safety standard of pesticide usage, such as no eating or drinking during work, PPE usage, spraying 1 block per day at maximum, not spraying against the wind, and installing warning signage of sprayed area. There is also pesticide list stated on the document of List Pesticide year 2017 Wilmar – Region Central Kalimantan (CKP), which describe herbicide, fungicide, insecticide, and rodenticide registered by Wilmar as utilized pesticide. The data consist of brand, active ingredient, pesticide class, characteristic, form, target (herb/pest), producer, and pesticide registration number from government. The pesticide dosage had planned by estate one year prior to usage through survey activity to define the budget. The Company implements spraying rotation as an effort to maintain weed cover conditions in order to avoid full and prevent formation of certain weed/pest immunity against pesticide.</p> <p>There is the document of active ingredient usage analysis consist of data on agrochemical type, LD 50 Oral, LD 50 Dermal, LC 50 inhalation, active ingredient dose, unit of measurement, density, and usage data from January – July 2017. The data in 2016 are also available with similar data item for both estates. The company records every agrochemical dispatch from the warehouse. For example Material Requisition &amp; Issue Slip Estate 1 No: 140957 dated 31 May 2017 of Racumin at block 256 as much as 4 kg.</p> <p>The company has been approved by government to use the pesticides, which is stated on pesticide recommendation letter (No: 560.566/65/WAS-KK/V/2017 dated 29 May 2017) from Manpower Authority of Central Kalimantan. The recommendation is valid until 30 May 2018 and consist all utilized pesticides including Petrocum and Racumin. The company has established plan to reduce the use of pesticide including rodenticide. This plan integrated with GHG reduction plan i.e. program and review oc environmental management and GHG mitigation activity year 2017, which several program are inter alia installation of barn owl boxes, owl maintenance, owl census, and rat monitoring at owl area.</p> <p>The company maintains updated stock of pesticide through SAP system, which sourced daily from warehouse keeper through bin-card. The company has Racumin with active ingredient of Cou-</p>	<p><b>Compliance status:</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
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matetratyl, which classified in Class 1B of WHO pesticide list and Petrocum with active ingredient of Brodifacum class 1A. Based on written explanation against WHO document from Mr. Septa (EMU Mgr CKP Region) and Mr. Erwin Gultom (EMU PT BSK) the pesticide based on its LD50 analysis does not classified into Class 1A/1B. Based on WHO document it stated that if the formulation contains more than one ingredients (including solvents, wetting agents, etc.) of significant toxicity-enhancing properties, then the classification should correspondent to the toxicity of the mixed ingredients. The guidance to determine the classification stated on page 54-56 of the WHO document and based on the guidance Petrocum and Racumin classified under class III.

The company ensures that pesticide usage conducted by trained personnel with safety aspects taken into account. There is document of Memorandum Internal No: 01/EHS-Sustainability/VI/2017 from GM to Estate Head dated 28 June 2017 regarding standard PPE implementation, where stated the PPE standard that has to use and obligation to purchase only that type of PPE. There is also evidence of handing over such PPE to employee. To minimize risk, procedure for calibration i.e. procedure agronomy regarding calibration of spraying equipment (SA06/EMU/(0)/0811 on 1 August 2011), describes specification of spraying knapsack based on blanket spray volume (l/ha) and also procedure to calibrate the knapsack along with equipment needed. If the nozzle flowrate > 30% above the spec then the nozzle should be replaced. The latest calibration for BSK 1 was on 22 May 2017 while BSK 2 on 3 June 2017. The company has never conducted aerial pesticide applications, since there is no pest outbreak taken place.

During the time of audit, total of Spraying employee of BSK 1 are 27 personnel, while in BSK 2 are 21 personnel and all have been going through medical surveillance. To ensure that all pesticide operators are medically checked, there is procedure for regular medical check i.e. procedure of periodic and special medical checkup (SOP07/EHS/(2)/1116 rev.2 on 5 Dec 2016). The procedure has been going through revision to accommodate UU no 36/2009 regarding Health, where in the procedure stated that regular medical surveillance is done at least once a year, while for pesticide operator at least once every 6 months. In 2016, the company had mistakenly conducted medical checkup, where regular MCU done twice a year, while special MCU only once a year. The evidence of medical surveillance activity in Estate 1 and 2 for 2016 and 2017 are all available during the audit.

Policy on prohibition of pregnant and breastfeeding woman conducting spraying is stipulated on Memo Internal dated 1 Nov 2012 from Group Estate Manager to Estate Manager PT BSK and Company Doctor to ensure implementation of pregnancy test to all female workers working as sprayers, manuring, fertilizer sack or pesticide container washer and pesticide warehouse officer. There is a one-year mandatory pregnancy check mechanism for all female spray workers. There is evidence of a 2016 pregnancy test for each PT BSK estate 1 and 2 in total 43 sprayers. There are 1 person positive pregnant in each estate, namely Mrs. Masdiah (35) in Estate 1 and Mrs. Lili (33) in Estate 2. Based on information from dr. Daniel both had given birth in April 2017. Based on the information from the HRD for 2 years since giving birth the women were placed in manual maintenance work (in housing), with the standard time duration of breastfeeding. If they replace breastfeeding with formula

milk, the doctor will recommend whether it is appropriate to return to the agrochemical work. This is in line with Inter Office Memo from the General Manager to all managers no: 016/GM/VIII/2009 dated August 26, 2009 related to Substitution of Work for Pregnant and Breastfeeding Women, that female workers in the field of spraying pesticides, fertilizers and transport operators which is pregnant and breastfeeding are temporarily mutated into other low risk jobs.

**Criterion 4.7: An occupational health and safety plan is documented, effectively communicated and implemented.**

**Findings:**

The company has policy about safety and health approved by Country Head (Hendri Saksti) dated 22 May 2015. The safety and health policy has covered risk accident and risk control. The policy has stated in Indonesian language. The company has been conduct socialization of policy on 9 February 2017 (POM) and 24-25 March 2017 (estate and contractor). The company has OSH programme year 2017. The programme has been covered OSH aspect and equipped with target of implementation.

Some of realization of HSE programme i.e:

Palm Oil Mill (POM)

Year 2016

- Training methane capture on 3 October 2016
- Training First aid on 13 July 2016
- Training welding operator on 19-25 May 2016
- Socialization of LOTO on 22 April 2016
- Socialization of LOTO on 22 April 2016
- Training of RSPO and SCCS on 15 March 2016
- Fire simulation on 2 April 2016
- Training of steam equipment operator on 22-28 February 2016
- Training of lifting equipment on 22-28 February 2016

Year 2017

- Socialization of material safety data sheet (MSDS) on 3 August 2017
- Training of emergency respon for spill and MSDS on 19 July 2017
- Training of RSPO and SCCS on 11 April 2017
- Socialization of high risk working place on 1 August 2017
- Socialization of ethic code on 27 March 2017
- Socialization of ethic code and OSH to transporter on 9 February 2017
- Training of first aid on 17 June 2017

Estate

Year 2016

- Best Practise Training and separating of waste on 20 September 2016 (BSK-1)
- Training of first aid for foreman and operator on 20 September 2016 (BSK-1)

**Compliance status:**  Yes  No

**NCR RSPO 01328**

Based on field visits at the boiler station, found the boiler operator wearing T-shirts on duty which has the potential to cause work accidents (ash boiler ashes on hand arm).

**NCR RSPO 01329**

The company does not conduct re-validation the structure of occupational safety and health committee where there are changes the structure of occupational safety and health committee (BSK POM)

- Best Practise Training of harvesting on 4-5 June 2016 (BSK-1)
- Training related chemical spill, fertilizer and oil on 8 November 2016 (BSK-1)
- Socialization of OSH policy on 3 June 2016 (BSK-2)
- Best Practise Training and separating of waste on 19 September 2016 (BSK-2)
- Certification of paramedic hypekes on 13-17 June 2016 (BSK-2)
- Training of spill simulation and emergency procedur on 18 April 2016 (BSK-2)

Year 2017

- Best Practise Training of fertilizer on 1 February 2017 (BSK-2)
- Best Practise Training of spraying on 4 April 2017 (BSK-2)
- Socialization of RSPO, ISCC, ISPO and waste management on 20 July 2017 (BSK-2)
- Best Practise Training of harvesting on 11 July 2017 (BSK-2)
- Training of fire extinguisher on 5 June 2017 (BSK-1)
- Training related chemical spill, fertilizer and oil on 17 July 2016 (BSK-1)
- Training of hazardous and toxic waste management for solid and liquid waste on 18 July 2017 (BSK-1)
- Training of pest and disease on 6 May 2017 (BSK-1)
- Best Practise Training of fertilizer on 8 July 2017 (BSK-1)
- Best Practise Training of spraying on 6 July 2017 (BSK-1)
- Best Practise Training of harvesting on 24 March 2017 (BSK-1)
- Socialization of RSPO, ISCC, ISPO and waste management on 15 June 2017 (BSK-1)
- Training of first aid on 17 June 2017 (BSK-1)

The company has conducted monitoring for implementation of programme by OSH inspection every month. The OHS programme has delivered to each department. The company has due date to realize the HSE programme and if any target does not achieved so the company will conduct evaluation.

The company has identification of risk assessment, safety health and environmental impact. The risk assessment has been cover all process and activities. The company has accident report year 2016. If any accident, the company has for of accident notification and investigation form. The form has been stated plan of correction and due date of correction so the accident does not recurrence. The company has procedure of risk assessment with document number SOP11/EHS/(0)/0409 revision 0 issued date April 2009. Based on observation at mill and estate seen that the workers has been used PPE in accordance with risk assessment.

The company has training programme year 2017 related safety and health i.e training of hazardous and toxic waste management, training of fire, training of spill emergency, LOTO, work permit, RSPO and SCCS, training of first aid, training of methane capture, training of OSH electric, training for lifting equipment operator, training of fire extinguisher used, fire simulation, first aid simulation. The company has procedure about personal protective equipment. The procedure said that if any damaged the company will replaced with the

new PPE. Based on field visit at spraying activity (Block 060 Division 2 BSK-1) and fertilizing (Block 062 Division 2A KBS-1), seen that the workers has wearing the PPE properly i.e fertilizer (apron, gloves and safety boot) and sprayer (mask, apron, gloves and safety boot). Based on field visits at the boiler station, found the boiler operator wearing T-shirts on duty which has the potential to cause work accidents (ash boiler ashes on hand arm). **This condition raised as non-conformity (NCR RSPO 01328).**

The company has person incharge, which responsible to implemented of OSH that listed in Occupational and Safety Health Committee. The company has been conduct regularly meeting and discussing about the problem that happened. The company does not conduct re-validation the structure of occupational safety and health committee where there are changes the structure of occupational safety and health committee (BSK POM). **This condition raised as non-conformity (NCR RSPO 01329).**

The company can showing evidence of OSH reporting that submitted to related agency. The company has submit report of 1<sup>st</sup> quarterly submitted on 13 April 2016, report of 2<sup>nd</sup> quarterly submitted on 20 July 2016, report of 3<sup>rd</sup> quarterly submitted on 25 October 2016, report of 4<sup>th</sup> quarterly submitted on 26 January 2017, report of 1<sup>st</sup> quarterly submitted on 12 May 2017, report of 2<sup>nd</sup> quarterly submitted on 21 July 2017.

The company has meeting record of OSH committee. The mill has been conduct regularly meeting. For example BSK POM: 20 January 2017, 24 February 2017, 24 March 2017, 26 April 2017, 18 May 2017, 12 June 2017, and 27 July 2017. BSK-1: 17 January 2017, 24 February 2017, 3 March 2017, 7 April 2017, 10 May 2017, 14 June 2017, 13 July 2017. BSK-2: 20 January 2017, 10 February 2017, 15 March 2017, 12 April 2017, 12 May 2017, 14 June 2017, 14 July 2017. The OSH committee conduct regularly meeting to discuss entire aspect about safety, helath and welfare.

