

RSPO PRINCIPLES & CRITERIA

PUBLIC SUMMARY REPORT

MAIN ASSESSMENT

Indonesia

JABON PALM OIL MILL

PT. Jabontara Eka Karsa

2017

| | | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|-----------------|
| Report prepared by: | Muhd Jamalul Arif | (Lead Assessor) |
| Certification decision by: | Nor Atiqah | (Certifier) |
| Certifying Office | | |
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| | |
|-------------------------------|-----------------------------------------------------------------------------------|
| RSPO Membership Number | 8-0025-06-000-00 |
| RSPO Approval Date | 12/01/2006 |
| Affiliate Membership | http://www.rspo.org/en/member/339 |

Table of Contents

| | |
|----------------------------------------------------------------------------------------------------------------------------|-----------|
| PART 1: SCOPE OF THE CERTIFICATION ASSESSMENT AUDIT | 4 |
| 1.1 COMPANY AND CONTACT DETAILS | 4 |
| 1.2 RSPO MEMBERSHIP & CERTIFICATION DETAILS | 4 |
| 1.3 MAIN ASSESSMENT DETAILS | 4 |
| 1.4 ASSESSMENT TYPE | 4 |
| 1.5 LOCATION OF THE PALM OIL MILL..... | 4 |
| 1.6 PALM OIL MILL OUTPUT AND APPROXIMATE TONNAGES CERTIFIED..... | 4 |
| 1.7 GENERAL DESCRIPTION OF SUPPLY BASE | 5 |
| 3.3.2 <i>Location of the Supply Base</i> | 5 |
| 3.3.2 <i>Statistics of the Supply Base and Estimated Tonnes of FFB produced per year</i> | 5 |
| 3.3.2 <i>Conservation and HCV Area (Ha)</i> | 5 |
| 3.3.2 <i>Percentage of Planted Oil Palm by different Age Ranges</i> | 5 |
| 3.3.2 <i>Calculation of the Number of Production Units (N) to Sample for the Mill</i> | 6 |
| 1.8 PROGRESS OF ASSOCIATED SMALLHOLDERS OR OUT-GROWERS, IF APPLICABLE TO THIS ASSESSMENT | 6 |
| 1.9 LOCATION MAP FOR THIS CERTIFICATION UNIT (SEE APPENDIX 1) | 6 |
| PART 2: PARTIAL CERTIFICATION | 6 |
| 2.1 MANAGEMENT STRUCTURE | 6 |
| 2.2 NON-COMPLIANCE IDENTIFIED WITH 2.1 ABOVE | 7 |
| 2.3 SUMMARY OF THE TIME BOUND PLAN..... | 7 |
| 2.4 UN-CERTIFIED UNITS OR HOLDINGS | 8 |
| 2.5 SUMMARY OF THE FINDINGS FOR PARTIAL CERTIFICATION..... | 14 |
| 2.6 PARTIAL CERTIFICATION AUDIT AGENDA | 14 |
| PART 3: AUDIT PROCESS..... | 15 |
| 3.1 ABOUT THE CERTIFICATION BODY | 15 |
| 3.2 AUDIT TEAM | 15 |
| 3.2.1 <i>Qualifications of the Lead Auditor</i> | 15 |
| 3.2.2 <i>Qualifications of the Assessment Team</i> | 16 |
| 3.3 AUDIT METHODOLOGY..... | 17 |
| 3.3.1 <i>General Overview</i> | 17 |
| 3.3.2 <i>Assessment agenda for this Audit</i> | 18 |
| PART 4 ASSESSMENT FINDINGS | 20 |
| 4.1 LEAD ASSESSOR'S SUMMARY AND RECOMMENDATION FOR CERTIFICATION..... | 20 |
| 4.2 SUMMARY OF THE FINDINGS BY PRINCIPLES AND CRITERIA | 21 |
| <i>Principle 1: Commitment to Transparency</i> | 21 |
| <i>Principle 2: Compliance with Applicable Laws and Regulations</i> | 22 |
| <i>Principle 3: Commitment to Long-Term Economic and Financial Viability</i> | 25 |
| <i>Principle 4: Use of Appropriate Best Practices by Growers and Millers</i> | 26 |
| <i>Principle 5: Environmental Responsibility and Conservation of Natural Resources and Biodiversity</i> | 32 |
| <i>Principle 6: Responsible Consideration of Employees and of Individuals and Communities by Growers and Millers</i> | 39 |
| <i>Principle 7: Responsible Development of New Plantings</i> | 45 |
| <i>Principle 8: Commitment to Continuous Improvement in Key Areas of Activity</i> | 47 |
| 4.3 NON-CONFORMITY RAISED DURING THIS AUDIT AND ANY FROM THE PREVIOUS YEAR, IF APPLICABLE | 48 |
| 4.3.1 <i>Non-Conformities Identified during this Audit</i> | 48 |
| 4.3.2 <i>Non-Conformity Identified during the last ASA, not applicable for MA</i> | 50 |
| <i>Non-were raised during the last audit as this is the Main Assessment.</i> | 50 |
| 4.3.3 <i>Observations Raised During this Audit</i> | 50 |
| 4.4 ISSUES THAT WERE RAISED DURING THE STAKEHOLDER CONSULTATION, IF ANY..... | 51 |

| | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|
| PART 5: RSPO SUPPLY CHAIN CERTIFICATION | 53 |
| 5.1 POM INCLUDED IN THE SCOPE OF THE AUDIT | 53 |
| 5.2 CONFIRMATION OF THE COMPANY’S SUMMARY OF ANNUAL CERTIFIED VOLUME OF RSPO CERTIFIED PALM OIL AND PALM KERNEL OVER A SPECIFIED PERIOD | 53 |
| 5.3 SUMMARY REPORT INCLUDING A BRIEF DESCRIPTION OF THE SCOPE OF CERTIFICATION | 53 |
| 5.4 MONTHLY RECORDS OF CERTIFIED AND UNCERTIFIED FFB RECEIVED SINCE THE LAST AUDIT IN CASE OF MAIN ASSESSMENT, IT SHALL BE THE LAST 12 MONTH FIGURE. | 53 |
| 5.5 MONTHLY RECORDS OF CERTIFIED CPO AND PK SINCE THE LAST AUDIT | 54 |
| 5.6 RECORDS OF CERTIFIED CPO & PK SOLD UNDER GREENPLAM TO BUYERS SINCE THE LAST AUDIT, IF ANY..... | 54 |
| 5.7 RECORDS OF CERTIFIED CPO & PK SOLD UNDER UTZ eTRACE TO BUYERS SINCE THE LAST AUDIT, IF ANY | 54 |
| 5.8 NON-CONFORMITIES IDENTIFIED DURING THIS AUDIT | 54 |
| 5.9 DESCRIPTION OF THE ORGANIZATIONAL MANAGEMENT SYSTEMS | 55 |
| 5.10 FINAL CERTIFICATION DECISION BY CONTROL UNION FOR THE RSPO SCCS AUDIT OF THE POM | 55 |
| PART 6: CERTIFIED ORGANISATION’S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY | 56 |
| 6.1 DATE OF NEXT ASA | 56 |
| 6.2 DATE FOR CLOSURE OF NON-CONFORMITIES | 56 |
| 6.3 SIGNING BY THE CLIENT | 56 |
| 6.4 SIGNING BY THE LEAD AUDITOR | 56 |
| 6.5 SIGNING BY THE CERTIFIER | 56 |
| PART 7: APPENDICIES | 57 |
| APPENDIX 1: LOCATION MAP FOR THIS CERTIFICATION UNIT | 57 |
| APPENDIX 2: SUMMARY OF GHG EMISSIONS..... | 58 |
| APPENDIX 3: GHG ASSESSMENT FOR NEW PLANTINGS | 59 |
| APPENDIX 4: LIST OF ABBREVIATIONS..... | 60 |

PART 1: SCOPE OF THE CERTIFICATION ASSESSMENT AUDIT

1.1 Company and Contact Details

| | |
|----------------------------|---------------------------------------------------------------------------------------------------|
| Company Name: | PT. JABONTARA EKA KARSA KLK GROUP |
| Business Address: | Jalan Marsma Iswahyudi RT. 08 Kel. Rinding Kec. Teluk Bayur, Kab. Berau, Kaltim, 77313 Indonesia. |
| Contact Person: | Ir. David Saragi |
| Office Telephone: | 0811532389 |
| E-Mail: | david.s@klk.co.id |
| Web Site: | - |
| Other Certifications Held: | ISPO |

1.2 RSPO Membership & Certification Details

| | |
|---------------------------------|-----------------------------------------------------|
| RSPO Membership Number: | 1-0014-04-000-00 |
| Registered Client Name: | Kuala Lumpur Kepong Berhad |
| Certificate Number: | CU-RSPO-851724 |
| Start Date Of Certificate: | 11/11/2017 |
| End Date Of Certificate: | 10/11/2022 |
| Date Of Original Certification: | 11/11/2017 |
| Scope: | Certification of the Palm Oil Mill and Supply Bases |
| Type Of Certification: | Single site <input checked="" type="checkbox"/> |
| Duration Of Certificate: | 5 Years from date of certification |

1.3 Main Assessment Details

| | |
|----------------------|--------------------|
| Dates Of This Audit: | 20 – 24 March 2017 |
| Audit Number: | Main Assessment |

1.4 Assessment Type

This is a RSPO Principles & Criteria Compliance assessment of the palm oil mill and its respective supply bases as listed in this report below.

1.5 Location of the Palm Oil Mill

| Name Palm Oil Mill (POM) | Mill Capacity MT/Hour | Location Address | GPS Reference | |
|--------------------------------|-----------------------------|-----------------------------------------------------------------------------------------------|---------------|--------------|
| | | | Longitude | Latitude |
| Jabon Palm Oil Mill | 60 | Kampung Batu Putih, Kecamatan Batu Putih, Kabupaten Berau, Kalimantan Timur, 77373, Indonesia | 118°19'6.5" E | 1°14'08.8" N |

1.6 Palm Oil Mill Output and Approximate Tonnages Certified

Figures below are from:

- Only from certified supply bases (Y/N). **No**
- Combining certified with uncertified supply bases (Y/N). **Yes**
- If the Mill is receiving FFB from uncertified supply bases outside the audit scope, such uncertified sources is highlighted under the following sections as seen applicable:
 - PART 1, Section 1.7 – General Description of Supply Base,
 - PART 2: Partial Certification, Section 2.4 – Uncertified Units or Holdings,
 - PART 5: RSPO Supply Chain Certification of this report

| Projected Production from the last 12 Months (MT) | | | Actual Production for this Audit Year 2017/2018 (MT) | | | Projected 12 Months (MT) Forecast Volume in this Report | | |
|---------------------------------------------------|-----|----|------------------------------------------------------|--------|-------|---------------------------------------------------------|---------|---------|
| FFB | CPO | PK | FFB | CPO | PK | FFB | CPO | PK |
| - | - | - | 89,353 | 22,890 | 2,645 | 35,476** | 9,188** | 1,064** |

**volume after deduction of production from non-compliance land clearance

1.7 General Description of Supply Base

PT. Jabontara Eka Karsa is the complex under group of KLK Kaltim Region. 2 plantation that fully managed by PT. Jabontara is Kebun Sungai Raya & Kebun Sungai Jantui which total area registered in HGU is 14,086 Ha, but since 7,245ha were cleared and planted without NPP, the production will be under sanctioned. Both estates have respective managers who is the onsite person incharge for implementation of RSPO in their operation, while monitored by Sustainability Team head by Mr. Stephen Tiong.

PT. Jabontara also has managed 2 associated smallholders [Plasma Rimba Perkasa (714 Ha, with FFB production 2,716.76mt) & Plasma Harapan Sejahtera Bersama (1290 Ha, no production yet)] as part of the CSR program which will be include in the certification scope within 3 years after the certification. This is not applied to Peraturan Menteri Pertanian #26/Parmentan/OT.140/2/2007 to obligated a company to have 20% development of surrounding smallholders due to PT. Jabontara HGU registered in 1997.

3.3.2 Location of the Supply Base

| OPP | Oil Palm Plantation | Location | GPS reference | | Area Summary (Ha) | | |
|--------------|----------------------|------------------------------------------------------------------------------------------------------|---------------------|-------------------|-------------------|--------------|--------------|
| | Name | Address | Longitude | Latitude | Total | Planted | Mature |
| OPP 1 | Sungai Raya Estate | Batu Putih Village Batu Putih Subdistrict Berau Regency, East Kalimantan Province, 77373 | 118° 20' 55.7" E | 1° 15' 06.9" N | 8,521 | 4,536 | 3,079 |
| OPP 2 | Sungai Jantui Estate | Batu Putih Village Batu Putih Subdistrict Berau Regency, East Kalimantan Province, 77373 | 118° 17' 28" E | 1° 15' 06.9" N | 5,565 | 4,157 | 1,652 |
| TOTAL | | | | | 14,086 | 8,693 | 4,731 |

3.3.2 Statistics of the Supply Base and Estimated Tonnes of FFB produced per year

| OPP | Oil Palm Plantation | Estimated FFB/Year (MT) | Planting Years | Cycle (Years) |
|--------------|----------------------|-------------------------|---------------------------------|---------------|
| OPP 1 | Sungai Raya Estate | 74,082 | 2007, 2009, 2011, 2012, 2014 | 25 |
| OPP 2 | Sungai Jantui Estate | 36,060 | 2011, 2012, 2013, 2014 | 25 |
| TOTAL | | 110,142 | - | - |

3.3.2 Conservation and HCV Area (Ha)

| OPP | Oil Palm Plantation | Conservation Area (Ha) | HCV Area (Ha) | * HCV part of Conservation |
|--------------|----------------------|------------------------|---------------|----------------------------|
| OPP 1 | Sungai Raya Estate | 3,266.2 | 348.94 | No |
| OPP 2 | Sungai Jantui Estate | 1,155.8 | 17.5 | No |
| TOTAL | | 4,422 | 366.44 | No |

* Indicate if HCV area is part of the Conservation Area. If the HCV area is part of the Conservation Area, then "YES" otherwise, "No"

3.3.2 Percentage of Planted Oil Palm by different Age Ranges

| OPP | Planting Years by 5 year Ranges (%) | | | | | | Total (ha) |
|-------|-------------------------------------|-----------|------------|-------------|-------------|------|-------------|
| | 1991-1995 | 1996-2000 | 2001 -2005 | 2006 – 2010 | 2011 – 2015 | 2016 | |
| OPP 1 | - | - | - | 31.92% | 68.08% | - | 100% |
| OPP 2 | - | - | - | - | 100% | - | 100% |

| 3.3.2 Calculation of the Number of Production Units (N) to Sample for the Mill | | | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|------------------|-----------|
| N = 0.8vY, where “Y” is the number of units, with the result always to be rounded “up” to the next whole integer. Where only a sample of the supply base is assessed, units not previously assessed, or assessed earlier in the certification program, are to be preferred over those more recently assessed | | | |
| For the Mill, how many units make up the production base? | | | |
| Owned estates (Y) | N = 0.8vY | Smallholders (Z) | N = 0.8vZ |
| 2 | 2 | - | - |
| Explanation as to the selection of estates sampled | | | |
| Both supply bases selected for the audit which is Kebun Sungai Raya & Kebun Sungai Jantui during this main assessment. | | | |

| 1.8 Progress of associated Smallholders or Out-growers, if applicable to this assessment |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Progress of associated Smallholders or Out-growers towards Compliance with relevant Standards - should be in accordance to the 3 year implementation plan, if applicable to this assessment |
| PT. Jabontara also has managed 2 associated smallholders [Plasma Rimba Perkasa (714 Ha) & Plasma Harapan Sejahtera Bersama (1290 Ha)] as part of the CSR program which will be include in the certification scope within 3 years after the certification. This is not applied to Peraturan Menteri Pertanian # 26/Parmentan/OT.140/2/2007 to obligated a company to have 20% development of surrounding smallholders due to PT. Jabontara HGU registered in 1997. |