The company has procedure of emergency response team (PRO-SD-17-01 revision 01 effective dated 1 May 2011) covered fire, leaks or chemical spills, damage to the levee, the blast machine. The procedures have been covering emergency response and recovery investigation. Recording of occupational accidents have reported to the authorities through OSH report reported every 3 months. The company has been conduct first aid training on 17 June 2017 (mill and estate). The company has record of first aid training i.e attendant list of participant, first aid material and documentation of activity. Based on field visit at psraying activity (Block 060 Division 2 BSK-1) and fertilizing (Block 062 Division 2A KBS-1) and mill visit at sortation, boiler station, engine room, mill office and temporary storage of hazardous and toxic waste which the content of first aid kit has been accordance with regulation (Permenaker No.15 year 2008). The company also conduct periodically monitoring for first aid box.

The company providing medical care for employee i.e clinic. The company also provided social insurance i.e BPJS Kesehatan and BPJS Ketenagakerjaan. Based on evidence payment of labor insurance (BPJS Ketenagakerjaan) of June 2017, the company has paid BPJS Ketenagakerjaan for BSK POM as much as IDR. 32,239,393 dated 14 July 2017 with total of employee as much as 110 person and BPJS Kesehatan as much as IDR. 14,151,332 with

total employee as much as 173 person; BPJS Ketenagakerjaan BSK-1 as much as IDR. 153,439,572 dated 14 July 2017 with total of employee as much as 679 person and BPJS Kesehatan as much as IDR. 43,822,026 with total employee as much as 703 person; BPJS Ketenagakerjaan BSK-2 as much as IDR. 105,080,119 dated 14 July 2017 with total employee as much as 465 person and BPJS Kesehatan as much as IDR. 20,252,898 with total employee as much as 339 person. The company has record of lost time accident metrics for year 2016 and 2017 (until July).

**Criterion 4.8: All staff, workers, smallholders and contract workers are appropriately trained.**

**Findings:**

The company has established training program to ensure that all personnel are in good skill. In Estate level there are following documents:

- EHS Work Program PT BSK 2017, which is EHS activity planning from January – December 2017 signed by GEM PT BSK Estate Mr. Isnawan Haryoko. Consist of program and realization (checkmark). For Safety e.g. OSH committee meeting, safety patrol (workshop, warehouse, TPS LB3, genset), fire drill, safety inspection (harvest, spray, manuring, EFB loading), fire extinguisher usage, knapsack calibration, waste classification. For Health: First aid training. For Environment: hazardous waste handling, hazardous material leakage drill, etc.
- EHS Dept. Training Program 2017 PT BSK-1, which is 2017 training plan along with its realization indication (checkmark). e.g. Best practice, spraying and agrochemical handling, fire drill, waste spillage handling, PPE washing, waste handling, RSPO ISCC ISPO to employees and contractor. All of them had done until July 2017 except training on RSPO ISCC ISPO to contractor.
- EHS Dept. Training Program 2017 PT BSK-2, which is 2017 training plan along with its realization indication (checkmark). E.g. best practices, HS procedure, PTD Manuring, HS procedure and best practice on FFB grading & caterpillar census, best practice and HS procedure on spraying and agrochemical handling, fire extinguisher usage, fire drill, first aid simulation, training hazardous material spillage handling, PPE washing training, training on waste handling, training on RSPO ISCC ISPO to employees and contractor.

Meanwhile at POM Level there are following documents:

- Program of Training & socialization year 2017 PT BSK POM; consist of matter, PIC, participants, and monthly scheduling with its realization mark. For example hazardous waste handling planned on February 2017 but realized on July 2017, OHS and environment risk analysis planned on January 2017 but realized on July 2017.
- Program Training socialization year 2016 PT BSK POM along with its realization.

Training records are available for both estates, for example training on Best Practice to Agrochemical Warehouse officer on 17 July 2017 by Roni Susanto regarding MSDS, triple rinse, and spillage

**Compliance status:**  Yes  No

NCR No: -

handling attended by 6 participants, and other agrochemical training on field both for estate 1 and 2.

**Criterion 5.1: Aspects of plantation and mill management, including replanting, that have environmental impacts are identified, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.**

**Findings:**

PT BSK has document related environmental i.e. Environmental Impact Assessment (AMDAL) Oil palm plantations and palm oil mills located in Telawang and Mentaya Hulu Sub District, Kotawaringin Timur Distric, Central Kalimantan Province year 2009. The EIA document has cover plantation development activity (planting of land cover crop and palm oil seed), FFB processing, transport of CPO, waste management of mill, upkeep activity (management of pest and disease, fertilizer), land application, harvesting and FFB transportation. The EIA document refer to legal and regulation. The method of data collecting is primary data and secondary data.

The company has an environmental management and monitoring plan ('Rencana Pengelolaan Lingkungan – RKL / 'Rencana Peman-tauan Lingkungan' - RPL). The documents has been included envi-ronmental component to monitor, source of impact, monitoring plan (method, location, frequent), identification of responsible persons and reporting.

There is environmental management and monitoring plan that has implemented and reporting to related agency i.e. the period of the 1<sup>st</sup> semester 2016 on 6 September 2016 and the 2<sup>nd</sup> semester 2016 on 16 May 2017. The company has discussing entire aspect that stated on matrix.

The management and monitoring plan in line with monitoring proce-dure. The company has conduct monitoring in accordance with ma-trix RKL-RPL. The environmental management and monitoring plan conduct to measure the effectiveness of mitigation. The company has conduct review of environmental management and monitoring plan on 4 January 2016 where the review result stated that the envi-ronmental management and monitoring plan renew related opera-tional of methane capture.

**Compliance status:**  Yes  No

**Criterion 5.2: The status of rare, threatened or endangered species and other High Conservation Val-ue habitats, if any, that exist in the plantation or that could be affected by plantation or mill manage-ment, shall be identified and operations managed to best ensure that they are maintained and/or en-hanced.**

**Findings:**

The company has HCV report conduct on February 2009. The HCV assessment includes information about the conservation status, HCV habitat identification and the protected area. The HCV as-sessment conduct by competent team which leading by Kishokumar Jeyaraj. The HCV assessment conduct by public consultation on 16 July 2008. The HCV assessment also conduct about biological as-sessment. The HCV assessment conduct for entire area of compa-ny. The HCV assessment conduct in accordance with Indonesia

**Compliance status:**  Yes  No

**NCR RSPO 01330**

The company has area of HCV 4 Block 59/60 BSK-2 set-asides with local com-munity but the company does not have a mutual agreement to safeguard and not damage the HCV area.

Toolkit year 2008. The company has HCV map with scale 1:50.000.

Based on result of HCV assessment, there is no rare, threat and endanger species. The company has management and monitoring plan for HCV year 2017 stated in document HCV1/CKPBSK(2)/0117 revision 2 effective date 1 January 2017. The management and monitoring plan such as socialize the HCV to staff, employee and local community surrounding PT BSK, maintenance and monitoring signboard, identification survey of flora and fauna, periodic checking related riparian damage activity, spraying, cutting the trees. The company conduct monitoring to monitor HCV area every month such as patrol and monitoring for threatening, monitoring of wildlife animal and monitoring of vegetation.

The company has a policy by SOP of Wildlife Protection No 18/HCV/(1)/0615 dated on June 1st, 2015 which contains list of IUCN, CITES and National protected flora fauna completed with the sanction details to anyone who kills, collects or captures the species. The company has program to educate and socialize the existence of HCV and protected species to staff and the surround community. The company has management plan and control of HCV area. Management and monitoring plan aims to protect HCV area that it's set.

The company has area of HCV 4 Block 59/60 BSK-2 set-asides with local community but the company does not have a mutual agreement to safeguard and not damage the HCV area. **This condition raised as non-conformity (NCR RSPO 01330).**

**Criterion 5.3: Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.**

**Findings:**

The identification of waste at the POM level is contained in the Identification & Management of Mill Wastewater document. Waste classified into hazardous and non-hazardous derived from mill operations, offices, workshops, warehouses, and housing. Examples of hazardous waste include used chemical container, used chemical sack, used oil, batteries, etc. While example on non-hazardous are plastic housewares, cardboard, wastepaper, used tires, etc. Management actions taken for hazardous wastes are to send them to 3rd party/collector while for non-hazardous to put into landfill, the used tires utilized as fence/pot/playground, for iron/metal waste sell to collector of used goods. Procedure for domestic solid waste handling (SOP16/EHS/(1)/0911 rev.1 sept 2011) describes the classification of organic, an-organic and hazardous waste. Document in Estate level are available i.e. Waste identification and GHG Emission. There is classification of activity, waste type (B3/non B3) and GHG emission type. For example herbicide application with identified waste of chemical spillage, liquid waste from container and PPE washing and GHG emission of CO2 and CH4.

The company has demonstrated its compliance with regulation in handling hazardous waste, e.g. by having permit for temporary storage of hazardous waste i.e. Kotawaringin Timur Regent Decision No: 660/546/BLH-Ek.SDA/IX/2016 dated 30 September 2016 valid for 5 years. The company established contractual agreement

**Compliance status:**  Yes  No

**NCR RSPO 01331**

Based on field visit to the location of the PPE washing at Estate 2, there is contained inner plastic sack of fertilizer that not placed in hazardous and toxic waste temporary storage but allocated for sale to other parties. This is not in accordance with the Identification of Waste and Greenhouse Gas Emissions (FRM01 / SOP72 / EHS / (0) / 0813 rev.0 Aug 2013 Period from January to December 2016. Plastic sack coatings have classified as hazardous and toxic waste. Beside that in the attachment of Government Regulation (PP) No: 101/2014 about the hazardous and toxic waste management known that the material is hazardous and toxic waste with code B104d (Packaging former B3).

with 3rd party hazardous waste collector i.e. PT Maju Asri Jaya Utama. The contractor already registered legally by government as hazardous waste collector. The company also reports hazardous waste handling activity to government every 3 months, sighted the report in 2nd quarter 2017 (April – June 2017). Pesticide and other hazardous material handling are kept in standardized warehouse which is stated on procedure of storage of fossil fuel and fossil fuel used (SOP19/EHS/(0)/0409 rev.0 April 2009) and procedure of storage of pesticide and pesticide used containers (SOP17/EHS/(0)/0409 rev.0 dated April 2009).

Based on field visit to the location of the PPE washing at Estate 2, there is contained inner plastic sack of fertilizer that not placed in hazardous and toxic waste temporary storage but allocated for sale to other parties. This is not in accordance with the Identification of Waste and Greenhouse Gas Emissions (FRM01 / SOP72 / EHS / (0) / 0813 rev.0 Aug 2013 Period from January to December 2016. Plastic sack coatings have classified as hazardous and toxic waste. Beside that in the attachement of Government Regulation (PP) No: 101/2014 about the hazardous and toxic waste management known that the material is hazardous and toxic waste with code B104d (Packaging former B3). **This condition raised as non-conformity (NCR RSPO 01331).**

The management actions taken for hazardous waste that sent to 3rd party/collector and for non-hazardous to put into landfill. On a continuous basis, the company conducts training to employees as evidenced by the RSPO ISCC ISPO and socialization of waste management on July 20, 2017 attended by 37 people. The material was waste management with the principle of 4R, which is reduce: by minimizing the use of waste generating goods, reuse with selecting reusable goods, recycle: with as much as possible recycle, and replace: by replacing disposable with durable items. There is also introduction of waste categories (organic, inorganic, and hazardous). Domestic waste transported 2-3 times a week to landfill and prohibition of using toxic containers for other uses such as eating/drinking, pots, and bins.

The company also conduct POME management as a land application. The company also has been conduct quality testing of palm oil mill effluent each month from January until July 2017. Based on testing result, the value of BOD still inside the threshold set in the regulations. The company use EFB as substitution of fertilizer.

**Criterion 5.4: Efficiency of fossil fuel use and the use of renewable energy is optimized.**

**Findings:**

The company made efforts to reduce the use of fossil fuels using biofuels. The actual data and the achievement of Fossil fuel efficiency stated in the report of Fuel Efficiency Report and Energy Efficiency in 2016. The report is divided into monthly period in the form of FFB data (kg), total usage of diesel (Liter), total shell powder (kg), total fiber usage (KG), total diesel/ FFB usage (liter/kg), and total shell usage + fiber per processed FFB. By comparison, total 1 year of diesel utilization/FFB process equal to 0.00063 L/kg while total usage of shell + fiber/processed FFB is 0.22107 kg, so the company uses more biofuel than diesel. On BSK POM Energy

**Compliance status:**  Yes  No

NCR No: -

Efficiency Document in 2016 shows clearer description of estimated cost comparison between diesel vs. Estimated cost of Turbine + Biogas (biofuel), the total in 2016 for diesel: IDR 9,817,317,613,- while biofuel IDR 8,586,503,613,- then there is saving of IDR 8,586,503,613.-. There is also data for 2017 with similar parameter spanning from January – July 2017. Monitoring of fuel usage also conducted at estate level where the calculation is based on biofuel consumption (Petro4) in the whole division for every job, i.e.: manager vehicle, school bus, ambulance, FFB truck, tractor, excavator, compactor, genset, motor grader, backhoe loader, and water pump.

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

**Findings:**

The company has zero burning policy as stated on "Environmental policy" signed by Wilmar's Group Plantation Head, where it stated that all activities among PT Wilmar Plantation since land clearing both for new plantation and replanting activities not using fire. The company uses manual or mechanical method for land preparation.

There no found any use of fire for land preparation and other purposes. During on-site interview with family living within estate's housing area, there were aware that domestic waste prohibited to burn. All domestic waste (organic and an-organic) collected and disposed in accordance company's regulations. Domestic waste collected and disposed its to landfill area, where organic and an-organic waste disposed separately. Base on site verification, location of landfill was far enough from the emplacement.

**Compliance status:**  Yes  No

NCR No: -

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

**Findings:**

GHG emission identification is conducted both at POM and estate level. Several example of activities resulted in GHG emission are vehicle and machinery operations, effluent treatment pond, housing activity, etc. the company also have identified which GHG type the each job produces. Program to reduce GHG emission is stipulated on SOP GHG Mitigation (SOP72/CKP/(0)/0813 rev.0 Aug 2013) which consist of general efforts to reduce GHG and infrastructure to reduce GHG. For each estate, there is scheduled program to reduce GHG emission where there is program and target. During the audit, the document is available for 2016 and 2017 divided into each semester. The company has conducted GHG calculation by using Palm GHG version 3 with data as follow:

Summary of Net GHG Emissions

Emissions per Product	tCO <sub>2</sub> e/t Product
CPO	0.89
PK	0.89
Production	t/year

**Compliance status:**  Yes  No

NCR No: -

FFB processed	150,613.66
CPO produced	32,617.124
PK produced	7000.901

Extraction	%
OER	21.66
KER	4.65

Land Use	Ha
OP planted area	15,600.1
OP planted on peat	867.8658
Conservation (forested)	838.41
Conservation (non-forested)	

Summary of Field Emissions and Sinks

	Own Crop		Group	
	tCO <sub>2</sub> e	tCO <sub>2</sub> e/t FFB	tCO <sub>2</sub> e	tCO <sub>2</sub> e/t FFB
<b>Emissions</b>				
Land Conversion	25651.48	0.31	23657.13	0.36
*CO <sub>2</sub> Emissions from Fertilizer	3860.58	0.05	3250.82	0.05
**N <sub>2</sub> O Emissions	6218.36	0.06	4136.42	0.07
Fuel Consumption	1484.94	0.02	1013.69	0.02
Peat Oxidation	10017.93	0.09	10458.1	0.21
<b>Sinks</b>				
Crop Sequestration	-38666.93	-0.46	31346.67	-0.48
Conservation Sequestration	0	0	0	0
<b>Total</b>	<b>8566.36</b>	<b>0.07</b>	<b>11169.49</b>	<b>0.23</b>

Summary Oil Mill Emissions and Credits

	tCO <sub>2</sub> e	tCO <sub>2</sub> e/t FFB
<b>Emissions</b>		
POME	16040.94	0.11
Fuel Consumption	472.68	0
Grid Electricity Utilization	0	0
<b>Credits</b>		
Export of Grid Electricity	-1046.36	-0.01
Sales of PKS	0	0
Sales of EFB	0	0
<b>Total</b>	<b>15467.25</b>	<b>0.1</b>

Palm Oil Mill Effluent (POME) Treatment

Divert to compst	0%
Divert to anaerobic digestion	100%

POME Divert to Anaerobic Digestion

Divert to anaerobic pond	57%
Divert to methane capture (flaring)	0
Divert to methane capture (electricity gen-)	43%

eration)		
<p><b>Criterion 6.1: Aspects of plantation and mill management that have social impacts, including replanting, 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 continual improvement.</b></p>		
<p><b>Findings:</b></p> <p>PT BSK conduct social impact assessment year 2016 by internal. The assessment result explained there are 16 social impacts from company operations including positive and negative impacts i.e. Job opportunities, occupational, safety and health, workers right and facilities, consultation and communications, workers stability, business opportunity, incoming local contribution, family revenue, community institution public communication company's perception, social changes traditional right &amp; other usage, land tenure and community health. Including the impacts of smallholder schemes and land tenure problem.</p> <p>The assessment has been done with the participation of affected parties as evidence showed from records of focus group discussion di several villages and workers from photographs such as FGD with: company's workers dated September 12, 2016 and Pantep Village dated September 29, 2016.</p> <p>The company conduct regular management and monitoring for social impacts, as reported by community development on report semester 1 (January to July) year 2017, such as activities related to community development, religious, education, health, social &amp; culture. The company also submitted regular report for environmental management and monitoring plan per semester to environmental officer for semester 1 January to June 2017.</p> <p>The company conduct regular management and monitoring for social impacts, as reported by community development on report semester 1 (January to July) year 2017, such as activities related to community development, religious, education, health, social &amp; culture. The company also submitted regular report for environmental management and monitoring plan per semester to environmental officer for semester 1 January to June 2017.</p> <p>PT BSK has review social impact management and monitoring program for period 2016 to 2018, review result has documented on social impact management and monitoring plan revised year 2016 to 2018. The review has involve stakeholders from Biru Maju, Sumber Maju and Sebabi village. However, in the reviewed impact management and monitoring plan document edition year 2016 to 2018, communities from Pangkat village those categories as affected parties were not involved, furthermore the village has direct impact from company's activities.</p>	<p><b>Compliance status:</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>	
<p><b>Criterion 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</b></p>		
<p><b>Findings:</b></p> <p>There are some procedure has developed and held by the company</p>	<p><b>Compliance status:</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p><b>NCR RSPO 01332</b></p>	

regarding stakeholder consultation and communication. All procedures has documented as SOPs such as:

- a. SOP44/PR/3/0213, issued in May 5, 2015, regarding “Dedicated officer responsible for consultation and communication with stakeholder”.
- b. SOP 47/PR/3/0414, issued in May 5th 2015, regarding “Transparency”.
- c. SOP 35/PR/1/0614 rev. 02, issued in May 5th 2015, regarding “Mechanism of Stakeholder communication and Consultation”.

All of documents completed with detail information regarding procedures, flowcharts and officer who responsible in communication process has communicated to stakeholders.

The company also has a schedule for planned meetings with surrounding communities in Biru Maju, Sebabi village, Tangar village, Pantap village. There is evidence that the meeting was conducted every once a year with the main agenda is introducing new officers to stakeholders. All of communication process has recorded and maintained by the company. Local community leader from 2 villages (Pantap and Biru Maju village) has interviewed during surveillance audit. They confirmed that PT BSK management always send their staff for routine meeting with them to discussing any kind of social issues.

The company does not yet have officers that responsible for communication and consultation. The result of interview with Pantap Village Head known that he did not know the PT BSK’s Public Relation officer and did not know the communication mechanism with the company. **This condition raised as non-conformity (NCR RSPO 01332).**

The company has maintained their procedures regarding openness to all affected parties for grievances, complaints and dispute resolutions process. The procedure documented as SOP 34/PR/1/0614 rev. 02, issued in May 5th 2015, regarding “Mechanism of Complaints and Grievance Acceptance, and conflict/dispute Resolutions”. This document has also communicated to stakeholders at the same time with other procedure socializations.

Stakeholder list is available for period July to December 2016 (file No. 02/BM/BSK/VII/2016) that consist of Stakeholder’s from Central Kalimantan province; East Kotawaringin, local governments surrounding company’s area such as head of sub districts and head of villages, community leaders, police officer , local university, NGOs, contractors, suppliers, hospital, banks, and health insurance companies. The company shall revision of stakeholder list so that it can be used to create stakeholder engagement by develop of profiling, analysis and mapping. It can get profile of power each stakeholder, which can affect company activities.

The company does not yet have officers that responsible for communication and consultation. The result of interview with Pantap Village Head known that he did not know the PT BSK’s Public Relation officer and did not know the communication mechanism with the company.

**Criterion 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.**

**Findings:**

**Compliance status:**  Yes  No

NCR No. -

There are a system, open to all affected parties, to resolve disputes in an effective, timely and appropriate manner in PT BSK. The system established to ensuring anonymity of complainants and whistleblowers, i.e. procedure of "Tatacara Penerimaan Keluhan dan Penyelesaian Perselisihan Khususnya Sengketa di luar Pengadilan" (SOP 34/PR/(1)/061 rev.02) and procedure of "Keluh Kesah & Pengaduan Karyawan (SOP 42/HRD/(0)06.09). All complaint received from workers should be recorded in Berita Acara Keluh Kesah/Pengaduan Karyawan".

Until the audit, the company has not received and any complaints from external stakeholders or other interested parties. Workers grievance regarding accommodation and facilities that found during previous audit has solved. Document regarding grievance completion were available on the estate office, i.e. minutes repair housing facility.

**Criterion 6.4: Any negotiations concerning compensation for loss of legal, customary or user rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.**

**Findings:**

Procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation has been established, i.e.

- SOP 30/BM/(0)/0409 regarding technical guide for Land Excisions/Acquisition
- SOP 30/BM/(0)/0409 regarding Settlement of land disputes

As explain on the Cr.2.2 & 2.3, there are several land dispute in PT BSK under completion process. PT BSK involve local government to solve land problem following information stated on document calculation & distributin fair compenisation i.e. head decree of Kotawaringin Timur District dated April 5, 2007 (ref: No. 316 year 2007) regarding basic price of land and plant compensation. The auditor conduct random checks confirmed that the land price paid by PT BSK to traditional owners after April 5, 2007 to this government circular.

Potential land dispute identified during 4rd audit, from village visit to Biru Maju village; there is information from head of village that PT BSK land area overlay with 317 ha transmigration area according to decree letter for Back up land ("areal pencadangan") for Biru Maju villager year 1995. The problem discussed between villager representative and legislation that attended by PT BSK representative, but yet to solve calculation mechanism for total compensation, minutes meeting was available both in head of Biru Maju village and PT BSK. Some evidence for land compensation payment available on records of identification of people entitled to receive compensation are available and updated regularly in land Compensation Summary List. The auditor notice all land under compensation process and should verified during next surveillance audit.