1.9 Location Map for this Certification Unit (See Appendix 1)

| PART 2: PARTIAL CERTIFICATION |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| The rules for partial certification allow organizations that have a majority holding in and / or management control of more than one autonomous company growing oil palm to certify individual management units and / or subsidiary companies subject to certain rules. |

| 2.1 Management Structure | | | | |
|---------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|------------------|-------------|
| Section | Criteria | Yes/No | If “Yes” | If “No” |
| 2.1.1 | Is the certified operation (POM and supply base as detailed above) a stand-alone operation and there are no other plantations or mills owned by the same company? | No | Section 2 is N/A | Go to 2.1.2 |
| 2.1.2 | Is the certified operation part of a simple structure of operations owned by one company? | Yes | Go to 2.1.5 | Go to 2.1.3 |
| 2.1.3 | Are there statements of the ultimate controlling shareholders and directors in the managing agency company/companies: | - | Go to 2.1.4 | Go to 2.2.1 |
| 2.1.4 | a. Explaining the legal relationship and the management arrangements with the subsidiary companies and / or with any operating groups? | - | Go to 2.4 | Go to 2.2.2 |
| 2.1.5 | b. A statement of commitment to complying with the spirit of the RSPO for all companies and subsidiaries involved with the growing of oil palm and for the production of palm oil? | - | Go to 2.3 | 2.2.3 |
| 2.1.6 | Is there a time bound plan in place for all subsidiaries, estates and palm oil mills? | Yes | | |
| 2.1.6 | Is the parent company or one of its majority owned and / or managed subsidiaries a member of RSPO. | Yes | | |

| 2.2 Non-compliance Identified with 2.1 Above | | | |
|----------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|----------|
| Section | Non-compliance findings | NC raised | Category |
| 2.2.1 | There is no explanation as to the company's structure and therefore it is not possible to conduct an effective audit against the rules for partial certification. | - | Major |
| 2.2.2 | There is no statement of commitment to complying with the spirit of the RSPO for all companies within the company structure. | - | Major |
| 2.2.3 | There is no time bound plan in place for the certification for all subsidiaries, estates and mills. | - | Major |
| 2.2.4 | No applicable membership of the RSPO. | - | Major |

| 2.3 Summary of the Time Bound Plan | | | |
|------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
| Section | Requirement | Findings and any action required | Compliance |
| 2.3.1 | Does the plan include all subsidiaries, estates and mills? | The time bound plan does include of the subsidiaries, mills and estates owns by KLK. The Paloh Palm Oil Mill in Johor (currently running alternatively and under consideration on top management to shutdown) and Mill 1 in Sabah are not part of the time bound plan as it meant for out growers and smallholder group. The status is independent mill which is received 100% FFB from independent smallholders. This has been communicated with RSPO in 2015. | Yes |
| 2.3.2 | Is the time bound plan challenging? ➤ Age of plantations. ➤ Location. ➤ Mill development. ➤ Infrastructure. ➤ Compliance with applicable law. | The plan is achievable unless otherwise with unforeseen circumstances. The risk involves varies from: <ul style="list-style-type: none"> To engage certification bodies and their availability. Laws and regulations in Indonesia – a lot uncertainty. In Indonesia ISPO precede other certification standards. In Indonesia, it finds mobilizing the internal resources to different geographical locations. Land compensation process with RSPO. | Yes |
| 2.3.3 | Have there been any changes since the last audit? Are they justified? | The latest time bound plan dated on 22/04/2016 was reviewed and changes were discussed during verification. In Kaltim, Jabontara POM had been newly included. Both Jabontara and Berau mill target to be certified by 2017 which a year delay [2016] than planned. This was due to RSPO Compensation Scheme [Compensations Concept Note was submitted to RSPO]. | Yes |
| 2.3.4 | If there have been changes, what circumstances have occurred? | New inclusion of mill and supply base. No changes on the targeted time line. | Yes |
| 2.3.5 | Have there been any stakeholder comments? | On PT Menteng Jaya Sawit Perdana IUP for 7,400 Ha approval no: 525.26/153/II/EKBANG/2007 dated on 13 February 2007 and Izin Lokasi (IL) is renewed and documented no: 188.45/359/HUK-BPN/2013 dated: 1 st August 2013 which includes an approval clause 1a that this IL will remain in force until land swap process is finalised and as at now, the land / boundary survey on-going. 3,509 Ha has been approved to spend for Hutan Tanaman | Yes |

| | | | |
|-------|---------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|-----|
| | | Rakyat (SK.659/Menlhk/Setjen/PLA.2/8/2016) 26 Aug 2016. | |
| 2.3.6 | Have there been any newly acquired subsidiaries? | Refer below time bound plan. | Yes |
| 2.3.7 | Have there been any isolated lapses in the implementation of the plan? | No lapses Lapses found been justified from land compensation process with RSPO. | Yes |
| 2.3.8 | Has there been any systematic failure to proceed with the implementation of the plan? | No | Yes |
| 2.3.9 | General statement as to progress made since the last audit? | The target to certify all the units within year 2017 remain same. | Yes |

| 2.4 Un-Certified Units or Holdings | | | |
|------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
| NOTE: | Companies may demonstrate compliance by clear evidence of a self-audit (i.e. an internal audit for all subsidiaries, estates and Palm Oil Mills) | | |
| Section | Requirement | Findings and any action required | Compliance |
| 2.4.1 | Did the company conduct an internal audit? If so, has a positive assurance statement been produced? | Since all the facilities in Malaysia were certified, therefore the facilities in Indonesia monitor by the Pak Steven and once in 3 months, a review with Sustainability Head will be done in KLK HQ in Ipoh. The internal control points have included all the requirements to validate the compliance against uncertified units or holdings as per partial. Joint venture in Liberia does not required internal audit as it is part of EPO as stand-alone entity. However, starting from 2017 Liberia units has been included in this year time bound plan as starting this year, all communication related to EPO will be under KLK. Sighted email communication on March 2017 with RSPO. | Yes |
| 2.4.2 | No replacement after dates defined in NIs Criterion 7.3 of: <ul style="list-style-type: none"> • Primary forest. • Any area identified as containing High Conservation Values (HCVs). • Any area required to maintain or enhance HCVs in accordance with RSPO | There will either be a moratorium on development or for new areas to be developed the HCS Approach method will be employed until the exercise of convergence is completed. | Yes |

| criterion 7.3. | | | |
|----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|
| 2.4.3 | Any new plantings since January 1 st 2010 must comply with the RSPO New Plantings Procedure. | There will either be a moratorium on development or for new areas to be developed the HCS Approach method will be employed until the exercise of convergence is completed. | Yes |
| 2.4.4 | Any Land conflicts are being resolved through a mutually agreed process, e.g. RSPO Grievance procedure or Dispute Settlement Facility, in accordance with RSPO criteria 6.4, 7.5 and 7.6. | PT Adei Plantation land conflicts around 2,544 Ha are still in progress of negotiation and the land area been enclave. Process completed with all 2,544 Ha land has been enclave to Masyarakat Sakai Melayu/Jiat and Tanah Putih and been taken out from PT. Adei HGU. Sighted email evidence from the GM dated on 9 Aug 2017. | Yes |
| 2.4.5 | Any Labor disputes are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3. | None noted. No stakeholder comments or complaints received through central complaint record in HQ. All uncertified units in Indonesia has passed the Stage 1 audit for ISPO. In Liberia units, any complaint also will come through central complaint procedure. Further, complaint procedure available in respective units and internally been verified during company internal audit. | Yes |
| 2.4.6 | Any Legal non-compliance is being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2. | None noted. No legal non-compliance. | Yes |

TIME BOUND PLAN FORECAST FOR RSPO CERTIFICATION OF ALL PALM OIL MILLS & SUPPLY BASES

| s/n | Palm Oil Mill | Country | Supply Bases (estates, plantations, associations) | Area [Ha] | Targeted RSPO Certification Year | Current Certification Status as per this Audit |
|-----|---------------|----------------------------|---------------------------------------------------|-----------|----------------------------------|------------------------------------------------|
| 1 | Batu Lintang | Kulim, Kedah, Malaysia | Pelam Estate* | 2,960 | 2013 | Certified |
| | | Serdang, Kedah, Malaysia | Batu Lintang Estate* | 1,808 | | |
| | | | Buntar Estate | 899 | | |
| | | Batu Kurau, Perak Malaysia | Subur Estate | 1,290 | | |
| 2 | Kekayaan | Paloh, Johor, Malaysia | Landak Estate | 4,451 | Oct 2011 | Certified |
| | | | Kekayaan Estate | 4,436 | | |

| | | | | | | |
|-----------------------------------|--------------------|-------------------------------------------|--------------------------|------------------|-----------|-----------|
| | | | Paloh Estate | 2,029 | | |
| | | Tenang, Johor, Malaysia | Voules Estate* | 2,969 | | |
| | | | New Pogoh Estate* | 1,545 | | |
| | | Kulai, Johor, Malaysia | Fraser Estate | 2,928 | | |
| | | Bekok, Johor, Malaysia | Sg Bekok Estate | 625 | | |
| | | Pagoh, Johor, Malaysia | Ban Heng Estate | 631 | | |
| | | Renggam, Johor, Malaysia | See Sun Estate | 589 | | |
| Bandar Tenggara, Johor, Malaysia | Sg Penggeli Estate | 942 | | | | |
| 3 | Jeram Padang | Bahau, Negeri Sembilan, Malaysia | Ayer Hitam Estate | 2,640 | Sept 2012 | Certified |
| | | | Jeram Padang Estate* | 2,114 | | |
| | | Telemong, Pahang, Malaysia | Renjok Estate* | 1,578 | | |
| | | | Tuan Estate* | 1,353 | | |
| | | Lanchang, Pahang, Malaysia | Sg Kawang Estate* | 1,889 | | |
| | | Rompin, Negeri Sembilan, Malaysia | Batang Jelai Estate* | 2,148 | | |
| | | Simpang Durian, Negeri Sembilan, Malaysia | Gunung Pertanian Estate* | 686 | | |
| Pedas, Negeri Sembilan, Malaysia | Ulu Pedas Estate* | 922 | | | | |
| Rantau, Negeri Sembilan, Malaysia | Kombok Estate* | 1,915 | | | | |
| 4 | Tanjong Malim | Tanjung Malim, Perak, Malaysia | Changkat Asa Estate* | 1,716 | 2013 | Certified |
| | | Kerling, Selangor, Malaysia | Kerling Estate* | 619 | | |
| | | Serendah, Selangor, Malaysia | Sg Gapi Estate | 603 | | |
| 5 | Tuan Mee | Sungai Buloh, Selangor, Malaysia | Tuan Mee Estate | 1,556 | 2013 | Certified |
| 6 | Kuala Pertang | Kuala Krai, Kelantan, Malaysia | Pasir Gajah Estate | 2,107 | By 2014 | Certified |
| | | Tanah Merah, Kelantan, Malaysia | Kerilla Estate* | 2,176 | | |
| | | | | Sg Sokor Estate* | 1,603 | |

| | | | | | | |
|----|------------------|--------------------------------|---------------------------------------------------------------------------------------|---------------------------------------------|-------------------------------------------------------------|------------------|
| 7 | Mill 2 | Tawau, Sabah, Malaysia | Pang Burong Estate Sri Kunak Estate Tundong Estate Ringlet Estate | 2,548 2,770 2,155 1,834 | March 2009 | Certified |
| 8 | Pinang | Tawau, Sabah, Malaysia | Jatika Estate Sigalong Estate Pangeran Estate Pinang Estate | 3,508 2,864 2,855 2,420 | March 2009 | Certified |
| 9 | Lungmanis | Lahad Datu, Sabah, Malaysia | Tungku Estate Bukit Tabin Estate Lungmanis Estate | 3,418 2,916 1,656 | July 2010 | Certified |
| 10 | Rimmer | Lahad Datu, Sabah, Malaysia | Rimmer Estate Sg. Sibalukan | 2,730 2,654 | July 2010 | Certified |
| 11 | Bornion | Kinabatangan, Sabah, Malaysia | Bornion Estate Segar Usaha Estate | 3,233 2,792 | July 2010 | Certified |
| 12 | Changkat Chermin | Manjung, Perak, Malaysia | Lekir Estate Changkat Chermin Estate Raja Hitam Estate | 3,313 2,530 1,497 | 2013 | Certified |
| | | Parit, Perak, Malaysia | Glenealy Estate* Serapoh Estate* | 1,059 936 | | |
| | | Padang Rengas, Perak, Malaysia | Kuala Kangsar Estate* | 843 | | |
| | | Trong, Perak, Malaysia | Allagar Estate | 805 | | |
| 13 | Berau | Berau, Kaltim, Indonesia | Kebun Malindomas Perkebunan, Kebun Hutan Hijau Mas, Kebun Anugrah Surya Mandiri | 7,971 [2006] 7,317 [2006] 2,682 | By 2017 2018 (Pending compensation process from RSPO) | Pending |
| 14 | Jabontara | Berau, Kaltim, Indonesia | Kebun Jabontara Eka Karsa | 14,086 [2007] | By 2017 | Audited in March |

| | | | | | | |
|--------------|--------------------------------------------|------------------------------------|--------------------------------|---------------------------|----------------------------------------------------------|---------------------|
| 15 | Steelindo Wahana Perkasa | Belitung, Indonesia | Kebun Steelindo Wahana Perkasa | 14,065 | By 2013 | Certified (2015) |
| 16 | Parit Sembada | Belitung, Indonesia | Kebun Parit Sembada | 3,990 | By 2015 | Certified |
| | | | Kebun Alam Karya Sejahtera | 2,336 [2009] | By 2018 (Under review consignment note for compensation) | |
| 17 | Mandau | Riau, Sumatera, Indonesia | Kebun Mandau* | 14,799 | Oct 2012 | Certified |
| 18 | Nilo 1 | Riau, Sumatera, Indonesia | Kebun Nilo Timur | 12,860 | By 2013 | Certified (2014) |
| 19 | Nilo 2 | Riau, Sumatera, Indonesia | Kebun Nilo Barat | | By 2013 | Certified (2014) |
| | | | Kebun Mutiara | 1,400 [2005] | By 2018 (Stage 1 – pre-assessment done Feb 2017) | Pending |
| 20 | Tapung Kanan | Riau, Sumatera, Indonesia | Kebun Sekarbumi Alamlestari | 6,200 | By 2013 | Certified |
| 21 | Stabat Mill (PT. Langkat Nusantara Kepong) | Langkat, Sumatera Utara, Indonesia | Kebun Basilam* | 2,697 [2001] | By 2017 | Certified on August |
| | | | Kebun Gohor Lama* | 3,323 [1992] | | |
| | | | Kebun Tanjung Beringin | 3,936 [2000] | | |
| | | Langkat, Sumatera Utara, Indonesia | Kebun Padang Brahrang | 1,949 [1979] | By 2017 | Certified on August |
| | | | Kebun Bukit Lawang | 1,377 [1995] | | |
| | | | Kebun Tanjung Keliling | 2,407 [2407] 2,979 [1984] | | |
| Kebun Bekiun | 2,704 [2007] | | | | | |
| Kebun Maryke | | | | | | |
| 22 | MAP | Mentaya Hulu, Kalteng | Kebun Karya | 13,148 | By 2017 | Pending |

| | | | | | | |
|----|---------------------|--------------------------------------------------------------------|----------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------|------|---------|
| | | Indonesia | Makmur Abadi | 9397 Ha (HGU 73/HGU/K EM- ATR/BPN/ 2016 dated 28 Oct 2016) 3406 Ha (in progress of HGU) [2008] | | |
| | | Kebun Mulia Agro Permai, Baamang, Kalteng Indonesia | Kebun MAP | 9,056 [2006] | | |
| | | Kebun Menteng Jaya Sawit Perdana, Mentaya Hilir, Kalteng Indonesia | Kebun Menteng Jaya Sawit Perdana | 5,893 [2009] | | |
| 23 | Equatorial Palm Oil | Palm Bay Estate | County Bassa | 13,007 [2013] | 2022 | Pending |
| | | Butaw Estate | Sinoe County | 8,011 [2013] | | |

Note: Above marked * is combination of total rubber and palm oil area within stated plantation where the exact certified or under certification of each plantation will be according to the respective public summary report

| With reference to time bound plan, the following issues were reviewed openly with the Control Union audit team during the assessment and which may be in conflict with the rules for partial certification, if applicable | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|
| Name of Mill or Plantation | *Area of concern (See examples below) |
| N/A | N/A |
| <p>Include any known concerns, media reports and major issues both present and from the past covering, for example:</p> <ul style="list-style-type: none"> • Replacement of primary forest or any area containing HCV's since November 2005. • Evidence of non-compliance with the law • Legal issues • Compensation payments • Social relations • Burning • Labor disputes | |

2.5 Summary of the findings for Partial Certification

The audit team assessed compliance with the above requirements during this audit. Failure to address any non-compliance identified may lead to certification suspension.