**Compliance status:**  Yes  No

NCR No: -

**Criterion 6.5: Pay and conditions for employees and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.**

**Findings:**

Company has developed payment structures and scales for every kind of worker and always responds to local governance regulation regarding minimum wage payment. There were evidences showed during audit such as:

- Governor of Central Kalimantan Official Letter regarding minimum wage payment No. 24 year 2017, dated November 21, 2016, state that the minimum wage for plantation 2017 is IDR 2.368.739/month.
- Head of Kotawaringin Timur district stated that minimum wage for plantation sectoral in year 2017 is IDR. 2.368.739/month.
- Internal Memo No. 005/GM/IOM-SEC/XII/2016 dated December 10, 2016 for plantation sectoral Kotawaringin Timur District is IDR. 2.368.750 per month or IDR 94,750/day.

Cross check to these documents and records found that company still comply with regulations (for monthly rate and daily rate worker), regarding minimum wage payment sectoral for district (UMSK).

Every "PKWTT" and "PKWT" worker has hold contract agreement with company and part of scope of company regulations. The company regulations that has been registered to Local Office of Social and Manpower in 2017 valid for year 2017 to 2018 period, determined all workers obligations and rights that has refer to local and national labor regulations, such as :

- a. Working relations
- b. Paid and un-paid Day off and Leave permit
- c. Payment
- d. Worker facilities
- e. Layoffs termination
- f. Complaints and Grievance mechanism

Document check for overtime forms and payment calculations for daily rate worker found that company shows has not compliance to regulations. During document check regarding overtime issues, there were some overtime payment has been fulfilled piece rate workers norms (Mature Field Operation, Contract and labor Rate 2017).

Company Regulations 2016 article 21 mentions about company's facilities for worker. The points regarding facilities as mentioned are:

- Company provides housing, electricity and water for workers and family members (nuclear family) that live in the plantations area
- Company provides worker public facilities such as clinic, worshipping houses, sport areas etc.

Check into documents and records found that PT BSK provide adequate housing facilities for worker, and provide adequate electricity and water. Field check and interview with worker's spouse found that company routinely maintain the facilities keep in order. Every complaint from housing residents regarding worker facilities responded properly. Every local housing has an officer who respon-

**Compliance status:**  Yes  No

NCR No: -

sible for maintenance management.

PT BSK estate location is close to local economic center (market etc.) Sei Babi market, and Bangkal market. Small grocery available in each housing complex, supplying workers daily need such as rice, herbs, side dished material, fuel, etc. Some pitchman for vegetable come every day to housing complex. Food is adequately, sufficiently and affordably supplied by these local shops, there is no restriction from the company for worker to build a shop in housing facilities areas. To improve worker access to adequate food supplier, company has built Workers Cooperation that could accessed by all workers, member or non-member. The shop owned by the Cooperation is available in every Estate office.

***Criterion 6.6: The employer respects the rights of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.***

**Findings:**

The company still maintain the policy for worker's freedom association as stated on Internal Memo No. #026/WIP-HRD/INT-VIII/2009 dated August 12, 2009 i.e." Ketentuan Ketenagakerjaan from HRD head". The memo has been established policy such as:

- Freedom of association
- Prohibition on employing children
- Equal opportunity
- Prevention of sexual harassment, violence and oppression to woman.

The policy regarding freedom association explained in the company regulation year 2017 to 2018 period, article 11.

During the surveillance audit, evidences collected regarding policy's socializations. Printed document policy of worker's Freedom of Associations, the hardcopies has attached to every board in Estate and Mill Offices. This is one of effective way to socialize the policy to staffs and workers. There is no official labor union in the mill and estates, however PT BSK established Workers use Bipartite Cooperation Institutions (LKS Bipartite) for direct communication, the member of Bipartite consist of company's management representative and worker representative. The organization has been approved by Manpower and Transmigration Kotawaringin Timur district, i.e.

- LKS Bipartite for mill approved by Labor, Social and Transmigration agency No. 560.565/878/KEP/HI-KESJA/VII/2016 dated July 15, 2016.
- LKS Bipartite for estate approved by Labor, Social and Transmigration agency No. 560.565/618/Kep/HI-Kesja/VII/2016 dated July 15, 2016.

Bipartite meeting is conducted quarterly, las meeting dated on May 2016 at the mill with agenda; the company regulation implementation, workers insurance, security accommodation and worker grievance. The meeting attended by workers representative and PT BSK management. Minute of Bipartite Organization made available to the auditor team during 4rd surveillance audit.

**Compliance status:**  Yes  No

NCR No: -

**Criterion 6.7: Children are not employed or exploited.**

**Findings:**

Document check on list of employee and workers and field check found that there is no presence of child workers found in this company. Child worker restrictions has documented in Company's Policy. It Also has strictly mentioned in Company Regulations 2017, article 3, point 2, that state "Company has commitment will not recruit workers under 18 years old". This regulations also documented in recruitment procedures. Result of interview with management side, it was known that socialization of child workers policy was conducted by representative of management for contractor on 23, May 2017.

**Compliance status:**  Yes  No

NCR No: -

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

**Findings:**

PT BSK adopt policy regarding equal opportunity from Wilmar International Limited policy i.e. meet the requirements of equal opportunities to avoid any form of discrimination. The policy signed by Mr. Goh Ing Sing (Group Plantation head) dated September 2010.

There is no evidence of discrimination in this company. Workers come from various ethnic groups in Indonesia such as Java, Dayak, Malay, Batak, and others. The workers also come from various religions. Interview with maintenance worker and harvester worker confirmed that there is no indication found in working areas and emplacement areas showing discrimination issues among worker and staffs.

This policy has also clearly stated at Company Regulation 2017, article 3, point 7, "Company open equal opportunity to each individual person with respects, dignity, free from discriminations based on gender, race, ethnic, religion and believe backgrounds". Audit evidences regarding recruitment procedure and process shows that company still keeps their commitment.

SOP for recruitment was established i.e. No SOP-OD-01 rev02. Clinic will check the candidate for medical fitness, when recruitment conducted on site. Evidence of workers recruitment were sight during surveillance audit i.e. harvesters (BY/BSK1/1216/4812), recruit on May 01, 2017. The company always conducts employee performance evaluation regularly as consideration for employee promotion, mutation, and increase salary and performance bonus calculation.

**Compliance status:**  Yes  No

NCR No: -

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

**Findings:**

Company maintains the policy against sexual harassment and vio-

**Compliance status:**  Yes  No

NCR No: -

lence. The printed documents attached at boards in every office, estates and Mill. This policy has also clearly stated at Company Regulation 2017, article 3, point 3, "Company support (encourage) efforts to prevents, reports and actions over sexual harassment and violence". As implementations of the policy, company showed documents and records of Gender Committee Structure and activities (meeting and socializations). Special procedure has developed to accommodate complaints and grievances regarding these issues.

There is evidence of information provided to workers during morning row call regarding the company's policy against sexual harassment and violence. Interview result with maintenance workers (women) found that they already know the policy, and where to reports if there's any case happens in fields. Interview result with office workers found that they know person in charge regarding gender committee and they know and utilize their reproductive rights. Evidences such as filled H1 form (Leave for period) and H2 form (maternity leave) has showed during audit.

**Criterion 6.10: Growers and millers deal fairly and transparently with smallholders and other local businesses.**

**Findings:**

Based on data of FFB receipt from 2016 until July 2017, the company does not receipt FFB from third party.

**Compliance status:**  Yes  No

NCR No: -

**Criterion 6.11: Growers and millers contribute to local sustainable development where appropriate.**

**Findings:**

As stated at Company Regulations 2017, article 3, point 5, company has commitment to contribute to local development by developing Community Development Program. Audit evidences such as Document of CD/CSR Program 2017, records of implementations, meeting records and payments slips. The CD/CSR program has considered SIA Documents, company's operation areas as group and stakeholder consultation result. CD/CSR program activities that has implemented in 2016 and 2017 are donation for:

- a. Infrastructure
- b. Education (Incentives for In-permanent Teachers)
- c. Socials community
- d. Religious (Rehabilitation of Local Public Facilities)
- e. Economic
- f. Culture, local ceremony and sport
- g. Emergency response.

Example of CSR realization year 2017 such as:

- Master's Honor at SDN 1 in Sumber Makmur Village is IDR. 1,000,000
- Help forest fire extinguishers, land and platation in Pantap Village, as much as IDR. 12,785,000.
- Construction of 1 class of elementary school in Pantap Village for IDR. 160,000,000.

**Compliance status:**  Yes  No

NCR No: -

**Criterion 6.12: No forms of forced or trafficked labor are used.**

**Findings:**

The company has established regulation regarding working hours is 40 hours/week. Overtime has paid according to government regulation. There is no evidence of forced or traffic labor used within the company. PT BSK (CKP) only recruit migrant worker for managerial positions (staff up – expatriate). There is no migrant worker for casual workers. All harvester and maintenance worker (permanent and non-permanent) are Indonesian. From interview result, there is no trafficked labor are use. There is also no substitute contract occurred.

**Compliance status:**  Yes  No

NCR No: -

**Criterion 6.13: Growers and millers respect human rights.**

**Findings:**

The company established a policy to respect human right as signed by Goh Ing Sing dated June 2014. The human rights policy also include in Company Regulation 2016 article 3. The human right policy as state by UN guiding principle on Business and Human Rights has detailed into 7 points. This statement has cover issues such as :

- a. Commitment to provide comfortable working environment
- b. Commitment to employ worker over 18 years old
- c. Prevent, report, and handling sexual harassment and violence cases (if any).
- d. Commitment to transparency
- e. Commitment to contribute to local development
- f. Commitment to environment sustainability
- g. Commitment to equal opportunity

Freedom for associations has state as special documented policies. All of this commitment regarding human rights has communicated to all level of workers. Result of interview with management side, it was known that socialization of Human Right policy was conducted by representative of management for contractor on 23-24 May 2017.

**Compliance status:**  Yes  No

NCR No: -

**Criterion 7.1: A comprehensive and participatory independent social and environmental impact assessment is undertaken prior to establishing new plantings or operations, or expanding existing ones, and the results incorporated into planning, management and operations**

**Findings:**

PT BSK conduct social impact assessment year 2016 by internal. The assessment result explained there are 16 social impacts from company operations including positive and negative impacts i.e. Job opportunities, occupational, safety and health, workers right and facilities, consultation and communications, workers stability, business opportunity, incoming local contribution, family revenue, community institution public communication company's perception, social changes traditional right & other usage, land tenure and community health. Including the impacts of smallholder schemes

**Compliance status:**  Yes  No

NCR No: -

and land tenure problem.

The assessment has been done with the participation of affected parties as evidence showed from records of focus group discussion di several villages and workers from photographs such as FGD with: company's workers dated September 12, 2016 and Pantep Village dated September 29, 2016.

The company conduct regular management and monitoring for social impacts, as reported by community development on report semester 1 (January to July) year 2017, such as activities related to community development, religious, education, health, social & culture. The company also submitted regular report for environmental management and monitoring plan per semester to environmental officer for semester 1 January to June 2017.

The company conduct regular management and monitoring for social impacts, as reported by community development on report semester 1 (January to July) year 2017, such as activities related to community development, religious, education, health, social & culture. The company also submitted regular report for environmental management and monitoring plan per semester to environmental officer for semester 1 January to June 2017.

PT BSK has review social impact management and monitoring program for period 2016 to 2018, review result has documented on social impact management and monitoring plan revised year 2016 to 2018. The review has involve stakeholders from Biru Maju, Sumber Maju and Sebabi village. However, in the reviewed impact management and monitoring plan document edition year 2016 to 2018, communities from Pangkat village those categories as affected parties were not involved, furthermore the village has direct impact from company's activities.

**Criterion 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.**

**Findings:**

Soil suitability analysis done incorporated with soil survey done by PARAM. The company has a detailed soil map showing gradients and all soil types within all 3 estates, done by Param Agricultural Soil Surveys (M) Sdn. Bhd., dated June 2007. Marginal soils identified include sandy soils., as described below:

- BSK 1: Sandy class Buso : 485.03 ha ; Sandy class Miri: 225.89 ha; sandy class Serai: 148.98 ha;
- BSK 2: Sandy class Buso 296.52 ha; Sandy class Miri; 467.70 ha; sandy class serai : 1588.44 ha

According to peat soil map with scale 1: 50,000 there are peat soil both in PT BSK 1 and BSK 2 estate, i.e.:

- BSK 1; Peat soil EMU; 8980 ha and peat soil Param : 65.61 ha
- BSK 2: Peat soil Emu: 122.55 ha; and peat soil param 287.78 ha.

Base on field visit and determine on the slope map with scale 1: 175,000, the topography in PT BSK relative flat with slope range between 0 – 6 %. PT BSK has strategy for planting on the slope as determined on SOP 31/SUS(3)/0616 rev 3 dated June 01, 201 6

**Compliance status:**  Yes  No

NCR No: -

and Wilmar Agriculture Manual 2011 amended on December 5th, 2013.

**Criterion 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.**

**Findings:**

The company hired a consultant in year 2008 to conduct HCV assessment for all company's area. The result showed about 170.4 ha of HCV areas within BSK 1 and BSK 2 estate has cleared prior to year 2008-planted area and is not recoverable. This indicates that HCV compensation plans need to deliver to RSPO and approved for the area. This confirmed by RSPO through email communication with PT TUV Rheinland Indonesia on September 06, 2016 that PT BSK is in active compensation process.

Nevertheless, the company argues that field inspection by the company internal team observed how the area actually not cleared and still considered as HCV.

Field inspection by the audit team revealed how it seems the area in questions is actually previously planted by the company, and then, probably due to their information that the area was HCV, the company cut down their entire oil palm tree and let the area grow by it self. At the present, the area is covered by *Mucuna* sp, a type of shrubs that covers the land and soil. The sandy area considered as HCV area by consultant, especially since it is located adjacent with the river. Thus, *Mucuna* species covering the land would act as cover that is beneficial instead of bare land. Furthermore, the area not used by the company as plantation area and is now protected as HCV.

**Compliance status:**  Yes  No

NCR No

**Criterion 7.4: Extensive planting on steep terrain, and/or marginal and fragile soils, including peat, is avoided.**

**Findings:**

As explained on criterion 4.3, there are soil types considered as fragile in PT BSK, i.e. sandy soil and peat soil, the soil map has established and indicated the location of sandy soil and peat soil. PT BSK has strategy for other fragile and problem soils, there is updating SOP for sandy following inter office memo from Lee Kang Yee on July 11, 2009 Ref# 072/EMU/VII/2009 according to update SOP planting for sandy area in Central Kalimantan Project. Updating in peat soil management available on Soil Management and Monitoring for oil palm plantation ref # SA 03/EMU/(3)/081 on August 2011, i.e.

- Recommended Palm density is 148 trees/ha
- Water level maintained in range 50 cm-75 cm
- Water gate established to maintained water level.
- Fertilizer on immature refers to Agriculture Manual & Standard Operation Procedure for Oil Palm
- Fertilizer for mature based on recommendation from agronomist based on leaves and soil sampling analysis.

**Compliance status:**  Yes  No

NCR No: -

**Criterion 7.5: No new plantings are established on local people's land where it can be demonstrated that there are legal, customary or user rights, without their free, prior and informed consent. This is dealt with through a documented system that enables these and other stakeholders to express their views through their own representative institutions.**

**Findings:**

PT BSK has a policy to circumvent instigated violence to maintain peace and order in current and planned operations. There is no evidence that the company use of confrontation and intimidation by the company to the communities that claim PT BSK land. The company involve all relevant institutions such as local government, local BPN, local Agriculture office to communicate related to problem solving. No para militaries and mercenaries use in the plantation except security to protect the company's asset from the thief activities.

The auditor during verified it visited to villages surrounding PT BSK area such as, all head of villages from Pantap Village confirmed that PT BSK management has good communication and cooperation with the villager and provide donation including technical assistant if any problem occurred in the villages.

**Compliance status:**  Yes  No

NCR No: -

**Criterion 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.**

**Findings:**

Procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation has been established, i.e.

- SOP 30/BM/(0)/0409 regarding technical guide for Land Excisions/Acquisition
- SOP 30/BM/(0)/0409 regarding Settlement of land disputes

As explain on the Cr.2.2 & 2.3, there are several land dispute in PT BSK under completion process. PT BSK involve local government to solve land problem following information stated on document calculation & distributin fair compenisation i.e. head decree of Kotawaringin Timur District dated April 5, 2007 (ref: No. 316 year 2007) regarding basic price of land and plant compensation. The auditor conduct random checks confirmed that the land price paid by PT BSK to traditional owners after April 5, 2007 to this government circular.

**Compliance status:**  Yes  No

NCR No: -

**Criterion 7.7: No use of fire in the preparation of new plantings other than in specific situations, as identified in the ASEAN Guidelines or other regional best practice.**

**Findings:**

The company has zero burning policy as stated on "Environmental Policy" signed by Wilmar's Group Plantation Head, where it stated that all activities among PT Wilmar Plantation since land clearing both for new plantation and replanting activities not using fire. Manual or mechanical method for land preparation are used.

**Compliance status:**  Yes  No

NCR No: -

**Criterion 7.8: New plantation developments are designed to minimize net greenhouse gas emissions.**

<p><b>Findings:</b></p> <p>The company does not conduct new plantation development so this criteria does not applicable.</p>	<p><b>Compliance status:</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>NCR No: -</p>
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**Criterion 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.**

<p><b>Findings:</b></p> <p>The company (estate and POM) has a continuous improvement action plan. The main components of the plan are reduction of herbicide, reduction of hazardous and toxic waste, reduction in fuel consumption, reforestation, and reduction in the use of fertilizers containing N, P2O5, K2O, CaO, and MgO, Na and prevention and control of fires. The company reported RKL-RPL and UKL / UPL regularly every 6 months. RKL-RPL and UKL / UPL last reported of the year 2016 (January – June and July-December 2016). POM 1 and POM 2 have done the analysis and testing of environmental effects include ambient air testing, boiler emissions, emission generators, odor testing, testing of vehicle emissions, noise testing, illumination testing work environment, vibration testing, testing soil, surface water testing, testing waste water quality, water quality testing soil, erosion, fire potential, natural vegetation, wildlife reported in RKL-RPL.</p> <p>The Company have the record of water management plan and improvement plan about clean water in-stallation for mill, estate including housing area, e.g:</p> <ul style="list-style-type: none"> <li>• Pond cleaning on March, June and September</li> <li>• Water pipes intslation maintenance on Fberuary, May, August and November</li> <li>• Flow meter installation on April, May, August and November</li> <li>• Water treatment plant installation monitoring every month.</li> <li>• Water quality monitoring every six months.</li> </ul>	<p><b>Compliance status:</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>NCR No: -</p>
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The following is a summary of findings made for the criteria listed in the RSPO Supply Chain Certification November 2014 with selected supply chain model Mass Balance (MB) for detail information about company's compliances to RSPO SCCS module E.

<b>E.1. Definition</b>	
<p><b>Findings:</b></p> <p>The organization (PT Bumi Sawit Kencana Palm Oil Mill) still implemented the RSPO-SCCS Mass Balance (MB) model. This SCCS model allowed to mixing of certified and uncertified product but shall be control by the Mass Balance record to ensure the quantity of certified product, and only certified product could be claim by the organization as certified palm oil product. Organization has identified the volume of certified and uncertified FFB supplied to</p>	<p><b>Compliance status:</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>NCR No: -</p>

the mill.

The company has a plan to implemented 2 (two) model supply chain i.e. Mass Balance (MB) and Identity Preserved (IP).

PT BSK palm oil mill has record of incoming FFB supplied to the mill. Based on record data year of 2016 and 2017 until July, FFB incoming into the mill is came from owned estate and other estate of Wilmar group. During the surveillance assessment, for 2016 total incoming FFB under scope certification is 79,893.100 mt, certified FFB from other estate of Wilmar Group is 1,137.370 mt and uncertified FFB from other estate of Wilmar group is 68,668.29 mt.

**E.2 Explanation**

**Findings:**

Estimated of tonnage CPO and PK products has been recorded into the public summary of the P&C report.

The actual of certified CPO and PK year 2016 are 17,648.44 MT (CPO) and 3,784.12 MT (PK) with FFB certified as much as 81,083.470 mt. Whereas, projection of certified product year 2017 are 23,304.00 MT (CPO) and 4,855.00 MT (PK) with projection of certified FFB process is 97,100 MT and extraction rate are 24.00% (OER) and 5.00% (KER). This information gets from budget of mill year 2017.

Registration with IT trading platform PT Bumi Sawit Kencana has register to RSPO Palmtrace with li- cense number RSPO\_ PO1000001043. PT Bumi Sawit Kencana Palm Oil Mill has already selling CPO RSPO certified and PK RSPO certified.

The company able to show shipping announcement as evidence that the sale of CPO and PK certified by RSPO has inputted into the palm trace.

**Compliance status:**  Yes  No

NCR No: -

**E.3 Documented procedures**

**Findings:**

The company has procedure for implementation of SCCS requirements. There are a set of existing procedure consisting of:

- Procedure to receive FFB (SOP/BSKPOM2-LOG-003 Rev.02, issued

**Compliance status:**  Yes  No

NCR No: -

on May 29, 2017). This is procedure explained about mechanism to implemented supply chain model MB and IP.

- Procedure for weighbridge operation (SOP/BSKPOM-LOG-001 rev.03, issued on May 29, 2017)
- Procedure for cleaning of storage tank (SOP/BSK1POM-LOG-014 Rev.02, issued on May 29, 2017)
- Procedure for delivery of CPO and PK (SOP/BSKPOM-LOG-018 Rev.00, issued on May 29, 2017)
- Procedure for traceability (SOP/BSKPOM-MR-001 Rev.02, issued on May 29, 2017)
- Procedure for information of over production (SOP/BSKPOM-LOG-019 Rev.00, issued on May 29, 2017)

The company has decree letter about assigning the management representative related program of ISCC, RSPO and SCCS, which issued on 25 March 2017 with number of decree letter 01/BSK-Mill/III/2017 on behalf Gomgom O Tampubolon.

The mill has been assigning person, i.e. head of office administration (KTU) that having overall responsibility for and authority over the implementation of SCCS requirements and compliance with all applicable requirements. The head of office administration (KTU) expected to be able to demonstrate awareness of the facilities procedures for the implementation of SCCS standard. Respective staff has good knowledgeable and competent in implementing the supply chain procedures in palm oil mill, as proved during interview with weight bridge staff, FFB ramp etc.

The mill has records balance for all receipts of RSPO certified FFB and delivery CPO & PK on daily basis. The material balance includes information about incoming FFB from company's estate and out grower, FFB process, CPO & PK production including OER & KER. Since year 2016 PT Bumi Sawit Kencana palm oil mill has selling certified CPO to PT Wilmar Nabati Indonesia Sampit and PT Sinar Alam Permai Kumai and PK to PT Wilmar Nabati Indonesia Sampit. All volumes of palm kernel that delivered deducted from the material accounting system according to actual daily conversion rate. The material balance can show deliver product sales from a positive stock.

There is training evidence for SCCS awareness for staff level and all relevant worker such as attendance. Training conducted on April 11, 2017. Evidence of training Minutes meeting SCCS workshop for employees, material and photo documentation.

**E.4 Purchasing and good in**

**Findings:**

PT Bumi Sawit Kencana palm oil mill has procedure of receive FFB (SOP/BSKPOM2-LOG-003 Rev.02, issued on May 29, 2017). 1. This is procedure explained about mechanism to implemented supply chain model MB and IP.