This 2017 verification was attended by Mr. Sin Chuan Eng and Ms. Lee Kuan Yee from the Sustainability Department. On behalf of CUC, Supun Sachithra Nigamuni [General Manager] Muhd Jamalul Arif [Scheme Coordinator], Nur Atiqah [Certifier], Mr. Izzat [Planner] were involved. The verification was found satisfactory with documented evidences of latest time bound plan, detail discussions on NPP and the challenges in meeting the time bound plan. There were no non-conformities found, below is the status of land bank owned by KLK [certified and none].

| Country | Region | Name of POM | Area [Ha] |
|--------------|---------------------|--------------------------|----------------|
| Malaysia | Peninsular Malaysia | Batu Lintang | 61,508 |
| | | Tanjung Malim | |
| | | Kekayaan | |
| | | Tuan Mee | |
| | | Paloh | |
| | | Changkat Chermin | |
| | | Jeram Padang | |
| | | Kuala Pertang | |
| | Sabah | Mill 1 | 40,353 |
| | | Mill 2 | |
| | | Rimmer | |
| | | Bornion | |
| | | Lungmanis | |
| | | Pinang | |
| Indonesia | Kaltim | Berau | 32,056 |
| | | Jabontara | |
| | Riau | Mandau | 35,259 |
| | | Nilo 1 | |
| | | Nilo 2 | |
| | Belitung | Parit Sembada | 20,391 |
| | | Steelindo Wahana Perkasa | |
| | Sumatera Utara | Gohor Lama | 21,372 |
| | | Padang Brahrang | |
| | Kalteng | MAP | 28,097 |
| | | | |
| Total | | | 239,036 |

2.6 Partial Certification Audit Agenda

| Date | Location | Agenda |
|------------|-------------------------|-------------------------------------|
| 22/04/2016 | KLK Wisma Taiko, Ipoh | Documentation review and interview. |
| 20/03/2017 | PT. Jabontara Eka Karsa | Documentation review and interview. |

PART 3: AUDIT PROCESS

3.1 About the Certification Body

Control Union Certifications is a member of the Control Union World Group – an international inspection and certification body. CUC performs Audits and certification in many agricultural based fields such as FSC, RSPO, and Organic production, Sustainable Textile Production, Organic Exchange, GLOBALGAP, HACCP, BRC, GMP and GTP.

CUC is accredited by the Dutch Council of Accreditation (RVA) on the European quality standard EN 45011 for the inspection and certification of CUC Organic program (according to the EU regulation 2092/91) and EUREPGAP program. When requested a copy of the accreditation certificate can be obtained from CUC.

Control Union (Malaysia) Sdn Bhd is a registered affiliate member of RSPO and is a private limited company owned by the Control Union World Group based in Malaysia. Control Union (Malaysia) Sdn Bhd is authorized to conduct and issue certification on behalf of RSPO and Control Union Certifications.

3.2 Audit Team

| | |
|----------------------|--------------------------|
| Lead auditor: | Muhd Jamalul Arif |
| Team member 1: | Jefri Bin Sharaai |
| Team member 2: | Arief Ari Wibowo |
| Team member 3: | Rasyid Abdillah |

3.2.1 Qualifications of the Lead Auditor

| Requirement | Qualifications |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| A minimum of post high school (post-secondary school) training in either agriculture/forestry, environmental science or social sciences; | Graduated in Plantation Management and Cargo Surveying from local university. |
| At least 5 years professional experience in area of work relevant to the assessment (e.g., palm oil management; agriculture/forestry; ecology; social science); | Experience in auditing since 2011 in RSPO P&C, SCCS, ISCC, GMP B2 & B3, ESCAS Animal Welfare and Global Gap standards. Working experience in handling Q&Q survey for agricultural products such palm oil. |
| Training in the practical application of the RSPO criteria, and RSPO certification systems; | Involved in RSPO assessment since 2011. Member of CUC RSPO audit team. Involved in audits for P&C and SCCS conducted in Malaysia, Indonesia, Colombia, Ivory Coast, Papua New Guinea and middle east country. |
| Successfully completion of an ISO 9000:19011 lead auditors course; | Completed ISO 9001:2008 Lead auditor in 2011, trained in ISO 19011 & 17021 requirements in 2014. |
| Training in the practical application of RSPO certification systems. | Involved in RSPO assessment since 2011. Member of CUC RSPO audit team. Involved in audits for P&C and SCCS conducted in Malaysia, Indonesia, Colombia, Ivory Coast, Papua New Guinea and middle east country. |
| A supervised period of training in practical auditing against the RSPO criteria or similar sustainability standards, with a minimum of 15 days audit experience and at least 3 audits at different organizations. | Involved in RSPO assessment since 2011. Has conducted RSPO P&C audit for more than 250 days in more than 5 various oil palm companies. |
| RSPO endorsed lead auditors course. | Yes, successful passed on 2013 and 2016 |
| Signed code of conduct. | Yes |
| General knowledge of: | Yes |
| • RSPO P&C standards. | Yes |
| • CUC organizational structure. | Yes |
| • CUC quality systems. | Yes |
| • Lead auditor role. | Yes |

| | |
|-----------------------------------------------|-----|
| • Report writing. | Yes |
| • Stakeholder consultation. | Yes |
| • Certification decision process. | Yes |
| • RSPO SCCS program manual. | Yes |
| • CUC filing systems. | Yes |
| • Correct use of RSPO trademarks. | Yes |
| • History and objectives of RSPO. | Yes |
| • CV available. | Yes |
| Completion of CUC RSPO lead auditor training. | Yes |

3.2.2 Qualifications of the Assessment Team

| RSPO Requirement | Team Member Name | Qualifications |
|----------------------------------------------------------------------------------------------------|------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Fluent in main local languages and English. | Md Jefri Sharaai | Fluent in English and Bahasa |
| | Arief Ari Wibowo | Fluent in English and Bahasa Indonesia |
| | Rasyid Abdillah | Fluent in English and Bahasa Indonesia |
| Field working experience in the palm oil sector, or a demonstrable equivalent. | Arief Ari Wibowo | Experience auditor in several agriculture certification programs such as Organic, RSPO, ISPO, UTZ and RFS2. Also, involved in several forestry certification programs such as PEFC, FSC and IFCC. Have an agronomist background in palm oil and forestry. Trained in social, GAP as well in environmental issues. |
| | Md Jefri Sharaai | Auditing experience in ISO 9001:2008 QMS for past 5 years. Trained in Quality Management System and environmental ISO 14001. |
| | Rasyid Abdilah | Master degree on Seed Technology (Agriculture). Auditing experience in UTZ Certified CoC Auditor for Coffee, Cocoa and Tea Commodities. Organic EU, USDA-NOP and JAS. Common Code for Coffee Community (4C) Textile (GOTS, GRS, OCS, RCS and RDS) |
| Good agricultural practices (GAP), integrated pest management (IPM), pesticide and fertilizer use. | Arief Ari Wibowo | Experience auditor in several agriculture certification programs such as Organic, RSPO, ISPO, UTZ and RFS2. Also, involved in several forestry certification programs such as PEFC, FSC and IFCC. Have an agronomist background in palm oil and forestry. Trained in social, GAP as well in environmental issues. He is obtained vast experience in IPM, pesticide and fertilizer from his formal education as well during auditing in other agricultural program such Organic Certification (JAS & EU) and Global GAP certification. Arief is incharge of Principle 4 & Principle 8 on this audit. |

| | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Health and Safety auditing on the farm and in processing facilities. (For example OHSAS 18001 or occupational. Health and safety assurance system).</p> | <p>Arief Ari Wibowo</p> | <p>Experience auditor in several agriculture certification programs such as Organic, RSPO, ISPO, UTZ and RFS2. Also, involved in several forestry certification programs such as PEFC, FSC and IFCC. Have an agronomist background in palm oil and forestry. Trained in social, GAP as well in environmental issues. He is trained in Occupational Safety and Health and well verse on the OSHA requirements in Indonesia. Arief is incharge of Principle 4 & Principle 8 on this audit.</p> |
| <p>Workers welfare issues and social auditing experience. (For example with SA8000 or related social or ethical accountability codes).</p> | <p>Rasyid Abdillah</p> | <p>Master degree on Seed Technology (Agriculture). Auditing experience in UTZ Certified CoC Auditor for Coffee, Cocoa and Tea Commodities. Organic EU, USDA-NOP and JAS. Common Code for Coffee Community (4C) Textile (GOTS, GRS, OCS, RCS and RDS). Trained in Social for past 2 years specifically for RSPO Principle 6 on the workers welfare. Well verse with labour laws and regulations in Indonesia.</p> |
| <p>Environmental and ecological auditing. (For example experience with organic agriculture, ISO 14001 or environmental management systems).</p> | <p>Md Jefri Sharaai</p> | <p>Auditing experience in ISO 9001:2008 QMS for past 5 years. Trained in Quality Management System and environmental issue. Jefri has obtained the Lead Auditor for ISO 14001 in 2015. His past experience in handling ISO 14001 and all environmental issue from 2010 was able for him to incharge of Principle 5 in RSPO P&C audits.</p> |
| <p>Economic issues.</p> | <p>Rasyid Abdillah</p> | <p>Master degree on Seed Technology (Agriculture). Auditing experience in UTZ Certified CoC Auditor for Coffee, Cocoa and Tea Commodities. Organic EU, USDA-NOP and JAS. Common Code for Coffee Community (4C) Textile (GOTS, GRS, OCS, RCS and RDS). Trained in Social for past 2 years specifically for RSPO Principle 6 on the workers welfare. Well verse with labour laws and regulations in Indonesia.</p> |

3.3 Audit Methodology

3.3.1 General Overview

The Audit was carried out in conformity with the procedures as laid down in the CUC Procedure Manual and the RSPO Program Manual for the auditors and Certifier. During the Audit the qualified CUC auditors used the RSPO standard as endorsed for the country in which the audit took place and recorded their findings.

Workers and local communities were interviewed and evidence sought to confirm ongoing compliance to include:

- **Chemical stores.** Storage, MSDS leaflets, Herbicide mixing areas, PPE, Ventilation, Security.
- **Field inspections.** Herbicide application programs. Harvesting sites and efficiency. Fertilizing operations. SOP's. Soil maps. Land preparation. Ground cover. IPM. First aiders and boxes. Ground cover. Soil erosion. Field observations of all operations.
- **Worker interviews.** OSH. Sexual, religious, racial harassment. Pay and contracts. Child labor. First aid. Awareness.

- **Re-planting sites.** Zero burn.
- **HCV's.** Identification. Management plans. Environmental Impact Assessments. Implementation.
- **Riparian zones.** Width. Current and future management. Non maintenance regimes.
- **Water management.** Water courses. Water monitoring.
- **Road maintenance.** Run off.
- **Social amenities.** Social Impact Audits.
- **Local communities.** Contributions made. Employment opportunities. Social impacts. Complaints procedures.
- **Workshops.** Oil traps. Safe working environment. PPE. Diesel tanks. Environmental waste management.
- **Line sites.** Interviews with householders. Inspection of water discharge points. Water improvement plans. Waste disposal.
- **Documentation review.**

The Palm Oil Mill audit verification included the following activities:

- **Mill and workshop inspections.** Documentation review & worker interviews.
- **Mill.** SOP's. Safe working environment. Gen sets. Walk ways. Signs. EFB. POME treatment. Emissions. Mass balance. Diesel tanks. PPE. Fire extinguishers. First aiders and boxes. Fuel and water usage.
- **OSH.** Training. Management structure. First aiders.
- **Full document review.** Completion of the checklist. Review and documentation of evidence. All aspects of RSPO P&C's applicable.
- **Worker interviews.** OSH. Sexual, religious, racial harassment. Pay and contracts.
- **Compliance against the RSPO SCCS certification scheme.**

Verification:

Verification of implementation was done through field observations, workshop and chemical store inspections, worker and community interviews and mill inspections as summarized above.

3.3.2 Assessment agenda for this Audit

| Date | Location | Main activities |
|------------------------------------------|---------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 20 th March 2017 (Monday) | PT Jabontara POM Meeting Room All Auditors | <p>08:30 – 09:00: Opening meeting</p> <ul style="list-style-type: none"> • Introduction by team leader <p>09:00 – 17:00 : Document review (Jamal) Supply Chain Certification Assessment of the POM (RSPO SCCS)</p> <ul style="list-style-type: none"> • Demonstration of legal entity • Roles and responsibility • Procedures/manual/SOP • Record of purchase – RSPO certified product • Record of sales– RSPO certified product • RSPO logo & claims <p>09:00 – 17:00 : Document review – RSPO P&C</p> <ul style="list-style-type: none"> • Document review [EIA, SIA, CIP, Business Plan] • Complaint mechanism / Request & respond <p>Site verification</p> <ul style="list-style-type: none"> • Mill inspection • Workshops • Stores • POM application • Safety and Health / PPE / Signage • Waste Management / Environment • Workers interview • Stakeholder consultation if required. |
| 21 th March 2017 (Tuesday) | Kebun Sungai Raya | <p>08:00 – 17:00 : Document review – RSPO P&C</p> <ul style="list-style-type: none"> • Document review [EIA, SIA, CIP, Business Plan] • Complaint mechanism / Request & respond |

| | | |
|---------------------------------------------------|----------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | All Auditors | <ul style="list-style-type: none"> • Best agricultural practices • Safety and Health <p>09:30 – 12:30 : Site verification</p> <ul style="list-style-type: none"> • Best agricultural practices • Manuring, Spraying, Harvesting, • HCV / Conservation Area • Legal compliance / boundary • Chemical / Pesticide / Fertilizer Stores • Workers interview • Worker's facilities (housing, pay, etc) • Stakeholder consultation if required. |
| 22th March 2017 (Wednesday) | Kebun Sungai Jantui | <p>08:00 – 17:00 : Document review – RSPO P&C</p> <ul style="list-style-type: none"> • Document review [EIA, SIA, CIP, Business Plan] • Complaint mechanism / Request & respond • Best agricultural practices • Safety and Health <p>09:30 – 12:30 : Site verification</p> <ul style="list-style-type: none"> • Best agricultural practices • Manuring, Spraying, Harvesting, • HCV / Conservation Area • Legal compliance / boundary • Chemical / Pesticide / Fertilizer Stores • Workers interview • Worker's facilities (housing, pay, etc) • Stakeholder consultation if required. <p>11:00 – 12:00: Stakeholders Meeting (In charge by Rasyid)</p> <ul style="list-style-type: none"> • Kepala Kampung Batu Putih • Kepala Kampung Tembudan • Kepala Kampung Lobang Klatak • Kepala Adat Tembudan • Ketua BPK Batu Putih • SPSI (Serikat Pekerja Seluruh Indonesia) |
| | All Auditors | |
| Travel to Berau - Rasyid | | |
| 23th March 2017 (Thursday) | PT Jabontara Head Office | <p>09:30 – 13:00: Stakeholders Meeting (Incharge by Rasyid)</p> <ul style="list-style-type: none"> • Disnakertrans • Dinas Perkebunan • Badan Lingkungan Hidup Kab. Berau • BPN • Persekutuan Dayak Kalimantan Timur (PDKT) |
| | Kebun Sungai Jantui & Kebun Sungai Raya | <p>08:30 – 12:00: Finalised document review – RSPO P&C (Jamal, Jefri & Arief)</p> |
| | Travel to Berau – Jamal, Jefri & Arief | |
| 24th March 2017 (Friday) | PT Jabontara Head Office | <p>08:00 – 10:00: Preparation for closing meeting Additional field visits and meetings with managers as necessary</p> <p>10:00 : Closing meeting</p> <ul style="list-style-type: none"> • Presentation of findings by the audit team • NC closure dateline (if any) • Questions and answers • Final summary by team leader <p>End of assessment</p> |

PART 4 ASSESSMENT FINDINGS

4.1 Lead Assessor's Summary and Recommendation for Certification

The mill and supply bases visited (as per the above Tables 1.5 and 1.7.1) and were assessed at field, office, facilities, stores and a document review was carried out in accordance to the RSPO principles and criteria. The subscribed RSPO management system's documentations seen with minor changes that due to internal external influenced factors that in relation to scope of certification.