The mechanism of receive FFB if implemented supply chain model Identity Preserved (IP) i.e.:

- Security guard will check the FFB delivery note or delivery note from the truck driver;
- If the slip of FFB transported not accordance, the security will reporting to head administration (KTU) or Mill Manager
- If there is found FFB supplier does not RSPO certified so the security will reporting to head administration or mill manager and coordination with supplier to reject the FFB
- The security checked the information in the slip of FFB transported and fulfil the VCF form and recorded in the Recapitulation book of security daily journal i.e. number of vehicle, name of driver, name of supplier and entrance time of vehicle
- The security handover the slip of FFB transported to the driver
- The weighbridge officer checked the slip of FFB transported and ensure that the FFB receive only came from RSPO certified supplier
- The weighbridge officer recorded the brutto and netto weight and give the weighbridge print out to the driver

The mechanism of receive FFB if implemented supply chain model Mass Balance (MB) i.e.:

- The driver handover the slip of FFB transported to security
- Security guard will check related the net used, the maximum limit of tonnage of truck i.e. maximum 3 layers
- The security checked the information in the slip of FFB transported and fulfil the VCF form and recorded in the Recapitulation book of security daily journal i.e. number of vehicle, name of driver, name of supplier and entrance time of vehicle
- The security handover the slip of FFB transported to the driver
- The weighbridge officer checked the slip of FFB transported. The weighbridge officer identified and record the FFB source i.e. certified and non-certified FFB and record

**Compliance status:**  Yes  No

NCR No: -

<p>into daily report</p> <ul style="list-style-type: none"> <li>The weighbridge officer recorded the brutto and netto weight and give the weighbridge print out to the driver</li> </ul> <p>The company has recapitulation of production report for year 2016; including volumes of FFBs received which separated into certified and non-certified FFB volumes.</p> <p>PT Bumi Sawit Kencana palm oil mill has procedure and mechanism to inform the over production into the CB by document number SOP/BSKPOM-LOG-019 Rev.00, issued on May 29, 2017 mentioned, "if over production projected, the management representative will inform to the CB related that over production".</p>	
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**E.5 Record keeping**

<p><b>Findings:</b></p> <p>The company has procedure for document control (SOP -MILL-015 Rev.01, issued on March 18, 2016). The procedure state that the company keep all of record related RSPO for 2 (two) years.</p> <p>Implementation of control and maintenance of the data &amp; document has consisted. All records (weighbridge slips, FFB delivery note and FFB grading report) collected or complied per month. Records on the quantity of FFB received and CPO/PK dispatched daily maintained in the weighbridge software. The mechanism to update information about production (production CPO/PK, dispatch CPO/PK, stock CPO/PK, OER and KER) to related section is by email notification every morning by the logistic division. The mill maintains accurate, complete and updated records and reports.</p> <p>The mill has records balance for all receipts of RSPO certified FFB and delivery CPO on daily basis. The material balance includes information about incoming FFB from company's estate and out grower, FFB produced, CPO result including OER, PK result including KER, product dispatch and balance product in the storage tank including the mass balance percentage, included information about PK production from certified FFB.</p> <p>All volumes of palm oil that delivered deducted from the material accounting system according to actual daily conversion rate. The material balance can show deliver product sales from a positive stock.</p> <p>There is no outsourced process in PT Bumi Sawit Kencana palm oil. The mill's product CPO and palm kernel internally processed in company's location.</p>	<p><b>Compliance status:</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>NCR No: -</p>
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### 3.2 Status of Previously Identified Non-conformities

Total 10 (ten) nonconformances were identified during the 3<sup>rd</sup> surveillance assessment. These consisted of 5 (five) major non-conformities and 5 (five) minor non-conformities. During this surveillance assessment, it found that there was sufficient evidence for closure of all non-conformities.

The following is a description of the evidence of action taken to close the non-conformities raised during the previous assessment, as well as auditor's conclusions on the status of the non-conformities.

NCR No.	Clause & status	Nonconformity	Auditee response		Verification result during this audit	Conclusion (Open/ Closed)
			Correction	Corrective Action		
RSPO 00573	1.2.1 (Major)	There is SOP47/PR/6/0516 for providing adequate information to relevant stakeholders. In section 4.16 the company should disseminate all information and it's updated regularly to relevant stakeholder. However the company cannot provide evidence that the list and summary of document has been distributed to relevant stakeholders.	<ol style="list-style-type: none"> <li>To make list of publicly information and make summary about publicly information.</li> <li>To disseminate the list and summary to relevant stakeholders.</li> </ol>	Ensuring list of information that is accessible to the public and summary of company's information received by the stakeholders on a regular basis every year once.	<p>The Company provide evidence such as:</p> <ol style="list-style-type: none"> <li>Announcement letter to company's stakeholders i.e. letter No. 19/BM-BSK/VI/2016 dated July 29, 2016.</li> <li>Summary company's information document, the summary consist of company information about HGU certificate; occupational and Safety planning; social impact management and monitoring plan; HCV management and monitoring plan; Company's negotiation process procedure; Continual improvement plan; general summary regarding company's certification process and performance, human right policy, complaint and claim handling.</li> <li>Evidence of receipt notes from stakeholders, there are 29 stakeholders have been signed receipt notes consist of local government, local institution, university and NGO.</li> </ol>	Closed
RSPO 00574	1.3.1 (Minor)	Corrective action from previous audit findings is not	1. Delivering code of conduct and eth-	To ensure that companies staffs,	Result of interview with management, it was known that so-	Closed

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		<p>effective, the company only communicated the policy to estate workers but there is no evidence that PT BSK code of ethical conduct policy has communicated to all levels of the workforce and operation in the mill workers including suppliers and contractors. This raised again as non-conformity.</p>	<p>ical behavior policy to all contractors and suppliers that still / currently collaborating with the company (sending policy and keep the receipt notes).</p> <p>2. Make commitment to implementing code ethics policy for related staff: the entire estate and mill manager, legal &amp; contract staff, Purchasing Staff.</p> <p>3. Define mutual agreement between company and stakeholders (suppliers and contractors) in the new working agreement, which understood and committed by both parties to implement code of conduct and ethical behavior.</p>	<p>workers and stakeholders understand and are committed to the implementation of the policy. By: All Manager, Staff Legal contracts, purchasing staff</p>	<p>cialization of Code of Ethical Conduct policy was conducted by representative of management for ontractor on 23, 24 May 2017.</p>	
RSPO 00575	2.1.1 (Major)	<p>There are some inconsistency with legal compliance:</p> <p>1.Overtime records for some workers in PT BSK mill found more than 3 hours per day/ 14</p>	<p>1. To establish policy overtime arrangement in the mil, and communicate the policy to all mill workers.</p>	<p>1. Ensuring that overtime duration for the workers comply with the regulation.</p> <p>2. Ensuring</p>	<p>Company provide evidence such as:</p> <ul style="list-style-type: none"> <li>- List of participant and photographs regarding communication and socialization of overtime policy that was conducted on August 16,</li> </ul>	Closed

		<p>hours per week, the condition were not consistent with Permenaker No. NOMOR KEP. 102/MEN/VI/2004.</p> <p>2. Medical Check for staff and employee lever as required by Permenakertrans Nomor 2 year 1980 article 3.</p> <p>3. First aid content in chemical store, hazardous waste storage, harvesting location etc.</p> <p>4. it was observed on fuel storage, chemical storage and waste storage, hazardous waste symbol and label were not consistent with PermenLH No 14 year 2013 and PermenLH No 3 year 2008 regarding hazardous label."</p>	<p>2. To make medical check plan for staff and permanent workers. Send the medical check result according to the plan.</p> <p>3. To make monthly monitoring for first aid kit content and make checklist first aid kit content according to relevant regulation, completing the first aid content as required.</p> <p>4. To identify and evaluate hazardous and hazardous waste symbol and label according to its MSDS and relevant regulation. To replace and put symbol and label according to identification result.</p>	<p>medical check have provided to all staff and permanent workers.</p> <p>3. Completele first aid kit content monitored in all place as required by the regulation.</p> <p>4. To ensure that all Symbol and labell for hazardous material and its waste comply with the regulation.</p>	<p>2016. Head of Personel and General Affair becomethe speake. There is new overtime policy in PT BSK signed by production controller on August 10, 2016, it is stated that maximum overtime 3 hours/day and 14 hours/week. Overtime should acknowledged by the supervisor and only from supervisor direction. The intermediary and supervisor will control the overtime and make overtime direction letter to approve by mill manager.</p> <ul style="list-style-type: none"> <li>- Evidence of staff anf permanent worker medical check up, 110 staff for BSK 2 estate and 36 staff for BSK 1, the result for all staff and permanent in BSK 1 estate in good condition while for BSK 2 estate only 29 in well condition the rest is normal and can be work with good nutrient input. This is notes from management BSK 2 estate to improve the health condition of the workers that has problem with their health.</li> <li>- There as cheklicst of first aid kit monitoring for BSK estate year 2016 for 13 location in each estate as mentioned on the checklist, monitoring will be conducted by EHS staff assisted by document controller, such as in office area,</li> </ul>	
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					warehouse, genset etc. - Revised SOP for hazardous material and waste management (SOP 22/EHS/(4)/0816) to including requirement of symbol and label usage according to information stated on the MSDS and regulation No. 3 year 2008. Photograph regarding the use of symbols in the warehouse has showed.	
RSPO 00576	2.1.4 (Minor)	SOP for hazardous material and waste Nomor SOP 22/EHS/(2)/0311 still using reference Government regulation Nomor 18 year 1999 regarding hazardous waste.	1. Revised the SOP of hazardous material and waste SOP 22/EHS/(2)/0311 rev.04 dated August 15, 2016 to use relevant and update regulation such as Indonesia government regulation No. 101 year 2014 regarding hazardous waste management. 2. To evaluate that all SOP has been referring to the latest version regulation.	To identify all SOP has been refer to the latest version of relevant regulation through regular checking every 6 month in conjunction with updating legal and other regulation program.	The company has revised the procedure for hazardous material and waste Nomor SOP 22/EHS/(2)/0311 by adding the latest regulation	Closed

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RSPO 00577	2.2.2 (Minor)	The legal boundary no. 34 was visible maintained. However, the boundary location is inside community oil palm plantation. The company has not clear information about community that managed the land.	To identify all land claimers inside PT BSK HGU area especially nearby boundary stone No. 34.	Document of memorandum of understanding consist of agreement between company and community who claim the land in PT BSK area (especially nearby boundary no 34) and confirmation about the status of land and its boundaries.	The company has conformation of conduct identification related information of local community that enclave in the company concession land. The company has MoU of plantation management with No. 001/Mou/BSK.II/MB-LAND/VIII/2016 between the company and local community on behalf Amir Wahyudi. The company has enclave map and sign by both party and knowing by Head village	Closed
RSPO 00578	2.2.4 (Major)	There are no enough records of land conflict resolution for land conflict with Pantap villages regarding" zona 200' land claimed	Company identify land conflict related zona 200 and Pantap village with participatory method and keep maintain all related records completely.	To complete all conflict resolution records especially for zone 200 and Pantap village.	The company provide evidence: 1. History of land conflict in Zona 200 and Pantap Village, regarding border road along logging road belong to PT Sarpattim. According to SK BPN No. 769.540.42.2004 dated March 31, 2005 the land included on proposed HGU PT Mentaya Sawit Mas (another subsidiaries belong to Wilmar Plantation, however community in Tangar village asking for 200 m left and right side of the road become community's land and to be enclaved from company's proposed HGU. There is report of villagers survey team in behalf of representative tangar village i.e. document no. 590/KPTS/53/III/PEMDES dat-	Closed