Specific evidence was recorded for estates and mill. Interviews with Estate Managers, Mill Manager, members of workers union and committee took place in both formal and informal environments and worker interviews were conducted at the supply base and the mill. The management is highly committed in maintaining the RSPO system by adopting to continuous improvement programs.

There was no complaint or feedback received during the audit or during the field assessment when interviewing with the external stakeholders. The management continually monitoring the established KPI / objectives that significantly rules the achievement of company's corporate policy on RSPO. The mill is fully verified for RSPO SCCS system verification and it is found to be in full compliance. See PART 5 below.

PT. Jabontara Eka Karsa have a land clearing without go through RSPO New Planting Procedure (NPP 2015) with below details:

Kebun Sungai Raya

Total Hectarage: 8,521 Ha

Total Planted: 4,536 Ha

Land clearing: From Dec 2010 – March 2012 (3,088 Ha)

Planting years:

2011 – 2014 (Block # 2011A, 2012A, 2014A & 2014B) total hectarage= **3,088 Ha**

Kebun Sungai Jantui

Total Hectarage: 5,565 Ha

Total Planted: 4,157 Ha

Land clearing: From Dec 2010 – Aug 2012 (4,157 Ha)

Planting years:

2011 – 2014 (Block # 2011A, 2012A, 2013A, 2014A & 2014B) total hectarage= **4,157 Ha**

Total land cleared and OP planted area without NPP: 7,245 Ha.

Note: RSPO has been informed through email during assessment conducted date 22/03/2017.

Summary of Non-Conformance and Current Status

2 Minors and 2 Observation

It is therefore the recommendation of the lead assessor that:

- A certificate of compliance is award.

Signed:



Name: Muhd Jamalul Arif

Date: 24th March 2017

4.2 Summary of the findings by Principles and Criteria

- Over the 5 year period of the life of the certificate, there will be 4 annual surveillance audits
- Identified Non-Conformities and noteworthy Positive and Negative Observations.
- The RSPO require that this report contain findings by each principle and some example criteria. Please see table below.

Principle 1: Commitment to Transparency

| Criterion by Audit | Summary | The company provides adequate information to its stakeholders. Requests made by stakeholder were responded to and all these are well documented. Adequate information are made available to public. Company's policies are well communicated to all level employees. However, there is NC raise under 1.1 found this system still have loophole. |
|--------------------|---------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| MA | 1.1 | <p>POM has procedure for handling Information Request from any interested parties with implementation of SOP 1: Permintaan Informasi dan Tanggapan” , dated 1st July 2104.</p> <p>List of stakeholder is available as evident in document “Daftar Stakeholder (Pemangku Kepentingan), Kebun Sungai Raya” (mill location), dated Dec 2016. The list included:</p> <ol style="list-style-type: none"> i. Smallholders ii. Government Dept. iii. Workers Union iv. Suppliers v. Bank vi. Contractors vii. NGO <p>Sighted Stakeholder logbook for mill, “Logbook Stakeholder”, requested and responded on dated 3 March 2017 from visits of stakeholder Dinas Lingkungan Hidup. Request were:</p> <ul style="list-style-type: none"> • Document verification • Field visits associated to land application • Riparian zone monitoring <p>Sighted Stakeholder logbook for estate, “Logbook Stakeholder”, requested and responded on dated 19 Feb 2017 from visits of stakeholder Dinas Kesehatan Daerah Berau with regard to drinking water quality and it processing.</p> <p>Record of request sighted and recorded in logbook. Response to each request was maintained includes</p> <ol style="list-style-type: none"> i. Name of stakeholder ii. Staff who receive the request iii. from which department, iv. date of response v. Information and which document were given vi. Signature of both parties <p>According to SIA recommendation by AKSENTA (Point 1), the company shall review and implement all social issues that related to RSPO Principle 1.1. No evidence that the relevant information adequately and transparently disseminates to whole stakeholders of PT. Jabontara Eka Karsa through stakeholder consultation/engagement except for Batu Putih village and</p> |

| | | |
|---------------------------------------------------------------------|---------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | government related agencies. E.g. based on Tembudan representative and Lobang Klatak Representative interview, the company has not organize the publicity as well as a socialization on their village, which means information is not received by these relevant stakeholders. |
| MA | 1.2 | <p>Company has established SOPs and policy that outlined publicly available document.</p> <p>Documents are publicly available such as:</p> <ol style="list-style-type: none"> i. Policy contains, among others, <ul style="list-style-type: none"> •Deforestation •Peat land •Social impact •Human rights •Child labour ii. Land titles/user rights iii. Occupational health and safety plans iv. HCV documentation v. Pollution prevention and reduction plans vi. Details of complaints and grievances vii. Negotiation procedures - SOP 26 Prosedur Penyelesaian Sengketa Lahan viii. Continual improvement plans –SOP 50 Pemantauan untuk Peningkatan Prakti Terbaik ix. Public summary of certification assessment report |
| MA | 1.3 | <p>Company has established policy entitled “Kebijakan Keberlanjutan KLK” signed by Tan Sri Dato’ Serii Lee Oi Hian, dated 1 Dec 2014.</p> <p>Sighted policy was communicated to ;</p> <ul style="list-style-type: none"> • All staff and workers by displaying at notice board and socialization internal briefing by S.Erwinsyah Saragih on 14/12/106, Arief Selamat for HCV on 17/03/17 and M.Muriyanto on 16/03/17. The briefing was attended more than 100 workers. • Stakeholder (villages) on 6/09/2016 by Aksenta. The briefing attended by 32 personnel. |
| Principle 2: Compliance with Applicable Laws and Regulations | | |
| Criterion by Audit | Summary | The company has identified all laws that applicable for its operation. Mill and estates monitor and maintained legal compliance with statutory requirements. All the units hold legal land titles with boundaries well demarcated and there is no land dispute. |
| MA | 2.1 | <p>Legal permits list covering all PT. Jabontara Eka Karsa is available. Sighted Document List “Hukum dan Peraturan yang harus Dipenuhi” last updated on 6 January 2017 and Chekclist “Sertifikat/ Surat Izin yang harus dipenuhi” PT. Jabontara Eka Karsa Third Revision, last Updated on March 20, 2017. Evaluation for update purposes are conducted based on the permit expire date.</p> <p>Sighted such sample of relevant permits:</p> <ul style="list-style-type: none"> - Land User Right. Sertifikat HGU No.01. Berau. SK BPN No.70/HGU/BPN/1997. For the total area HGU 14.085 Ha. - Izin Lokasi (renewal 2nd) Permit No. 26/BPN-BER/IL-26/IX/1996 - Izin Usaha Perkebunan Permit No. 440/Menhutbun-VII/2000 - SEIA (Analisa Mengenai Dampak Lingkungan) Permit No. SK Gubernur 660.1/K24/2008 - Izin Mendirikan Bangunan (IMB) Permit no. 503/BPPT/IMB/209/X2013 |

| | | |
|----|-----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | <ul style="list-style-type: none"> - Izin TPS Limbah B3. Permit SK Bupati Berau No 908 Tahun 2009 - Health and Safety System Permit - Izin Disnaker (P2K3) Permit No. kep.566/205/P2K3/PPK/DKTT/2017 - Tanda Daftar Perusahaan (TDP) Permit No. 17.04.1.01.00082. - Surat Izin Usaha Perusahaan (SIUP) Permit No. 503/ 077/17/17-04/PM/X/2014. - Izin Klinik (Medical) Permit No. 440/05/DKK/SDK/SRN/XII/2013. - Pesticides User Permit/ Sertifikat Pengguna Pestisida. Permit No. 861/82/Distan-KPPP/IX/2014. <p>There is Checklist “Sertifikat/Surat Izin” which company need to be complied by PT. Jabontara Eka Karsa Third Revision, last Updated on March 20, 2017. Evaluation for update purposes are conducted based on the permit expire date. System Procedure and Mechanism to ensuring legal compliance has been available. It’s handled by KLK Group Head Office. Sighted SOP “Revisi Hukum dan Peraturan yang haru dipenuhi”.</p> |
| MA | 2.2 | <p>Land Use Permit document: Certificate HGU No.01. Berau. It was announced and acknowledged by Kepala Badan Pertanahan Nasional Doc.No.70/HGU/BPN/1997. Right holder: ‘PT. Jabontara Eka Karsa’. This document containing history of land tenure, such as: Map HGU Scale 1: 30.000 and Area HGU 14.085 Ha.</p> <p>The history of land tenure ownership and others social issues assessment has been available on SEIA/ AMDAL PT. Jabontara Eka Karsa.</p> <p>Mechanism to control and resolving any land dispute stated on Doc. SOP No.26, Titled” Penyelesaian Sengketa Lahan” dated on 1 Agustus 2013. The system and Procedure has been according to related Indonesia Law: Permendagri No. 52 year 2014 and PP BPN No. 5 year 1999. No complaints and grievance found on the POM.</p> <p>The HGU map of PT. Jabontara Eka Karsa shows Including the GPS Coordinates and its boundary markers is described explicitly in Certificate HGU No.01. Berau. The map is already including physical boundary and other legend (GPS Coordinate, River, Road, Field, etc.). SOP for boundary demarcation: SOP. No.46. Pemantauan Patok BPN, Last updated on 1 July 2015.</p> <p>Boundary inspection report: ‘Laporan Pemantauan dan Pemeliharaan Batas Patok HGU PT. Jabontara Eka Karsa-report scheme-. Report has been updated once a year. Every report book describing one Estate, Blocks and Coordinates.</p> <p>Based on the stakeholder consultation result and checked through record of complaint. There is no conflict and dispute for both own estates and POM. To manage any possible land dispute, stated on Doc. SOP No.26, Titled” Penyelesaian Sengketa Lahan” dated on 1 August 2013. It’s explaining clearly the way to negotiate problem in such a win-win solutions manner.</p> <p>No land conflict and dispute so far. Any conflict will be recorded based on Doc. SOP No.26, Titled” Penyelesaian Sengketa Lahan” dated on 1 Agustus 2013. The system and Procedure has been according to related Indonesia Law: Permendagri No. 52 year 2014 and PP BPN No. 5 year 1999. Historical data of land ownership has been mentioned on the Descriptions of Land User Right Permit. SK BPN No.70/HGU/BPN/1997. For the total area HGU 14.086Ha. It’s permitted until year 2027.</p> |

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| | | <p>Specific mechanism for participatory mapping for any possible dispute is stated on SOP 27. Titled “Perolehan Lahan untuk Penanaman Kelapa Sawit”, dated on 1 July 2014 and SOP 28. Titled “Mekanisme Penentuan Harga Tandan buah Segar”, dated on 1 July 2014. However, there is no land dispute so far.</p> <p>Historical data of land ownership has been mentioned on the Descriptions of Land User Right Permit. SK BPN No.70/HGU/BPN/1997. For the total area HGU 14.085 Ha. It’s permitted until year 2027. To respect a commitment regarding prohibition extra-judicial interference and intimidation, Company policy to respect human rights has been available and it’s provided by KLK Group. Sighted Doc. KLK Sustainable Company Policy Titled: Kebijakan Berkelanjutan KLK, Dated on 1 December 2014. Signed by Mr. Tan Sri Dato CEO of KLK Group. Policy/Point 3.1 described: “Mendukung deklarasi universal Hak Asasi Manusia”/ Company respect the human rights.</p> |
| MA | 2.3 | <p>Appropriate HGU Map has been available based on the Land ownership. Map HGU Scale 1: 30.000 for its total area 14.086 Ha Jabontara Eka Karsa.</p> <p>Notes: Chronology matter related to “hutan lindung” (forest reserve) and “hutan produksi tetap” which been identified after HGU acquired.</p> <ol style="list-style-type: none"> 1. PT. Jabontara Eka Karsa first HGU acquired on 1996 as per Map No.40/1996 for + 14,086 Ha. 2. In year 2001, Forestry Department had identified areas in east and west of the HGU as “Hutan Lindung” and “Hutan Produksi Tetap. These area mapped in “Kawasan Hutan Provinsi Kalimantan Timur” as per document released from SK Menteri Kehutanan No.79/Kpts-II/2001, 15 March 2001. 3. A meeting held on 30th Aug 2010 with participation , purpose and agreement had achieved as below: <ul style="list-style-type: none"> • Participation: <ol style="list-style-type: none"> 1-An. Kepala Balai Pemanfaatan Kawasan Hutan Wilayah IV Samarinda 2-An.Kepala Dinas Kehutanan Kabupaten Berau 3-An.Kepala UPTD Planologi Kehutanan Tarakan 4-An.Kepala Kantor Wilayah Badan Pertahanan Nasional Provinsi Kalimantan Timur 5-An. Kepala Kantor Pertahanan Kabupaten Berau 6-An. Kepala UPTD Planologi Kehutanan Samarinda 7-Kepala Seksi Pengelolaan Hutan,Dishut Provinsi Kalimantan Timur 8-An.Pimpinan PT.SUMALINDO ALAM LESTARI 9-An.Pimpinan PT.JABONTARA EKA KARSA • Purpose of meeting : Boundary and works area , “Pembahasan hasil pengumpulan data lapangan atas areal kerja PT.Jabontara Eka Karsa dengan kawasan Hutan Lindung, Areal kerja PT.Sumalindo Alam Lestari dan hak guna usaha” • The agreement achieved where PT.Jabontara can proceed with plantation works in the area; - No overlapping with “hutan lindung Gn.Lebungan” and PT. Hanurata |

| | | <p>area.</p> <ul style="list-style-type: none"> - West area of Sg. Raya to north following HGU boundary with HTI (Hutan Tanaman Industri) Sumalindo. - South area following HGU. <p>The customary or user rights is according to Land User Permit: Certificate HGU No.01. Berau. Permit No SK. Doc.No.70/HGU/BPN/1997. Detailed Social history was described on SEIA/ AMDAL Jabontara Eka Karsa.</p> <p>There is no land dispute so far. Any dispute and complaint will be handled as per SOP No.26. Titled "Penyelesaian Sengketa Lahan" dated on 1 August 2013. It's indicates company procedure to handling land conflict and compensation made according to FPIC.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|------------------------------------------------------------------------------|----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|---------|---------|---------|-----|----------------|----------------|----------------|----|---------------|---------------|---------------|--|---------|---------|---------|-----|-------|-------|-------|-----|----|----|----|------|-----------|---------------|---------|-------------|---------|
| Principle 3: Commitment to Long-Term Economic and Financial Viability | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Criterion by Audit | Summary | The company has demonstrated its ability to achieve long-term economic and financial viability by establishing 10 years management plan for the mill and estates that details revenue and costs of operation. The management plan also includes projection of FFB, CPO, PK, etc. Estates have established replanting program which expected to commence in year 2018. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| MA | 3.1 | <p>Bussines management plan (provided from year 2017 - 2021) is available during the audit. Sighted document "PT. Jabontara Eka Karsa (JPOM) – 5 years" by each estate and estimated FFB production. This document includes summary of expenditure, capital expenditure, indirect cost, mature and immature area statement, estimate vehicle & allocation and relevant appendices.</p> <p style="text-align: center;"><u>CPO and PK Production 3 years Estimation</u></p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th>2017/18</th> <th>2018/19</th> <th>2019/20</th> </tr> </thead> <tbody> <tr> <td>CPO</td> <td>35,098.7 10</td> <td>49,750.7 50</td> <td>53,770.7 50</td> </tr> <tr> <td>PK</td> <td>4,129.26 0</td> <td>5,970.09 0</td> <td>6,452.49 0</td> </tr> </tbody> </table> <p>FFB trend from estate found increasing every year due to increasing the immature OP based on year of planting. Therefore, CPO & PK production also will inline. Seen maximum 45% increment on 2017/18 production. OER trend in Jabon Mill also estimated will stable for next 5 years due to enough rainfall and environment condition.</p> <p style="text-align: center;"><u>3 years OER & KER Estimation</u></p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th>2017/18</th> <th>2018/19</th> <th>2019/20</th> </tr> </thead> <tbody> <tr> <td>OER</td> <td>25.5%</td> <td>25.5%</td> <td>25.5%</td> </tr> <tr> <td>KER</td> <td>3%</td> <td>3%</td> <td>3%</td> </tr> </tbody> </table> <p>Production cost / MT FFB (financial year Oct 2016 - Sept 2017 PT. JEK)</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Cost</th> <th>Rp/MT FFB</th> </tr> </thead> <tbody> <tr> <td>Sungai Jantui</td> <td>751,885</td> </tr> <tr> <td>Sungai Raya</td> <td>754,056</td> </tr> </tbody> </table> <p style="text-align: center;">Estimates FFB production (estimate for financial year ending September</p> | | 2017/18 | 2018/19 | 2019/20 | CPO | 35,098.7 10 | 49,750.7 50 | 53,770.7 50 | PK | 4,129.26 0 | 5,970.09 0 | 6,452.49 0 | | 2017/18 | 2018/19 | 2019/20 | OER | 25.5% | 25.5% | 25.5% | KER | 3% | 3% | 3% | Cost | Rp/MT FFB | Sungai Jantui | 751,885 | Sungai Raya | 754,056 |
| | 2017/18 | 2018/19 | 2019/20 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| CPO | 35,098.7 10 | 49,750.7 50 | 53,770.7 50 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| PK | 4,129.26 0 | 5,970.09 0 | 6,452.49 0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 2017/18 | 2018/19 | 2019/20 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| OER | 25.5% | 25.5% | 25.5% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| KER | 3% | 3% | 3% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Cost | Rp/MT FFB | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Sungai Jantui | 751,885 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Sungai Raya | 754,056 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| | | <p style="text-align: center;">2020 oil palm crop forecast).</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th>2016/17</th> <th>2017/18</th> <th>2018/19</th> <th>2019/20</th> </tr> </thead> <tbody> <tr> <td>Sungai Jantui</td> <td>30,060</td> <td>38,451</td> <td>80,511</td> <td>88,613</td> </tr> <tr> <td>Sungai Raya</td> <td>74,082</td> <td>89,341</td> <td>107,214</td> <td>113,764</td> </tr> </tbody> </table> <p>No replanting programme for next 10 years since the oldest planted year is 2007. Planting cycle is 25 years.</p> | | 2016/17 | 2017/18 | 2018/19 | 2019/20 | Sungai Jantui | 30,060 | 38,451 | 80,511 | 88,613 | Sungai Raya | 74,082 | 89,341 | 107,214 | 113,764 |
|------------------------------------------------------------------------------|---------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|---------|---------|---------|---------|---------------|--------|--------|--------|--------|-------------|--------|--------|---------|---------|
| | 2016/17 | 2017/18 | 2018/19 | 2019/20 | | | | | | | | | | | | | |
| Sungai Jantui | 30,060 | 38,451 | 80,511 | 88,613 | | | | | | | | | | | | | |
| Sungai Raya | 74,082 | 89,341 | 107,214 | 113,764 | | | | | | | | | | | | | |
| Principle 4: Use of Appropriate Best Practices by Growers and Millers | | | | | | | | | | | | | | | | | |
| Criterion by Audit | Summary | Mill and estates have applied SOPs and best agricultural practices to ensure its operations are conducted in safe, effective and environmentally friendly manner. IPM implemented in the estate and the uses of chemicals are in accordance with the regulations. There is a comprehensive OSH policy implemented throughout the mill and estate. Trainings are being planned and carried out by the mill and estate management to educate and create awareness among their workforce on best procedures and practices. | | | | | | | | | | | | | | | |
| MA | 4.1 | <p>Jabon POM sample of Standard Operating Procedure:</p> <ul style="list-style-type: none"> • SOP RSPO SCC/ISCC (this SOP integrated with General POM SOP) - PT. Jabontara Eka Karsa/Jabon POM/Documentation of Supply Chain – Model MB • Weighbridge Station • Loading Ram Station • Oil Room Station • Kernel Station • CPO Storage Tank & CPO Despatch <p>Estate has Procedure relating all activities in Estate. “PT. Jabontara Eka Karsa-KLK Sustainability SOP” signed by Development Director (Lee Toon Hian) Sample SOP:</p> <ul style="list-style-type: none"> • Land clearing-SOP.31 date on 24 June 2015 • Plant maintenance-SOP.36 date on 01 July 2014 • Harvesting-SOP.37 date on 01 July 2014 • FFB Transport-SOP.38 date on 01 July 2014 • Soil fertility-SOP.12 date on 01 July 2014 • Waste Management-SOP.17 date on 01 July 2014 • Health Facilities-SOP.22 • Peraturan Perusahaan/Company Policy point VI (Care, Health and Medicine) article 26 (General provisions of Care, Health, Medicine and maternity) <p>Estate has a system to check and monitor all process activities in Estate unit. There are two systems established and available;</p> <ol style="list-style-type: none"> 1. Internal Audit by HO Kaltim Region conducted annually 2. POM Competition Audit conducted 3 times a year. Based on Protocol and Harvesting and Manuring Audit, rev.03 date on 27 November 2014. | | | | | | | | | | | | | | | |
| MA | 4.2 | <p>Sighted SOP “Soil fertility - SOP.12” date on 01 July 2014. Record of implementation to maintain soil fertility available in place, such as;</p> <ol style="list-style-type: none"> 1. Fertilizer recommendation from PT. AAR Indonesia 2. Manuring Programme 3. Record of manuring activities | | | | | | | | | | | | | | | |

| | | <p>Estate has record and monitoring of fertilizer application in field. Based on recommendation from PT. Applied Agricultural Resources Indonesia (PT.AAR) conducted by Mr. Kee Kan Khiang, visit date on 9-10 June 2016.</p> <p>Manuring programme 2016/2017 Sg. Raya Estate Planted year 2012A:</p> <table border="1" data-bbox="732 383 1273 698"> <thead> <tr> <th>Fertilizer</th> <th>Bag</th> <th>ton</th> <th>Ha</th> </tr> </thead> <tbody> <tr> <td>AS</td> <td>7.241</td> <td>362,05</td> <td>1.472</td> </tr> <tr> <td>MOP</td> <td>5.076</td> <td>253,8</td> <td>958</td> </tr> <tr> <td>KS</td> <td>52</td> <td>2.6</td> <td>13</td> </tr> <tr> <td>Fertibor</td> <td>124</td> <td>6.2</td> <td>454</td> </tr> <tr> <td>EDTA</td> <td></td> <td></td> <td></td> </tr> <tr> <td>FeSo4</td> <td>7</td> <td>0,35</td> <td>10</td> </tr> <tr> <td>TOTAL</td> <td>12.500</td> <td>625</td> <td>2.907</td> </tr> </tbody> </table> <p>Leaf and soil analysis conducted by estate in annual basis. Last analysis by PT.AAR date visit in 08-09 June 2016. Summary of leaf Nutrient (Sg.Jantui Estate), the result is overall leaf N and K, and to a lesser P, were all in the low to very low categories. For this year (2017) leaf and soil sample taken from 25 January – 04 February 2017 awaiting the analysis result from PT.AAR. This result of leaf sample will be feed to the estate annual fertilizer recommendation.</p> | Fertilizer | Bag | ton | Ha | AS | 7.241 | 362,05 | 1.472 | MOP | 5.076 | 253,8 | 958 | KS | 52 | 2.6 | 13 | Fertibor | 124 | 6.2 | 454 | EDTA | | | | FeSo4 | 7 | 0,35 | 10 | TOTAL | 12.500 | 625 | 2.907 |
|--------------|---------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|-----|-----|----|----|-------|--------|-------|-----|-------|-------|-----|----|----|-----|----|----------|-----|-----|-----|------|--|--|--|-------|---|------|----|--------------|---------------|------------|--------------|
| Fertilizer | Bag | ton | Ha | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| AS | 7.241 | 362,05 | 1.472 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| MOP | 5.076 | 253,8 | 958 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| KS | 52 | 2.6 | 13 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Fertibor | 124 | 6.2 | 454 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| EDTA | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| FeSo4 | 7 | 0,35 | 10 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| TOTAL | 12.500 | 625 | 2.907 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| MA | 4.3 | <p>Map fragile soil available for Sg. Raya and Jantui Estate with scale 1:100.000 conducted by PT.AAR. Based on map above identified total area 499Ha is very sleep (the slope >60%), and based on Indonesian Regulation also Peraturan Perusahaan/Company Policy. Auditee decide to not do any activities on that area (no planting, replanting, etc.).</p> <p>Both of estate under KLK group following the policy (No Policy: GP/Agric/OP2, Perawatan Lahan-1) date on 19 January 2005. Petunjuk Teknis Perkebunan Kelapa Sawit PT.KLK Agriservindo. (PT KLK Agriservindo Technical Guidelines for Oil Palm Plantations).</p> <p>Policy: GP/Agric/OP2, Perawatan Lahan-1 date on 19 January 2005. Penunasan Tanaman Sawit dan Penyusunan Pelepah Tunasan (Palm Oil Seedling and Midrib Preparation). The purpose are is:</p> <ol style="list-style-type: none"> 1. Minimize erosion 2. pH conservation 3. Minimize weed controlling 4. Plant Nephrolepis sp | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| MA | 4.4 | <p>Jabon POM has the Water Management Plan (Rencana Pengelolaan Air) Kaltim Complex PT Jabontara Eka Karsa. Signed by Factory/POM Manager (Mr. Kanadasan A.) date on 29 February 2016. Both estate also been included in this plan. Based on management plan, the identification of water source is from underground water. Analysis water sample taken from identified water source and POME ponds (BOD, pH and E.coli analysis). The plan also included few other points include river water management and pollution control measures.</p> <p>Based on estate water management plan, Contamination Preventive action taken by estate such Checklist monitoring DSS/Daerah Sempadan Sungai (Riparian area) period 2016-2017. Based on checklist, there's no any contamination in Riparian. This monitoring conducted by Arif Slamet (Sr. Assistant) and known by Juni Simanjuntak (Estate Mgr).</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| | | <p>POME/waste water analysis report from Sucofindo available and been carried out monthly. Sample taken in 29 November 2016 and the result release in 20 January 2017. Code of sample 1279/JEK/E/XI/2016.</p> <table border="1" data-bbox="576 353 1428 609"> <thead> <tr> <th>No</th> <th>Parameter</th> <th>Location</th> <th>Unit</th> <th>Result</th> <th>Max Level</th> </tr> </thead> <tbody> <tr> <td>1</td> <td rowspan="4">BOD 5 days 20oC</td> <td>Pond No.1</td> <td rowspan="4">mg/L</td> <td>36132</td> <td rowspan="4">5000</td> </tr> <tr> <td>2</td> <td>Pond No.4</td> <td>782</td> </tr> <tr> <td>3</td> <td>Pond No.7</td> <td>476</td> </tr> <tr> <td>4</td> <td>After Belt Press Pond</td> <td>127</td> </tr> </tbody> </table> <p>The result of analysis in January & February 2017 not release yet from Sucofindo. But there's evidence that Jabon POM has send the sample to Sucofindo. Sighted the Delivery note from Jabon POM to Sucofindo Surat Pengantar (Delivery Letter) from PT. Jabontara Eka Karsa (Jabon POM) date on 25 January 2017 with detail Letter No: 1321/JEK/E/I/2017 "Sample Monitoring Jabon POM month January 2017" Signed by Mr. David Saragi as Senior Manager Humas & HRD.</p> <p>Jabon POM has a monitoring system relating with usage of water in POM activities/processes.</p> <p style="text-align: center;">Water Usage for Domestic and Jabon POM Periode 2015/2016</p> <table border="1" data-bbox="576 1032 1428 1256"> <thead> <tr> <th rowspan="3">Month</th> <th colspan="4">2015/2016</th> </tr> <tr> <th colspan="2">Water Usage (mt)</th> <th rowspan="2">FFB process (mt)</th> <th rowspan="2">Water/FFb ratio (mill)</th> </tr> <tr> <th>Mill</th> <th>Domestic</th> </tr> </thead> <tbody> <tr> <td>Oct 2015 - Sep 2016</td> <td>109,309.92</td> <td>10,930.99</td> <td>91,091.60</td> <td>1.20</td> </tr> </tbody> </table> | No | Parameter | Location | Unit | Result | Max Level | 1 | BOD 5 days 20oC | Pond No.1 | mg/L | 36132 | 5000 | 2 | Pond No.4 | 782 | 3 | Pond No.7 | 476 | 4 | After Belt Press Pond | 127 | Month | 2015/2016 | | | | Water Usage (mt) | | FFB process (mt) | Water/FFb ratio (mill) | Mill | Domestic | Oct 2015 - Sep 2016 | 109,309.92 | 10,930.99 | 91,091.60 | 1.20 |
|---------------------|--------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|------------------------|-----------|----------|-------------|-----------|------|--------------------|-----------------|-------|-------|------|------------|-----------|-----|---|-----------|-----|---|-----------------------|-----|-------|-----------|--|--|--|------------------|--|------------------|------------------------|------|----------|---------------------|------------|-----------|-----------|------|
| No | Parameter | Location | Unit | Result | Max Level | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 | BOD 5 days 20oC | Pond No.1 | mg/L | 36132 | 5000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2 | | Pond No.4 | | 782 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3 | | Pond No.7 | | 476 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4 | | After Belt Press Pond | | 127 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Month | 2015/2016 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Water Usage (mt) | | FFB process (mt) | Water/FFb ratio (mill) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Mill | Domestic | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Oct 2015 - Sep 2016 | 109,309.92 | 10,930.99 | 91,091.60 | 1.20 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| MA | 4.5 | <p>Estate has a system for IPM monitoring available in place.</p> <p style="text-align: center;">Plan and Realization of Beneficial Plant</p> <table border="1" data-bbox="576 1352 1428 1480"> <thead> <tr> <th>No</th> <th>Year</th> <th>Month</th> <th>Location</th> <th>Realization</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>2016</td> <td>Oct-Dec</td> <td rowspan="2">Sg. Raya Estate</td> <td>3000m</td> </tr> <tr> <td>2</td> <td>2017</td> <td>Jan-Todate</td> <td>357m</td> </tr> </tbody> </table> <p>Map of Beneficial Plant available (Peta Penanaman Tunera) PT. JEK / Sg. Raya Estate. Beside the beneficial plant, estate also preparing for barn owl. There are 44 unit of barn owl in surrounding both estates with location map available. Training and Socialization of IPM has conducted by Sg. Raya Estate on 6 February 2017 trained by Arif S and Sita Astari. Attendance list available with 28 participants. Pictorial evidence sighted with involved both estates.</p> | No | Year | Month | Location | Realization | 1 | 2016 | Oct-Dec | Sg. Raya Estate | 3000m | 2 | 2017 | Jan-Todate | 357m | | | | | | | | | | | | | | | | | | | | | | | |
| No | Year | Month | Location | Realization | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 | 2016 | Oct-Dec | Sg. Raya Estate | 3000m | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2 | 2017 | Jan-Todate | | 357m | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| MA | 4.6 | <p>List of pesticide used of PT.JEK Sg. Raya Estate date March 2017 Example sighted;</p> <ol style="list-style-type: none"> Basta 150 SL Active ingredients: Ammonium Glufosinat (Class: II) Reg no: RI.01030119921113 License date: 31 December 2018 (PT. Bayer Indonesia) Centalon 480 EC | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| | | <p>Active ingredients: Triclopyr (Class: II) Reg no: RI.01030120103716 Licence date: 20 August 2020 (PT.CBA Chemical Industry)</p> <p>3. Starlon 665 EC Active ingredients: Triclopyr Butksi Etil Ester (Class: II) Reg no: RI.01030120072899 License date: 06 July 2017 (PT. Nufarm Indonesia)</p> <p>Above sighted pesticide is has registered in Pestisida Pertanian dan Kehutanan 2016 (Agriculture and Forestry Pesticide 2016), release by Indonesia Agricultural Ministry 2016.</p> <table border="1" data-bbox="576 645 1425 869"> <thead> <tr> <th rowspan="2">No</th> <th rowspan="2">Pesticide</th> <th colspan="2">Active Ingredients</th> <th>Hectare</th> <th>Amount/ha</th> </tr> <tr> <th>Active Ingredients</th> <th>Amount</th> <th>Todate</th> <th>Active Ingredients</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Amiron</td> <td>Methyl Metsulfuron 20%</td> <td>950</td> <td>54</td> <td>0.19</td> </tr> </tbody> </table> <p><i>Sample of chemical usage Sg. Raya Estate, Period March 2017</i></p> <p>Based on Memorandum Letter (Kaltim Complex) for Sg.Raya and Sg.Jantui Estate from Development Director to Plantation/Estate Manager. Date on 4 January 2016. Explained that PT.JEK has not using paraquat start from 01 October 2016 based on Indonesia Regulation (01/Permentan/OT.140/2007).</p> <p>There's training and socialization record for workers who handling chemical/pesticide. In Sg. Raya Estate, training record about Spraying Technique date 13 May 2016 by Juni Simanjuntak (attendance list available for 31 participants). While in Jantui Estate, training about Masker N95 usage date 17 March 2017 by YFM Nainggolan (attendance list available 6 participants) and training on MSDS date on 08 October 2016.</p> <p>Both of Sg.Raya Estate and Jantui Estate has an SOP about handling and storage of pesticide based on SOP 5 (Safety Usage and Storage of Chemical include Hydrocarbon) date on 01 July 2014. This is consist of:</p> <ol style="list-style-type: none"> 1. Trained staff 2. Storage door keep locked 3. PPE usage 4. Labeling on chemical container 5. MSDS available 6. Storage keep always clean and uncontaminated 7. Used container keep separately 8. All relating record must available <p>Based on observation/site visit in Chemical store, the condition according with the procedure above. Sighted physically, pit for leaking preventive, MSDS, eye washer, label in chemical, emergency shower, Bin card, PPE and first aid kit available and well maintained.</p> <p>Annual medical checkup record available in place. MCU conducted by internal doctor KLK group/KLK Agriservindo "Laporan Rekapitulasi MCU/MCU Recap Record". This activity conducted annually, but estate has a plan to conduct the MCU per semester. Medical check includes blood test, physically check by</p> | No | Pesticide | Active Ingredients | | Hectare | Amount/ha | Active Ingredients | Amount | Todate | Active Ingredients | 1 | Amiron | Methyl Metsulfuron 20% | 950 | 54 | 0.19 |
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| No | Pesticide | Active Ingredients | | | Hectare | Amount/ha | | | | | | | | | | | | |
| | | Active Ingredients | Amount | Todate | Active Ingredients | | | | | | | | | | | | | |
| 1 | Amiron | Methyl Metsulfuron 20% | 950 | 54 | 0.19 | | | | | | | | | | | | | |