					<p>ed March 25, 2006, explained that they never approve land right release for mentioned area above in the region of Tangar village legally except by personal villager but not on behalf all community tangar village.</p> <ol style="list-style-type: none"> <li>2. There are some incoming letters regarding land claim such as letter no. 12/KRP/II/2010 dated February 2010.</li> <li>3. In February 19, 2010 PT BSK bring the problem to the council for village (MUSPIDA red) to solve the problem, but no data regarding the land claimed.</li> <li>4. Company's response to all land claimer No. 003/BM.BSK/II/20 dated February 2010 asking for all land claimer to be patient and waiting until company find data and document regarding the land.</li> <li>5. Company conduct consultation with National Land Agency (BPN) on February 23, 2011. Some recommendation from BPN regarding the land status such as, BPN recommend community Tangar and Pantap village to consult to Kotawaringin government directly about the land status as basic consideration get delegation for remeasure and resurvey the land.</li> </ol>	
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					<p>6. Company make road map for land conflict resolution on August 06, 2016 some recommendation for conflict resolution including recommendation for villager to send land compensation letter to PT BSK management.</p> <p>7. In September 09, 2016 meeting between PT BSK Bina Mitra with Pantap village to discuss about planning to identification land conflict in Zona 200 again. Head of Pantap village will collect all land title inside Zona 200 and asking for next meeting on September 19, 2016.</p> <p>8. In September 19, 2016, Bina Mitra section received information from Pantap village that the meeting postponed until September 21, 2016. The next meeting will discuss about identified land inside Zona 200 according to identified land title send to the company.</p>	
RSPO 00579	2.2.5 (Minor)	PT BSK has “land claimed map” there are 4 identified land claimed by communities including land claimed by Zainal and Simamora, however there are no information about others land claimed such land claimed by communities from Pantap village, and potential land overlaid with	<p>1. To make program for land conflict identification and mapped with participatory method include make the MoU (agreement) with the land claimer in the respective land.</p> <p>2. To make road</p>	<p>1. All land problem inside PT BSK area will be identified and make the solution for each identified problem.</p> <p>2. All records will keep maintained.</p>	PT BSK made land claimed map, according to the map, there are 4-claimed area in PT BSK. The map made internally by GIS department. There is some evidence that company conduct participatory mapping (survey location) or survey together for dispute area with the land claimer. Such as land case with Zainal and land case with Simamora all in BSK 2.	Closed

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		transmigration area from Biru Maju village and land claimed in boundary land no. 34, etc.	map and program for conflict resolution and some meetings to negotiate and discussion for problem solving.		There are complete land conflict resolutions including negotiation with FPIC method to Zainal Arifin and Simamora.	
RSPO 00580	4.1.1 (Major)	According to SOP Pressing Station (WIP/POM/SOP/01/02-14, Rev 0, 1 Februari 2014 stated that digester temperature must be at 95°C± 5°C. However, it found inconsistency such as. Within June 2016 period, every digester temperature only in the range 75°C - 85° C.	To evaluate and make digester repair program to find the root cause of temperature problem. Socialization and communication regarding repair program to all digester operator and revise the existing standard operation procedure for digester operational. To send the evidence of repaired equipment including repaired temperature.	Supervisor monitors that digester temperature in the required range i.e. 95 °C ± 5°C records the temperature on the Digester temperature log sheet, and take the further action If there found inconsistency.	The Company provide evidence, photographs repaired digester before and after repaired. Minutes meeting to communicate the revised SOP for digester operation and monitoring. List of meeting participants attended by 7 participants from press section. Meeting done on August 10, 2016.	Closed
RSPO 00581	4.1.2 (Escalation to Major)	Corrective action from previous audit finding still not effective because the auditor still found inconsistency implementation for SOP FFB harvesting section 7 and SOP oil palm plantation 2015),it was observed on the field (Block 013, Divisi 1A, BSK 2) the harvester and its supervisor said that harvesting criteria	To defined ripeness standard for FFB and retrained the harvester and field conductor regarding FFB ripe criteria for harvesting.	To monitor grading result in the mill especially for unripe fruit and will take action further action such as retrained and socialization to the harvester if there is still found unripe fruit.	The company provide documents: 1. Inter office memo no. 066/EMU/VII/2015 dated July 30, 2015 regarding Standard for Pruning and FFB Ripeness criteria for Central Kalimantan Project region, issued by EMU section. 2. Minutes training for ripeness criteria conducted on August 09 & 10 for all harvester and	Closed

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		is 10 loose fruit fall while the SOP state 2(two) loose fruit fall. This is raised again as Non conformity.			field conductor in BSK 1 and BSK 2 estate. 3.List for participant and absent the participant from BSK 1 estate and BSK 2 estate.	
RSPO 00583	6.1.4 (Minor)	Land tenurial problem is identified social impact as determined on document social impact PT BSK year 2011. However, in the reviewed impact management and monitoring plan document edition year 2016 to 2018, communities from Pangkat village those categories as affected parties were not involved, furthermore the village has direct impact from company's activities.	To identify affected villages surrounding PT BSK area. To be include Pantap village into social Impact management and monitoring program, especially for land tenurial involving community participation.	All affected villages from company's operational will be included on social impact management and monitoring plan and updated to information as actual contion.	The conduct social impact assessment on year 2016 by internal, from the assessment result there are 16 social impacts from company operations including positive and negative impacts,i.e. Job opportunities, occupational, safety and health, workers right and facilities, consultation and communications, workers stability, business opportunity,incoming local contribution, family revenue, community institution public communication company's perception, social changesm traditional right & other usage, land tenurial and community health. Including the impacts of smallholder schemes and land tenurial problem.	Closed

### 3.3 Identified Non-conformances, Corrective Actions Taken and Auditors Conclusions

During this surveillance assessment, total 8 nonconformances were identified. These consisted of 4 major non-conformities and 4 minor non-conformities. For the major non-conformances, the company has taken the necessary corrective action to close these non-conformances within 60 days of completion of the assessment, and this verified by the audit team through an on-site verification audit conducted on 7-10 August 2017 as well as checks of documents submitted by the company. For the minor non-conformances, the company has taken corrective action against these as well, and for those which could not be verified as closed through document checks, the closure of these minor non-conformities will be assessed during the next surveillance audit. A summary of all identified non-conformances, corrective actions taken and auditor conclusions is as below:

#### 3.3.1. Major non-conformities

It recommended by the lead auditor to award the system of the company with a certificate pursuant to the above-mentioned RSPO standards after eliminating the non-conformities rated as “major”.

Indicator	NCR No.	Evidence Observed	Deadline for implementation (Date)	Correction/Corrective Action taken	Auditor Conclusion
1.1.2	RSPO 01325	The company has been sent evidence of improvement such as: <ul style="list-style-type: none"> <li>A letter related receiving and respon flowchart of external stakeholder complaint that issued by Public Relation Officer on 6 September 2017. The letter explained that the letter from external stakeholders must delivered to head of unit PT Bumi Sawit Kencana and delivered to Public Relation Department. The complaint letter will repsonse i.e. 14 days since the letter receiving</li> <li>Minutes of socialization related procedure 47 about providing information to stakeholder conduct on 6 September 2017</li> </ul>	9 October 2017	<p><b>Correction:</b></p> Person incharge create the respon letter related discussing of village development in Pantap village	Closed
				<p><b>Corrective action:</b></p> Conduct socialization related the procedure 47	

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		<ul style="list-style-type: none"> <li>Evidence of socialization such as attendant list of participant and photo documentation</li> </ul>			
4.7.3	RSPO 01328	<p>The company has been sent evidence of improvement such as:</p> <ul style="list-style-type: none"> <li>Minutes of PPE Boiler hand-over conduct on 26 August 2017 i.e. heat coverall, helmet, safety shoes and gloves. This activity equipped with photo documentation</li> <li>Minutes of socialization related the risk on boiler station on 26 August 2017 and attendant list of participant</li> </ul>	9 October 2017	<p><b>Correction:</b></p> <p>Provide the PPE for the boiler operator</p> <p><b>Corrective action:</b></p> <p>Re-sozialitation related identification of risk assessment to boiler operator</p>	Closed
4.7.4	RSPO 01329	<p>The company has sent evidence of improvement such as document receipt related request the re-validation structure of OSH committee to Labor and Transmigration Agency of Central Kalimantan Province. The letter has delivered on 19 August 2017 and equipped with the stamp of Labor and Transmigration agency.</p>	9 October 2017	<p><b>Correction:</b></p> <p>Proposed the re-validation related the changes of OSH committee structure to Labor agency</p> <p><b>Corrective action:</b></p> <p>Monitoring the entire document to showing the validity</p>	Closed
5.3.2	RSPO 01331	<p>The company has been sent evidence of improvement such as:</p> <ul style="list-style-type: none"> <li>Minutes of corrective action related the plastic waste ex fertilizer that has sent to temporary storage of hazardous and toxic waste on 26 August 2017</li> <li>Photo documentation related the worker keep the</li> </ul>	9 October 2017	<p><b>Correction:</b></p> <ul style="list-style-type: none"> <li>Keeping the plastic waste ex fertilizer in the temporary storage of hazardous and toxic was</li> <li>Record the plastic waste ex fertilizer into hazardous and toxic waste logbook</li> <li>Transporting the plastic waste ex fertilizer to third party which has license</li> </ul>	Closed

		plastic waste into temporary storage of hazardous and toxic waste <ul style="list-style-type: none"> <li>Record of plastic waste ex fertilizer that has input on Hazardous and Toxic waste logbook (FRM-SD-22-01 revision 01). The logbook explained the in and out the waste.</li> </ul>		<b>Corrective action:</b> <ul style="list-style-type: none"> <li>Keeping the plastic waste ex fertilizer in the temporary storage of hazardous and toxic was</li> <li>Record the plastic waste ex fertilizer into hazardous and toxic waste logbook</li> <li>Transporting the plastic waste ex fertilizer to third party which has license</li> </ul>	
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### 3.3.2. Minor non-conformities

It recommended by the lead auditor to award the system of the company a certificate pursuant to the above-mentioned RSPO standards. The non-conformities identified shall audited again in line with the timeframe during the next surveillance audit

Indicator	NCR No.	Evidence Observed	Deadline for implementation (Date)	Correction/Corrective Action taken	Auditor Conclusion
2.2.2	RSPO 01326	The company has sent correction and corrective action request. The implementation of this CAR will seen in the next surveillance.	10 August 2018	<b>Correction:</b> Conduct identification and evaluated the caues of boundary pillar loss No.60  <b>Corrective action:</b> Installing the boundary pillar No. 60	Closed
2.2.3	RSPO 01327	The company has sent correction and corrective action request. The implementation of this CAR will seen in the next surveillance.	10 August 2018	<b>Correction:</b> Identify the landowner in the Block D137 and	Closed

				D138 <b>Corrective action:</b> Create a road map the result of identification	
5.2.5	<b>RSPO 01330</b>	The company has sent correction and corrective action request. The implementation of this CAR will seen in the next surveillance.	<b>10 August 2018</b>	<b>Correction:</b> Create a mutual agreement with local community located at set-aside with HCV area  <b>Corrective action:</b> Identify the HCV area that located at set-aside with local community	<b>Closed</b>
6.2.2	<b>RSPO 01332</b>	The company has sent correction and corrective action request. The implementation of this CAR will seen in the next surveillance.	<b>10 August 2018</b>	<b>Correction:</b> Create the letter of notification to Pantap vil-lage related the temporary officer which in-charge in community relationship at PT BSK  <b>Corrective action:</b> Conduct socialization related the changes of-ficer for entire village that set-aside with the company	<b>Closed</b>

### 3.4 Noteworthy Positive Components and Potential for Improvement

#### Positive Observation:

No.	Indicator	Positive Components
1	-	Auditee cooperative during the audit
2	-	Auditee conduct quick response to closed the potential non-conformity in the field
3	5.3	The condition of storage and temporary storage of hazardous and toxic waste is good
4	5.6	The company has methane capture as an effort to minimize GHG emissions

#### Potential for Improvement:

No.	Indicator	Potential for improvement
1	4.1.1	The company has create the procedure for mill and estate covering entire activity. Generally, the procedure has understood by workers but there is no found sortation procedure during mill visit to loading ramp
2	4.2.4	In order to immediately applied the empty fruit bunch that has been stacked in the field (BSK-2)
3	4.6.5	The company still used black sprayer mask (MaskR) which based on group internal analysis is not enough. There is Memorandum Internal No: 0/EHS-Sustainability / VI / 2017 from GM to Head estate unit dated June 28, 2017 concerning the Implementation of the PPE Standards, where there is a standard PPE to be used and purchasing liabilities only purchasing PPE under that brand, for sprayer specified items Blue Eagle Mask 3M Krisbow N95. Until the time of the audit, the item is still in the order process based on SAP code F34.031.052.
4	4.7	<ul style="list-style-type: none"> <li>To ensure that the existing shower in the temporary storage of hazardous and toxic waste at BSK-1 moved so that it is easily accessible in the event of an emergency condition</li> <li>The workbook and OSH license all operators handed over to the person concerned.</li> <li>Results of interview with weeding manual worker Block 023 BSK-2 (on behalf of Musiasih, Dina, Yulinah, Dalimah) obtained information that shoes and gloves is own bought. In order to be realized in accordance with the memo issued by the head unit</li> </ul>

### 3.5 Conclusion and Recommendation for RSPO P & C and Supply Chain Certification

The audit team has confirmed through the audit process that PT Bumi Sawit Kencana has established and maintains an effective system to ensure compliance with the RSPO P & C (NI P&C RSPO 2013 for Indonesia year 2016) and Supply Chain Certification System requirements (dated November 2014). It is also confirmed that the company's annual volume of CPO and PK sold for the period of 2016 has not exceeded the certified annual tonnages as claimed in the organization's RSPO certificate no. 82450216030 until 4<sup>th</sup> surveillance audit.