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| | | <p>Laboratories check (Performa Clinic & lab). Based on the MCU report all workers relating with chemical (fertilizer and pesticide) the result is still normal and can keep continuous to work on their unit.</p> <p>No pregnant or breastfeeding women is allowed to handle chemical in PT. JEK. There's record/Letter of Job Change and Maternity Leaves Sg. Jantui Estate. Sample: SKPK & CH date on 20-03-2017 Name: Mrs. Normawati (Div: Sg. Raya/II) Unit: Spraying.</p> <p>Management estate decide to transfer her which is not contact with chemical or pregnancy dangerous and get maternity leave from 25 Sep 2017 – 23 Dec 2018.</p> |
| MA | 4.7 | <p>KLK (Kuala Lumpur Kepong) Sustainability Policy available and established for all group under KLK. Occupational Health and Safety (OHS) mentioned in</p> <ul style="list-style-type: none"> -Point 3.2 (Respect and Recognize Rights of All Employees) -Sub point iii (Occupational Health and Safety). <p>OHS Management System Plan 2017 for both of estate. Includes:</p> <ol style="list-style-type: none"> 1. Purpose (minimize work accident) 2. Target <ol style="list-style-type: none"> i. Maintain zero accident ii. Minimize minor work accident number until 50% 3. Action Plan <ol style="list-style-type: none"> i. Review Major work accident ii. Review Minor work accident iii. OHS Risk Assessment iv. Medical Checkup 4. Training Program 2017 <p>Jabon POM has documented HIRARC Jabon POM. Information about Identification of danger, risk analysis and risk management form. Analysis taken from 23 location/process. There's no any "high" status of risk from all division in Jabon POM. It is based on Jabon POM Risk Level Formulation = Frequent x Impact Level.</p> <p>In estate HIRARC date 26 January 2017, created by Hamdani N (Sustain Staff), agreed by Lee Toong Hian (Dev. Director). There are several location of High Risk such Nursery, Pesticide Spraying, Manuring, Mature Plant Treatment and Pesticide Mixing Area.</p> <p>OHS and PPE training conducted in Jabon POM such Workshop OHS Training on 18 July 2016 by Mr. Ronny P as Jabon POM Sustainability Officer, attendance list OHS Training available with 18 participants. PPE training conducted in 10 October 2016 attendance list available with 36 participants.</p> <p>Jabon POM has appointed responsible persons (team) for OHS chaired by S.Erwinsyah Saragi and Secretary Ronny Panggalungan. The committee with 22 members approved by Manpower and Transmigration Agency of Kalimantan Timur Province (No: KEP.566/204/P2K3/PPK/DTKT/2017) date on 27 January 2017 signed by Mr. H Fathul Halim, SE.MM (Head of Agency)</p> <p>Periodically meeting about OHS in Jabon POM was documented, sighted;</p> <ol style="list-style-type: none"> 1. Jabon POM OHS Meeting in 21 January 2017 Attendance list available with 12 participants 2. Jabon POM OHS Meeting in 25 February 2017 Attendance list available with 12 participants. |

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| | | <p>Based on record there are 7 minor accidents in Jabon POM and accidents investigation has been include in OHS Meeting. Sighted Jabon POM OHS Meeting in 19 April 2016 (01/IV/P2K3-JPOM/16) "Work Accident Meeting" Accident 16 April 2016 in EFB Press Station – Jabon POM namely A. Muh. Amir (Minor hand injury) get treatment in PT. JEK clinic. Accident investigation report and LTA calculation available.</p> <p>Estate has separate OSH team chaired by YFM Nainggolan and secretary Hamdani Nahir. The committee with 22 members (Sg. Raya Estate) and 16 members (Sg. Jantui Estate). Approved by Manpower and Transmigration Agency of Kalimantan Timur Province (No: KEP.566/205/P2K3/PPK/DTKT/2017) date on 27 January 2017.</p> <p>PT. Jabontara Eka Karsa/Jabon POM_KLK SOP, Jabon POM has a procedure for emergency and work accident as per <i>SOP No.51/Tanggap Darurat Kecelakaan (Emergency and Work Accident)</i> date on 12-08-2016 -Flowchart of Emergency and Work Accident available and update on 21 April 2016. There are 3 types of flowchart;</p> <ol style="list-style-type: none"> 1. Work accident flowchart 2. Chemical accident flowchart 3. Fire flowchart <p>Structure of Emergency Team Jabon POM available;</p> <ol style="list-style-type: none"> 1.S.Erwinsyah Saragih : Head 2.Efendi : Fire Fighters Coordinator (12 members) 3.Abd.Razak : Evacuation and first aid kit Coordinator (5 members) 4.Hotas H : Transportation (3 members) <p>PT. JEK provide medical clinic in Sg. Raya Estate for all employee/workers. All employees and workers in Jabon POM has registered in Jamsostek Program (National Accident Insurance), based on billing of Jamsostek on February 2017, there are 63 employees and workers has been registered in Jamsostek Program (National Accident Insurance). For medical care, management also do some program related with it, such as registered all employee and worker to BPJS Kesehatan Program (National Health Insurance) and periodically medical checkup.</p> <p>Based on employees/workers health insurance (BPJS Kesehatan) data obtained from PT. Jabontara Eka Karsa (POM and Estate), it were found that PT. Jabontara Eka Karsa not complete registration of all it employees/workers for BPJS Kesehatan (medical insurance).</p> <p>Example in Sungai Jantui Estate, there were only 90 workers registered from 346 workers for BPJS Kesehatan (medical insurance). This is due to problems in BPJS Kesehatan system itself and residential status of the employees/workers.</p> <p>However, in consideration of progress of action taken by PT. Jabontara Eka Karsa until now. Sighted of increasing in the registration number of employees/workers to BPJS Kesehatan (medical insurance), sighted registration progress done by company from e-Dabu system (Monitoring system by BPJS) in February 2017 for total 688 employees/workers and in March 2017 increased to 1086 employees/workers</p> |
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| | | There's should be strict monitoring, management and follow up about medical insurance for the employees/workers. |
| MA | 4.8 | <p>Record of RSPO P&C training in Jabon POM available. Sighted PT. Jabon POM training Principle 1.4 & 4.8 RSPO conducted in 21-23 November 2016 and 19 - 21 December by S. Erwinsyah Saragih. Attendance list available, there are 10 participants.</p> <p>Both of estate conducting the training of RSPO P&C together in one time and one place. Record of training available, sighted trainer Steven Tiong and Muriyanto date on 09 December 2016, topic covered Principle and Criteria in RSPO, RSPO Doc Review. Attendance list available for 20 participants.</p> <p>Based on PT. Jabontara Eka Karsa KLK Sustainability SOP. This SOP applicable for Jabon POM, Sg. Raya Estate and Sg. Jantui Estate. There's SOP no.24 about Training includes Training needed identification, Training program and planning, Training Evaluation and Training record.</p> |
| Principle 5: Environmental Responsibility and Conservation of Natural Resources and Biodiversity | | |
| Criterion by Audit | Summary | Environmental Impact Assessment has been carried out by the mill and estate. Mitigation measures are in place to reduce environmental pollution. A comprehensive identification of all waste has been recorded and disposal of scheduled waste has been carried out by government approved and registered collector. |
| MA | 5.1 | <p>Environmental impact been done as evidence in the "Analisis Dampak Lingkungan Hidup (ANDAL) Kegiatan Perkebunan Dan Pabrik Minyak Sawit". The ANDAL conducted by ,</p> <ul style="list-style-type: none"> • PT.POLIGON KALTIM UTAMA on Nov. 2008, with ref no. Nomor: 70/HGU/BPN/97. • Area : ± 14.086 Ha <p>The qualified team consists of :</p> <ul style="list-style-type: none"> • Ir.Sulaeman (Magister Pertanian) - Team Leader • Ir. Zainal Muttaqin (Magister Pertanian) - Team Member • Dr. Daniel Tarigan Muttaqin (Chemistry) - Team Member • Fachruddin Azwari (Master Science) - Team Member • Dr. Ir. Risman Situmeang (Forestry) - Team Member • Ir.Rusli Anwar (Master Science) – Team Member • Anton Silas Sinery (Master Forestry) – Team Member • Dra. Rahmaniar (Social) – Team Member • Alwi Juni Rachmawati (Health) – Team Member. <p>The ANDAL was approved on 6th Nov. 20018, ref no. Nomor 660.1/K.524/2008 by Gubernur Kalimantan Timur for 120 MT (TBS/Jam). However, the plant currently operating 60 ton/hr, start operation on Feb 2015. Sg. Raya Estate area is 8,521 Ha and Sg. Jantui Estate area is 5,565 Ha, included in the total area of ANDAL report.</p> <p>The environmental management plan explicit explained in the section II of the ANDAL. Four main stages were identified,</p> <ul style="list-style-type: none"> • Pre –construction • Constructions • Operational • Post operational |

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| | <p>The factors that been considered were:</p> <ul style="list-style-type: none"> • Geo physical chemical • Biological • Social • People Health <p>Aspects among others had been identified with breakdown as below;</p> <ul style="list-style-type: none"> • Geo-physical-chemical <ul style="list-style-type: none"> i. Weather ii. Land iii. Hydrology • Biological <ul style="list-style-type: none"> i. Flora/Fauna data • Social <ul style="list-style-type: none"> i. Demography ii. Economy • People Health <ul style="list-style-type: none"> i. Sanitation ii. Disease <p>Environmental management plan had been established following the ANDAL recommendation. Negative and positive impact were well explained and described in the ANDAL report. Monitoring and mitigation plan were also described in Section V of the report. Ir. David Saragi, Sr. Manager Sustainability is responsible in implementation/monitoring of all activities related to environmental management.</p> <p>Environmental monitoring plan available as sighted in document dated Nov. 2008</p> <ul style="list-style-type: none"> • “ Rencana Pemantauan Hidup (RPL) Kegiatan Perkebunan dan Pabrik Minyak Sawit” . • “ Rencana Pengelolaan Hidup (RKL) Kegiatan Perkebunan dan Pabrik Minyak Sawit”. <p>Report of Laporan Pengelolaan dan Pemantaun Lingkungan are submitted to Badan Lingkungan Hidup Kabupaten Berau, four times a year. Sighted report submitted for last period “Triwulan IV Tahun 2016” report on 30 Jan 2017.</p> <p>Sighted review of environment plan for year 2015/16 by Sujarwo Prma Dono (Ass. Sustainability/Enviro), approved by Ir. David Saragi (Sr. Manager Sustainability). No significant changes on the plan as per ANDAL. All evaluation results were within the acceptable local standard requirements.</p> <p>In Sg. Raya Estate, sighted test result among by PT. Unilab Perdana qualified by KAN (accreditation body):</p> <p>Surface water quality upstream of Sg. Raya:</p> <ul style="list-style-type: none"> - TDS = 210 (std 1000) mg/l - TSS = 3 (std 50) mg/l - Temp = 25 C (std nil) - pH = 8 (6 -9) - DO = 6 (std 4) - Flouride = 0.6 (1.5) <p>Surface water quality downstream of Sg. Raya:</p> |
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| | | <ul style="list-style-type: none"> - TDS = 187 (std 1000) mg/l - TSS = 6 (std 50) mg/l - Temp = 25 C (std nil) - pH = 8.4 (6 -9) - DO = 5 (std 4) - Flouride = 0.2 (std 1.5) <p>Sg. Jantui Estate, sighted test result among surface water quality for Danau Jantui:</p> <ul style="list-style-type: none"> - TDS = 200 (std 1500) mg/l - Turbidity = 1 (std 25) NTU - Taste = No Taste (std No Taste) - Temp= 28 (std ambient \pm 3) C - Color = < 1 (std 50) Pt-Co - Hg = <0.0005 (std 0.001) mg/l - As = 0.05 (std <0.005) mg/l - Fe = 0.4 (1.5) mg/l - Cd = <0.002 (std 0.005) mg/l - CaCo3 = 192 (std 500) mg/l - Cl = 5 (std 600) mg/l - Total coliform = 46 (50) MPN/100ml <p>There are no significant effect on the quality river upstream and downstream. No development activities/industries on the upstream area. Sighted review of environment plan for year 2015/16 by Sujarwo Prma Dono (Ass. Sustainability/Enviro), approved by Ir. David Saragi (Sr. Manager Sustainability). No significant changes on the plan as per ANDAL.</p> | | | | | | | | | | | | |
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| MA | 5.2 | <p>HCV assessment was conducted by qualified consultant, PT. Jump Consulting, Aug 2010. The consultant team consists:</p> <ul style="list-style-type: none"> • Junser Naibaho (Sosial Budaya) • Hamios Arief (Keanekaragaman Hayat) • Rachmd Hermawan (Jasa Lingkungan) • Akhmad Wijaya (Perhutanan Sosial/Sosiologi Kehutanan) • Mochmad Syoim (Ekologu Satwa Liar/Konservasi Keanekaragaman Hayat) • Raharjo Aro Suwasono (Ekologi Hutan) • Mustaid Yusuf (Hidrologi) • Abdul Rosyid (Silvikultur) • Arif (GIS Specialist) • Ir. David Sarai (PT Jabontara Eka Karsa representative) • Hendra Damis (PT Jabontara Eka Karsa representative) <p>HCV assessment area done for whole PT. Jabontara Eka Karsa, 14.086 Ha which includes Sg.Raya Estate and Sg. Jantui Estate.</p> <p>For Sg. Raya Estate, HCV identified:</p> <table border="1" data-bbox="774 1796 1232 1995"> <thead> <tr> <th>Type</th> <th>Area (Ha)</th> </tr> </thead> <tbody> <tr> <td>HCV 1.2</td> <td>348.94</td> </tr> <tr> <td>HCV 1.3</td> <td>348.94</td> </tr> <tr> <td>HCV 3</td> <td>366.44</td> </tr> <tr> <td>HCV 4.1</td> <td>140.13</td> </tr> <tr> <td>HCV 4.2</td> <td>348.94</td> </tr> </tbody> </table> | Type | Area (Ha) | HCV 1.2 | 348.94 | HCV 1.3 | 348.94 | HCV 3 | 366.44 | HCV 4.1 | 140.13 | HCV 4.2 | 348.94 |
| Type | Area (Ha) | | | | | | | | | | | | | |
| HCV 1.2 | 348.94 | | | | | | | | | | | | | |
| HCV 1.3 | 348.94 | | | | | | | | | | | | | |
| HCV 3 | 366.44 | | | | | | | | | | | | | |
| HCV 4.1 | 140.13 | | | | | | | | | | | | | |
| HCV 4.2 | 348.94 | | | | | | | | | | | | | |

| | | <p>For Sg. Jantui Estate, HCV identified:</p> <table border="1" data-bbox="764 318 1238 421"> <thead> <tr> <th>Type</th> <th>Area (Ha)</th> </tr> </thead> <tbody> <tr> <td>HCV 4.1</td> <td>17.5</td> </tr> <tr> <td>HCV 6</td> <td>17.5</td> </tr> </tbody> </table> <p>Map of HCV area was included in the HCV assessment report. Monitoring and mitigation been done on periodically basis as per “Rencana Pengelolaan Areal HCV di Jabontara Eka Karsa (JEK): 2016 – 2017 by Arif Selamat dated Oct 2016. Sighted among others,</p> <ul style="list-style-type: none"> - Riparian zone - HCV area - RTE species - Flora & Fauna <p>Sighted training materials contains pictures, used to communicate and identification purposes. Sighted checklist on the monitoring of important species dated Sep 2016. The following were found;</p> <p>Mamalia:</p> <ul style="list-style-type: none"> - Pelanduk Napu (Tragulus Napu) - Landak raya (Histrich brachyura) - Berang berang (Lutra Sumatrama) <p>Birds:</p> <ul style="list-style-type: none"> - Elang bondol (Haliastur Indus) - Elang tikus (Elanus caeruleus) - Elang Ular (Spilornis cheela) - Bangau Kuntul Kecil (gretta alba) - Ayam ayaman (Gallicrex cinerea) <p>Vegetation:</p> <ul style="list-style-type: none"> - Kayu Hitam (Diospyrus borneensis) - Meranti (Shorea smithiana) - Kapor (Driyobalanops) - Bangeris (Koompasia excels) <p>Sighted socialization activities done on HCV, RTE, SIA & Sustainability,</p> <ul style="list-style-type: none"> • all staff and workers (Jabon POM, Sg. Raya Estate and Sg. Jantui Estate) by David Saragi, Pak Arief and Mriyanto on 9 Dec 2016 • all staff and workers by displaying at notice board and socialization internal briefing related to Sustainability by Hamdani Nadhir (Staff Sustainability) on 6/03/17. Total of 94 staff attended. • Sighted training materials title “Pelatihan Kawasan Konservasi PT Jabontara Eka Karsa”. The content; <ol style="list-style-type: none"> i. HCV area ii. Handling of flora & fauna iii. Handling of river area iv. Identification of RTE species <p>Sighted socialization activities done on HCV, RTE, SIA & RTE ,</p> <ul style="list-style-type: none"> • All staff and workers by displaying at notice board and socialization internal briefing by Hamdani Nadhir (Staff Sustainability) on 6/03/17. Total of 94 staff attended. • All staff and workers (Jabon POM, Sg. Raya Estate and Sg. Jantui | Type | Area (Ha) | HCV 4.1 | 17.5 | HCV 6 | 17.5 |
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| Type | Area (Ha) | | | | | | | |
| HCV 4.1 | 17.5 | | | | | | | |
| HCV 6 | 17.5 | | | | | | | |

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| | | <p>Estate) by David Saragi, Pak Arief and Muriyanto on 9 Dec 2016.</p> <p>Disciplinary action will be taken to employee who was found not following the instruction such as;</p> <ul style="list-style-type: none"> • Consultation by management • Law action following PP.No. 7/99: Dilindungi oleh Peraturan Pemerintah No.7 Tahun 1999 tentang Pengawetan Jenis Tumbuhan dan Satwa. |
| MA | 5.3 | <p>Identifikasi Sumber-Sumber Limbah dan Pencemaran & Rencana Untuk Mengurangi Polusi”, dated 6/12/2016 reported by Ronny.P (Asst. Sustainability/Mill) and agreed by Kannadasan.A (Factory Manager). The identification are keep updating yearly.</p> <p>The identification were tabulated and itemised by,</p> <ul style="list-style-type: none"> • Waste • Source of waste • Action plan • Frequency of action plan • Responsibility • Reference documents <p>Note: This identification done for whole PT. Jabontara which includes Sg. Raya Estate and Sg. Jantui Estate.</p> <p>Chemicals and empty containers are disposed following to the local Indonesia law. Sighted schedule wastes approved contractors:</p> <ul style="list-style-type: none"> - Collected and transported schedule waste form estate: PT. Limbah Bina Sejahtera , SK Pengumpulan Gubernur Kalimantan Timur No. 503/1095/LINGK/BPPMD-PTSP/VII/2015 - Transfer collection and transport schedule wastes from PT. Limbah Bina Sejahtera to PT. Sinar Wahyu Ironenviro , Surat Keputusan Menteri Negara Lingkungan Hidup Nomor: S 1350/PSLB3-VPLB3/2015 Tentang Rekomendasi Pengangkutan Limbah Bahan Berbahaya dan Beracun (limbah B3) - Transfer collection and transport schedule wastes from PT. Sinar Wahyu Ironenviro , Surat Keputusan Menteri Negara Lingkungan Hidup Nomor: S 1350/PSLB3-VPLB3/2015 Tentang Rekomendasi Pengangkutan Limbah Bahan Berbahaya dan Beracun (limbah B3) to PT. Berdikari Jaya Bersama , Surat Keputusan Menteri Lingkugan Hidup dan Kehutanan Republik Indonesia Nomor. 667/Menlhk-Setjen/2015 Tentang Izin Pengelolaan Limbah Bahan Berbahaya dan Beracun. <p>Sighted last disposed items 10/1/2017 to PT. Limbah Bina Sejahtera;</p> <ul style="list-style-type: none"> - Used oil = 680 liter - Oil filter = 72 pcs - Medical Waste = 5 kg - Cotton rag = 185 kg - Empty pesticide = 116 pcs - Used batteries = 4 pcs <p>Wastes from Jabon POM and Sg.Jantui Estate send and manage by Sg. Raya</p> |

| | | <p>Estate.</p> <p>In Jabon POM, mitigation of waste been identified and described in the same documents of "Identifikasi Sumber - Sumber Limbah dan Pencemaran & Rencana Untuk Mengurangi Polusi", dated 6/12/2016 reported by Ronny.P (Asst. Mill). Sighted in the document;</p> <ul style="list-style-type: none"> • POME treated waste water used for land application. • Empty fruit bunch pressed and transferred for estate used • Fiber and kernel used at boiler • Ash from boiler used at estate <p>While in both estates, mitigation of waste been identified and described in the same documents of "Identifikasi Sumber-Sumber Limbah dan Pencemaran & Rencana Untuk Mengurangi Polusi", dated Dec 2016 reported by Hamdani Nadhir (Staff Sustainability).</p> <p>Sighted in the document among others;</p> <ul style="list-style-type: none"> • Used oil filter , used oil, used batteries, cotton rag stored at schedule waste store and sent to approved contractor for disposal • Organic waste from housing area disposed to land fill • Medical wastes sent to approved contractor for disposal • Empty plastic pesticide containers were triple rinse prior disposal by approved contractor. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| MA | 5.4 | <p>All fossil fuels been monitored and recorded appropriately in Jabon Mill. Diesel usage been monitor and recorded monthly in the document title "Monitoring Energi Fosil" updated on 7/12/2016 by Ronny.P (Asst. Sustainability). The usages were then calculated and tabulated monthly. The usage of diesel was controlled based on the monthly budget of estate.</p> <p>Sighted data for year 2016;</p> <table border="1" data-bbox="678 1240 1326 1946"> <thead> <tr> <th>Month , 2016</th> <th>FFB , Process</th> <th>Diesel (liter) / FFB (MTon) Todate</th> </tr> </thead> <tbody> <tr> <td>Jan</td> <td>9,753.890</td> <td>1.086</td> </tr> <tr> <td>Feb</td> <td>6,592.950</td> <td>1.169</td> </tr> <tr> <td>Mar</td> <td>6,578.460</td> <td>1.207</td> </tr> <tr> <td>April</td> <td>5,634.150</td> <td>1.238</td> </tr> <tr> <td>May</td> <td>6,582.690</td> <td>1.337</td> </tr> <tr> <td>June</td> <td>6,880.990</td> <td>1.176</td> </tr> <tr> <td>July</td> <td>5,485.830</td> <td>1.696</td> </tr> <tr> <td>Aug</td> <td>5,728.370</td> <td>1.856</td> </tr> <tr> <td>Sep</td> <td>8,394.260</td> <td>1.253</td> </tr> <tr> <td>Oct</td> <td>11,392.020</td> <td>1.156</td> </tr> </tbody> </table> | Month , 2016 | FFB , Process | Diesel (liter) / FFB (MTon) Todate | Jan | 9,753.890 | 1.086 | Feb | 6,592.950 | 1.169 | Mar | 6,578.460 | 1.207 | April | 5,634.150 | 1.238 | May | 6,582.690 | 1.337 | June | 6,880.990 | 1.176 | July | 5,485.830 | 1.696 | Aug | 5,728.370 | 1.856 | Sep | 8,394.260 | 1.253 | Oct | 11,392.020 | 1.156 |
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| | | <table border="1"> <tr> <td>Nov</td> <td>12,181.330</td> <td>0.876</td> </tr> <tr> <td>Dec</td> <td>11,049.440</td> <td>1.061</td> </tr> <tr> <td>Total</td> <td>96,254.380</td> <td>1.206</td> </tr> </table> <p>Diesel used during start-up and domestic purpose only. Thereafter, fibres and shells are used as fuels. Thus, when the quantity of FFB high the used of diesel are low.</p> <p>In Sg. Raya Estate, sighted data as below;</p> <table border="1"> <thead> <tr> <th>Month , Year</th> <th>Diesel (liter) / FFB (MTon) Todate</th> </tr> </thead> <tbody> <tr> <td>Oct 16</td> <td>4.50</td> </tr> <tr> <td>Nov 16</td> <td>3.99</td> </tr> <tr> <td>Dec 16</td> <td>4.00</td> </tr> <tr> <td>Jan 17</td> <td>3.96</td> </tr> <tr> <td>Feb 17</td> <td>4.02</td> </tr> </tbody> </table> <p>In Sg. Jantui Estate, sighted data as below;</p> <table border="1"> <thead> <tr> <th>Month , Year</th> <th>Diesel (liter) / FFB (MTon) Todate</th> </tr> </thead> <tbody> <tr> <td>Oct 16</td> <td>4.38</td> </tr> <tr> <td>Nov 16</td> <td>3.79</td> </tr> <tr> <td>Dec 16</td> <td>3.62</td> </tr> <tr> <td>Jan 17</td> <td>3.52</td> </tr> <tr> <td>Feb 17</td> <td>3.44</td> </tr> </tbody> </table> <p>The target is 5 litre diesel/ MT FFB. This figure is based on average historical collected from Oct 2015 to Sep 2016. As to date all values were well below the target.</p> | Nov | 12,181.330 | 0.876 | Dec | 11,049.440 | 1.061 | Total | 96,254.380 | 1.206 | Month , Year | Diesel (liter) / FFB (MTon) Todate | Oct 16 | 4.50 | Nov 16 | 3.99 | Dec 16 | 4.00 | Jan 17 | 3.96 | Feb 17 | 4.02 | Month , Year | Diesel (liter) / FFB (MTon) Todate | Oct 16 | 4.38 | Nov 16 | 3.79 | Dec 16 | 3.62 | Jan 17 | 3.52 | Feb 17 | 3.44 |
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| MA | 5.5 | Zero burning policy implemented as sated in item 1 of policy document, signed by Tan Sri Dato' Seri Lee Oi Hian, Chief Executive Officer, dated 1 Dec 2014. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| MA | 5.6 | <p>Assessing pollution and emission sources in Jabon POM were described in details in "Identifikasi Sumber-Sumber Limbah dan Pencemaran & Rencana Untuk Mengurangi Polusi", dated 6/12/2016.</p> <p>It were also support and described in various internal SOPs such as;</p> <ul style="list-style-type: none"> • SOP 16, Pengelolaan Limbah B3 • SOP 18, Pengelolaan Limbah Pabrik • SOP 41, Pengelolaan Limbah Rumah Tangga • SOP 42, Pengelolaan Limbah Kantor <p>Company has internal procedure for GHG emissions title SOP 40, "Inventarisasi dan Mitigasi Gas Rumah Kaca" ,dated 1 July 2014. The GHG pollutants and it significant were described in details in "Identifikasi Sumber-Sumber Limbah dan Pencemaran & Rencana Untuk Mengurangi Polusi", dated 6/12/2016. It also described in SOP 16, 17, 41 and 42 above.</p> <p>Example :</p> <ul style="list-style-type: none"> • Fertilization following the agronomist recommendation • Sighted report title " Oil Palm Manuring Recommendation" by Khee Khan Kiang from Applied Agricultural Resources Sdn Bhd (AAR) 2016/2017 dated 28 Dec 2016. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

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| | | <ul style="list-style-type: none"> • Maintenance of tractors (17 units) and dump trucks (24 units). • Sighted dump truck maintenance record, truck service on 28/11/2016 and on 04/03/17. • Monitoring of diesel used for gen-set. <p>Waste from mills are treated following the below POME processes that designed for 60Mt/hr: Cooling Pond > Acidification Pond> Anaerob Pond 1> Anaerob Pond 2> Facultative Pond > Aerob Pond 1> Aerob Pond 2> Pump House > Land application. Quality of waste water are checking at various point of process and recorded. Total retention time = 76.8 days.</p> <p>GHG Calculation using Version 3.0.1 Palm GHG Calculator was submitted via e-mail to RSPO on 16/03/17. Emission rate: -0.12 tCO₂e/t FFB (POM), -0.43 tCO₂e/t FFB (Sg. Raya) & 0.26 tCO₂e/t FFB (Sg. Jantui). Refer Appendix 2 for Summary of GHG Emissions.</p> |
| <p>Principle 6: Responsible Consideration of Employees and of Individuals and Communities by Growers and Millers</p> | | |
| <p>Criterion by Audit</p> | <p>Summary</p> | <p>The mill and estates have conducted social impact assessment. Required policies and procedures are in place and been implemented accordingly. Communication and consultation as well complaints and grievances procedures are well communicated and adhered to. There are evidences of workers not been discriminated against in any way and all are being paid their fair wages.</p> <p>However, minor NC raise under 6.1.4 as last management plan been review on October 2014. Which against the indicator requirement for shall be reviewed at least on 2 years basis.</p> |
| <p>MA</p> | <p>6.1</p> | <p>The Social Impact Assessment (SIA) report for both POM and Estate titled “Penilaian Dampak Sosial” done by qualified Third Parties: Aksenta (Mr. Erizal as Team Leader). Conducted on 19 – 27 May 2014. Finalized on October 2014.</p> <p>Internal monitoring and evaluation for SIA are conducted in internally. Record shows that the company conduct a meeting with local community least once a year, Sighted the latest socialization to stakeholder on Batu Putih villages, dated on 6/09/2016 by Aksenta. The briefing attended by 32 Persons.</p> <p>It’s supervised by KKK Kaltim Region Head Office, with complete assessment format including introduction, method, result (correspondent, negative & positive impact) result analysis, action plan to improve social improvement & summary.</p> <p>Sighted affected parties: Kampung Batu Putih, Kampung Tembudan and Kampung Lobang Klatak. The company has been organized the consultation were made for all local communities nearby POM and Estate. The consultation topics related are regarding to (SIA) Tanggapan Terhadap Dampak Sosial; High Conservation Value, Land Use and dispute mechanism and Complaint procedures.</p> <p>Record of meeting conducted in sub district Batu Putih titled: “Konsultansi dan Komunikasi: Tanggapan Terhadap Dampak Sosial” PT. Jabontara Eka Karsa, dated on 24 November 2016. It’s conducted by Mr. Arif Slamet and Mr. Hamdani Nadir (Asst. Sustainability). It is including who’s attending, what’s the suggestion or aspiration.</p> |