TUV Rheinland recommends that PT Bumi Sawit Kencana mill and estate be continuing approved for certification of compliance to the RSPO P & C and Supply Chain Certification System requirements.

### 3.6 Issues Raised by Stakeholders and Findings Pertaining to Issues

Below is a summary of issues raised by stakeholders interviewed on site

No.	Issues Raised	Management Response	Audit Verification
-	-	-	-

## **4.0 CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY**

### **4.1 Date of Next Surveillance Visit**

The next recertification visit planned for August 2018

### **4.2 Acknowledgements of Internal Responsibility and Formal Sign-Off by Client**

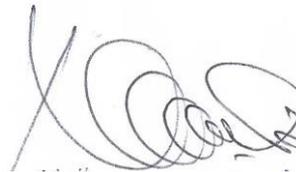
It acknowledged that the assessment visit carried out as described in this report and we accept the assessment findings and report content.

Signed on behalf of PT Bumi Sawit Kencana

Signed on behalf of TUV Rheinland Indonesia



Name: Isnawan Haryoko  
Position: Group Estate Manager  
Dated: November 2, 2017



Naik Monang Parlindungan Lingga  
Lead Auditor  
Date: November 2, 2017

## Appendices

### Appendix 1: Details of Revised Certificate

# Certificate

Standard : **Indonesian National Interpretation of RSPO Principles & Criteria for the Production of Sustainable Palm Oil; July, 2016 and RSPO Supply Chain Certification Systems: 2014**

Certificate Registr. No. : 824 502 16030

PT TUV Rheinland Indonesia certifies :  
Certificate Holder : **PT Bumi Sawit Kencana**  
Tangar Village, Telawang Sub District,  
Kotawaringin Timur District,  
Central Kalimantan Province, Indonesia



and its company owned estates according to the annex

RSPO number : -  
Scope : Palm Oil Production and Plantation Management System

An audit was performed, Report No. ASA4\_16030. Proof has been furnished that the requirements according to Indonesian National Interpretation of RSPO Principles & Criteria for the Production of Sustainable Palm Oil; July, 2016 are fulfilled.

The due date for all future surveillance audits is 23.08 (dd.mm).

Validity: The certificate is valid from 23-10-2013 until 22-10-2018.

The certificate shall remain valid in period stipulated above provided that the certificate holder mentioned here continues to comply with the RSPO P&C requirements. Status of compliance of the certificate holder shall be based on the annual inspections conducted by PT TUV Rheinland Indonesia.

RSPO registered parents company\* : Wilmar International Limited  
(RSPO Member No. : 2-0017-05-000-00)

\* Name of the RSPO registered member company of which the certificate holder is a subsidiary (if applicable)

Date of first certificate : October 23, 2013 was issued by SGS (Malaysia) Sdn.Bhd.

Indonesia, 04-12-2017

  
PT TUV Rheinland Indonesia  
Director

The certificate remains property of PT TUV Rheinland Indonesia and can be withdrawn in case of terminations as mentioned in the contract or in case of changes or deviations of the above-mentioned data. The licensee is obliged to inform PT TUV Rheinland Indonesia immediately of any changes in the above-mentioned data. Only an original and signed certificate is valid.

# Annex to certificate

Standard : **Indonesian National Interpretation of RSPO Principles & Criteria for the Production of Sustainable Palm Oil; July,2016 and RSPO Supply Chain Certification Systems: 2014**

Certificate Registr. No.: 824 502 16030

Location: **PT Bumi Sawit Kencana**  
 Address : **Tangar Village, Telawang Sub District, Kotawaringin Timur District, Central Kalimantan Province, Indonesia**



The palm oil mill and supply base covered in certification scope are :

Name of mill / estate	Location	GPS locations	
		Latitude	Longitude
Bumi Sawit Kencana Palm Oil Mill	Tangar Village, Telawang Sub District, Kotawaringin Timur District, Central Kalimantan Province, Indonesia	2°13'46.319" S	112°29'39.096" E
Bumi Sawit Kencana Estate 1	Tangar Village, Telawang Sub District, Kotawaringin Timur District, Central Kalimantan Province, Indonesia	2°23'3.408" S	112°29'22.091" E
Bumi Sawit Kencana Estate 2	Tangar Village, Telawang Sub District, Kotawaringin Timur District, Central Kalimantan Province, Indonesia	2°13'47.118" S	112°29'14.933" E

CPO Tonnage Total Production: 32,617.12 tonnes  
 PK Tonnage Total Production: 7,000.90 tonnes  
 Company Estates FFB Tonnages: 97,100.00 tonnes  
 FFB Tonnages from other sources: 56,200.00 tonnes  
 CPO Tonnage claimed for certification: 23,304.00 tonnes  
 PK Tonnage claimed for certification: 4,855.00 tonnes

Scope of SCCS & supply chain model assessed : FFB receipt, produce and delivery of CPO & PK with implementation of the following SCCS :  
 Identity Preserved  
 Mass Balance

Indonesia, 04-12-2017

PT TUV Rheinland Indonesia  
 Director

Issued by PT TUV Rheinland Indonesia

**Appendix 2: List of Abbreviations**

AMDAL	Analisis Dampak Lingkungan & Sosial (Social & Environmental Impacts Assessment)
BHL	Buruh Harian Lepas (Temporary worker)
BKPM	Badan Koordinasi Penanaman Modal (Capital Investment Coordination Board)
BOD	Biological Oxygen Demand
BPN	Badan Pertanahan Nasional (National Land Agency)
CDM	Clean Development Mechanism
COD	Chemical Oxygen Demand
CPO	Crude Palm Oil
Disnaker	Dinas Tenaga Kerja (Labour Department)
EIA	Environmental Impact Assessment
EMP	Employee
ERTs	Endangered, Rare & Threatened species
ESH	Environmental Safety & Health
EHS	Environmental Health & Safety
ETP	Environmental Target Program
FFB	Fresh Fruit Bunches
EFB	Empty Fruit Bunches
EMU	Environment Management Unit
FORKASS	Forum Komunikasi Masyarakat (Community Communication Forum)
GIS	Global Information System
HCV	High Conservation Value
HRD	Human Resources Department
HGU	Hak Guna Usaha (Land Use Rights)
ISCC	International Sustainability and Carbob Certification
IPM	Integrated Pest Management
IUP	Ijin Usaha Perkebunan (Plantation Operation Permit)
JHT	Jaminan Hari Tua
JKK	Jaminan Kesehatan Keluarga
JKM	Jaminan Kematian
K3	Keselamatan dan Kesehatan Kerja (Occupational Safety & Health)
Kadisbun	Kepala Dinas Perkebunan (Head of Plantations Department)
KepMen Naker	Keputusan Menteri Tenaga Kerja (Workforce Minister's Decree)
KHT	Karyawan Harian Tetap (Permanent Worker)
LTA	Lost Time Accident
LRR	Legal Requirements Register
MSDS	Material Safety Data Sheets
NGO	Non-Government Organization
OSH	Occupational Safety & Health
PGA	Personel and General Affair
PK	Palm Kernel
PKO	Palm Kernel Oil
PKS	Pabrik Kelapa Sawit ( Palm Oli Mill)
POME	Palm Oil Mill Effluent
PPE	Personal Protective Equipment
PUK	Perkembangan Usaha Kecil (Small Enterprises Development)
RKL	Rencana Pengelolaan Lingkungan (Environmental Management Plan)
RPL	Rencana Pemantauan Lingkungan (Environmental Monitoring Plan)
SCC	Supply Chain Certification
SIA	Social Impact Assessment
SOP	Standard Operating Procedure
SBSI	Serikat Buruh Sejahtera Indonesia (Indonesian Labour Union)
SPSI	Serikat Pekerja Seluruh Indonesia (Indonesian Workers Union)
SPTI	Serikat Pekerja Transportasi Indonesia (Indonesian Transportation Workers Union)

UKL	Upaya Pengelolaan Lingkungan (Environmental Management Efforts)
UMP	Upah Minimum Propinsi (Provincial Minimum Wage)
UPL	Upaya Pengelolaan Lingkungan (Environmental Management Efforts)

**Appendix 3: List of Stakeholders Interviewed and Contacted**

No.	Name of Stakeholder	Institution - Address	Remark
<b>Stakeholders Interviewed On-Site</b>			
1.	Isnawan	General Estate Manager	
2.	Heri Susanto	HRD	
3.	Riko	EHS Staff	
4.	Foreign Dodi	HCV Staff	
5.	Anam	Field Conductor Div 2A	
6.	Syaiful	Field Officer	
7.	Rahman	Spraying foreman	
8.	Syahrudin	Tractor operator	
9.	Irawaty	Sprayer	
10.	Sri Hartati	Sprayer	
11.	Barbera	Sprayer	
12.	Timah	Sprayer	
13.	Nimah	Sprayer	
14.	Fatimah	Sprayer	
15.	Megawati	Sprayer	
16.	Asih	Sprayer	
17.	Iyat	Sprayer	
18.	Dolang	Sprayer	
19.	Undang Sitorus	Fertilizing Foreman	
20.	Sunnah	Fertilizing worker	
21.	Natiah	Fertilizing worker	
22.	Narti	Fertilizing worker	
23.	Munarti	Fertilizing worker	
24.	Hazizah	Fertilizing worker	
25.	Asmawati	Fertilizing worker	
26.	Endi	Fertilizing worker	
27.	Hendro	Fertilizing worker	
28.	Sukria	Genset operator	
29.	Simon Samosir	Field Conductor Workshop	
30.	Agung Hustari	Welder	
31.	Lisbet Simanjuntak	Welder	
32.	Danang	Methane Capture Officer	
33.	Roni	Methane Capture Officer	
34.	Ainulhuri	Methane Capture Officer	
35.	Abdullah	POME pond Operator	
36.	Windra Yadi	Division Manager I Estate 2	
37.	Ismanto	Division Manager II Estate 2	
38.	Erwin Gultom	EMU	
39.	Roy	Field Officer Sub Division 1A	
40.	Hadi Ramadhan	Field Conductor Sub Division V	
41.	Misnawiyah	Spraying foreman	
42.	Hasnah	PPE and fertilizer sack washer	
43.	Nur Heini	Hazardous waste storage clerk	