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| | | <p>Plans for management and monitoring of social impacts (SIA) has been available titled: “Rencana Pengelolaan dan Pemantauan Dampak Sosial”, Last Updated on December 2016 by Mr. Nainggolan (Estate Manager) and Acknowledge by Lee (Senior Estate Manager) Time table were included in the report. It’s monitored yearly. Last management plan communicated to the local communities on 24 November 2016. It’s conducted by Mr. Arif Slamet and Mr. Hamdani Nadir (Asst. Sustainability).</p> <p>PT. Jabon Eka Karsa has 2 smallholders, such as: For all Smallholders, both Batu Putih Rimba Perkasa and Harapan Sejahtera Bersama (Tembudan). However, it does not included for this RSPO P & C audit scope. All Smallholder was involved actively on the stakeholder meeting on 24 November 2016. It’s conducted by Mr. Arif Slamet and Mr. Hamdani Nadhir (Asst. Sustainability). It is including who’s attending, what’s the suggestion or aspiration.</p> <p>The last Social Impact Assessment (SIA) report for both POM and Estate titled “Penilaian Dampak Sosial” done by qualified Third Parties: Aksenta (Mr. Erizal as Team Leader). Conducted on 19 – 27 May 2014. Finalized on October 2014. There is no evidence that the review process includes participation of all affected parties (local communities) from October 2014.</p> |
| MA | 6.2 | <p>POM and Estates has System and Procedure for Consultation with Stakeholder. It has been clearly described on Doc. No. SOP 19. titled: “Komunikasi dan Konsultasi dengan Masyarakat” last updated on 01 July 2014 and Doc No. SOP1, titled: “Permintaan Informasi dan Tanggapan” last updated on 01 July 2014.</p> <p>The position has been made official with clear and proper job description, Address and Phone number as per mentioned on SOP No. 19. Titled: “Konsultasi dan Komunikasi dengan Masyarakat” Person in charge: Sustainability Staff PT. Jabontara Eka Karsa: Mr. Arif Slamet and Mr. Hamdani Nadhir (Asst. Sustainability). The evidence of understanding were included in the stakeholder communication report. Sighted outcome discussion:</p> <ul style="list-style-type: none"> - The local community requested the School bus to pick up their children on the state school that located out of plantation area. - Plan to development and increasing smallholder area for the local communities: Kampung Batu Putih, Kampung Tembudan and Kampung Lobang Klatak. <p>List of stakeholders is available (last updated in December 2016) as evident in document “Daftar Stakeholder (Pemangku Kepentingan), Kebun Sungai Raya” (mill location), The list included:</p> <ul style="list-style-type: none"> - Smallholders - Government Dept. - Workers Union - Suppliers - Bank - Contractors - NGO |
| MA | 6.3 | <p>System and Procedure to deal with complaints and grievances are available, doc: SOP No.20. Titled: “Prosedur Penyampaian Pengaduan Keluhan”. Last Updated on 20 July 2016.</p> <p>All the complaints and grievances in POM were handled under Asst. Mill Manager (Mr. Erwinsyah). Particular document of proposing and handling the</p> |

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| | | <p>complaints and grievances. The documents were already communicated through the stakeholder discussion. In every stakeholder consultation, there will be an open discussion session to ensure that every attendee understand about the meeting material.</p> <p>To addressing the complaints and grievances, the stakeholder can directly deliver it to the management through filling the complaints forms or filling the information request form.</p> <p>The complaint or grievance will be discussed in the sustainability department, then later will be brought to the affected department. Then the matrix and time table to resolve the complaint will be made to ensure the complaint were taken care and resolved. If the solution is cannot be made in the company scope. The complainants can continue to deliver it to the related organization body.</p> <p>In the complaint SOP, there is stated that the complainants will be protected and if requested, the identification of whistle blower will be anonymized. Record of complaint are available, titled: External Complaint and grievances PT. Jabon Eka Karsa. However, no complaint so far. All complaint has been solved through stakeholder consultation.</p> |
| MA | 6.4 | <p>Procedure for identifying legal, Land user rights and compensation is clearly described on Doc. SOP No.26, Titled" Penyelesaian Sengketa Lahan" dated on 1 August 2013. The system and Procedure has been according to related Indonesia Law: Permendagri No. 52 year 2014 and PP BPN No. 5 year 1999. No complaints and grievance found on the POM. However, Complaints and grievance form were stored in the Mills office as well as Estate Office. It can be accessed by any stakeholders.</p> <p>The mechanism for calculating and distributing fair compensation is established, implemented and evaluated based on Doc. Doc. SOP No.26, Titled" Penyelesaian Sengketa Lahan" dated on 1 August 2013 and Doc. SOP No.27. Titled: "Perolehan Lahan untuk penanaman kelapa Sawit" 1 July 2014. It's based on the Negotiation between company and community/ user rights. However, no such cases of Land compensation and negotiation in PT. Jabon Eka Karsa in year 2015 and 2016.</p> <p>During the implementation of the procedure, it must be known and signed by the company, land owner, head local communities as well as head of village. All the complaints can be delivered directly and discussed during the process. There is no such particular requirement about gender, communities, or ethnic group were mentioned.</p> <p>Negotiated settlement of relevance issues are clearly describes on Doc. SOP No.26, Titled" Penyelesaian Sengketa Lahan" dated on 1 August 2013. However, no Negotiation issue or conflict so far.</p> <p>It has been involved the affected parties. Also approved and signed by company and local authorities. The documents were kept in the legal administration office and its local authority office.</p> |
| MA | 6.5 | <p>Company Policy and Collective Bargaining Agreement has been available and it's describes a documentation of pay and conditions for employees based on manpower regulations Kemenakertrans No 13. Tahun 2003. It's Assigned by David Saragi (PR and Legal Manager) on 24 August 2015. It's agreed by local Manpower ministry of Berau Regency Mr. M Syarkawi, dated on 27 October</p> |

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| | | <p>2015. SOP of employment is in place, Titled: “SOP 21. Management Dan Pekerja”. It is also mentioned in the SOP about the contractual and also the document that need to be signed by both party. Doc. No. SOP. 21 Last Updated on 7 April 2016.</p> <p>The current Berau Regency minimum wages is IDR 2.650.537. It’s decided by the local government, nationally and regionally. During the decision making, it includes the calculation of minimum living cost, and involved many parties within the meeting.</p> <p>The sample employment contract from mills worker is selected and verified. There are 65 Employees and 11 staff. In both Sungai Raya and Sungai Jantui Estate, there are in total 936 workers. Pay and conditions term for employees were stated in the working agreement and contract.</p> <p>The contract of employments were prepared in Bahasa Indonesia. Signed by both parties (company and worker). From the sample of employment contract, it is verified that the wage given is comply and not under the minimum wage decided by local authorities.</p> <p>Based on the Worker interview, no such breaches found so far. All of the interviewed worker stated that they always receive above the minimum wage standard.</p> <p>PT. Jabon Eka Karsa: Sungai Raya Estate has been provided adequate housing including its electricity (provided internally by the company), clean water (provided by water drill), and medical services (each estate have its clinic). For advanced education, the company provide shuttle bus to the nearest junior and senior high school), and another welfare facilities (sport court, praying building, etc.). Housing amount are: Woody house 144, Semi Solid House 148, Permanent House 157, Staff House: 18, Executive House 11. The company provide such food market “Door to door” sales to provide such foods material on each resident area, monthly market on every payment day in each estate.</p> |
| MA | 6.6 | <p>Freedom of association Policy are described on KLK Sustainable Company Policy, Point 3.2. Titled: Kebijakan Berkelanjutan KLK, Dated on 1 December 2014. The document were written in Bahasa Indonesia and it’s communicated to the affected stakeholders.</p> <p>Worker association is available: Kelompok Serikat Pekerja Seluruh Indonesia (K-SPSI) PT. Jabon Eka Karsa. Union Committee Organization are formed with 9 persons. It’s authorized by Local Manpower of Berau Regency (Disnakertrans) No. 560/50.3. Kelembagaan dan Syarat Kerja.</p> <p>It’s Verified through the interview that all of the worker are able to form or join the worker union. Total union member is 28 persons for both Sungai Raya Estate and POM. The outcome of the collective bargaining process were implemented together between the union and the company. The sample document is provided.</p> <p>The document stored in management data office as well as stored in the K-SPSI sekretariat. Last meeting was held in 1 February 2017. Attended by 11 K-SPSI (union) members and 1 Sr. Manager Sustainability HO. The meeting topic were:</p> <ul style="list-style-type: none"> - Registration of Bipartit/ Workers Union to Local Manpower Department of Berau Region (Disnakertrans). |

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| | | <ul style="list-style-type: none"> - Rights and Condition Terms about BPJS Kesehatan and BPJS Ketenagakerjaan (National Insurance and Social Security) - Raincoat purposed by the union to prepared a rainy seasons. |
| MA | 6.7 | The minimum age required for workers is 18 years old as per Procedure titled "SOP Management dan Pekerja" SOP No. 21, last updated on 7 April 2016. It's also mentioned on the Workers Recruitment Procedure Doc. SOP No. 47. Titled "Perekrutan Kariawan" dated on 1 July 2015. There is no child labour evidenced during the audit and interview. |
| MA | 6.8 | <p>Non-discrimination and equal opportunities has been stated on the KLK Sustainable Company Policy Titled: Kebijakan Berkelanjutan KLK, Dated on 1 December 2014. Signed by Mr. Tan Sri Dato CEO of KLK Group. Policy/Point 3.2/ix/ described: "Persamaan Kesempatan Kerja". The document were kept in administration office, and already communicated to all workers as well as to affected stakeholders. However, based on the interview there's no such evidence of breaches found so far.</p> <p>There is observation on job vacancies and recruitment information in POM and Estate for the local communities has not been documented. Job vacancies were based on direct information from other workers.</p> <p>However, The equal opportunity and treatment is stated in the company policy "Kebijakan Berkelanjutan KLK", Dated on 1 December 2014. No Policy/Point 3.2/ix/.</p> <p>Detailed Recruitment and promotion Procedure are stated in the Procedure titled "SOP Management dan Pekerja" SOP No. 21, last updated on 7 April 2016. It's also mentioned on the Workers Recruitment Procedure Doc. SOP No. 47. Titled "Perekrutan Kariawan" dated on 1 July 2015</p> |
| MA | 6.9 | <p>PT. PT. Jabon Eka Karsa has a policy to prevent sexual and all other forms of harassment and violence. Titled Policy/Point 3.2/xi/ described: "Pelarangan Pelecehan dan Kekerasan". Last issued in 1 December 2014. It has been communicated to all of the workers. Sighted the Report of Activities of Gender Committee year 2016 in POM, sample taken: document of awareness training about Gender Committee and Pregnant Women's Program that were held on 7 November 2016 by Chief of Gender Committee (Mrs. Desi) and Team. It was attended by 7 women workers in POM.</p> <p>Should any issues about sexual and all other forms of harassment and violence has been described on the Doc. SOP No. 25 Titled: "Procedur Pengaduan Pelecehan Seksual" last updated on 12 August 2016.</p> <p>PT. Jabon Eka Karsa has a Gender Committee (lead by Mrs. Desi Rantesalu). It's consist of several different kind of workers. Sighted the Report of Gender Committee year 2016 and Comitee Gender Work Plan year 2017. The Terms of Reference is complies (according to the document provided).</p> <p>The policy to protect the reproductive rights is mentioned on the KLK Sustainable Company Policy, issued on 1 December 2014. Policy/Point 3 described: "Mendukung Hak reproduksi berdasarkan Hukum Negara yang bersangkutan"/ Company respect the reproductive rights based on the Applicable Indonesia Law. The policies has been communicated to all of the workers as a part of Reproductive right as well as about gender committee.</p> <p>Sighted the Report of Activities of Gender Committee year 2016 in POM, sample taken: document of awareness training about Gender Committee and</p> |

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| | | <p>Pregnant Women’s Program that were held on 7 November 2016 by Chief of Gender Committee (Mrs. Desi) and Team. It was attended by 7 women workers in POM. In Sungai Raya Estate, sample taken: document of awareness training about Gender Committee and Pregnant Women’s Program that were held on 8 November 2016 by Chief of Gender Committee (Mrs. Desi) and Team. It was attended by 158 workers in Sungai Raya Estate.</p> <p>Complaint and grievance mechanism can be anonymized as per mentioned on SOP Internal Complain, titled “Prosedur Penyampaian Pengaduan/Keluhan Doc. SOP 20, dated on 20 July 2016. The policy only reviewed once there is a particular issue or problem.</p> <p>The worker were provided several way to deliver the complaints. Directly to the management through suggestion box, delivered through the worker union, delivered through email applications or delivered to the supervisor.</p> <p>Based on the female workers interview, they know so well about their rights and they satisfied for the equal opportunities in this company.</p> |
| MA | 6.10 | <p>The price of FFB for Estates that owned by KLK Group were determined by Head Office KLK Group. For all Smallholders, both Batu putih Rimba Perkasa and Harapan Sejahtera Bersama (Tembudan). Also, There is a particular team by the government to determine the price in every month and it’s been well published.</p> <p>The Pricing mechanism are according to announcement of FFB price determination meeting in Kalimantan Timur Province. Sighted the last announcement on March 2017, signed by related head of stakeholder palm oil in Kalimantan Tengah Province (Tim Penetapan Harga TBS Kalimantan Timur). The announcement stated that the mechanism has been according to PP kementan No.14 Permentan/OT.140/2/ Tahun 2013.</p> |
| MA | 6.11 | <p>PT. PT. Jabon Eka Karsa Mill and Estate help to improve the local community development need through the Corporate Social Responsibility (CSR). The program is based on the needs of the local communities.</p> <p>Sighted the CSR record in 2016 prepared by Mr. David Saragi (Sr. Manager) as follows bellow funds:</p> <p>Social (Community): 14.500.000 Religion event: 7.000.000 Education: 188.000.000 Total fund given for this program in 2016 was IDR 2,009,500.00.</p> <p>Sighted The CSR budget and Allocation Plan for the current year 2017 as per Following bellow allocations:</p> <ul style="list-style-type: none"> - Education: 242.022.354. - Religion event and Sports: 238.548.348 - Social (Community): 304.554.444 - Environmental: 133,295,194 - Total funds of CSR: 918,295,340. <p>PT. Jabon Eka Karsa has 2 smallholders, such as: For all Smallholders, both Batu Putih Rimba Perkasa and Harapan Sejahtera Bersama (Tembudan). However, its does not included for this RSPO P & C audit scope.</p> <p>Detailed scheme for both smallholder has been describes on the Cooperation Agreement Between PT. Jabontara Eka Karsa with “Harapan Sejahtera Bersama (Tembudan)” Cooperative on Development and Management of Oil</p> |

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|--------------------------------------------------------------|---------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | Palm Plantation With Pattern of KKPA Program in Tembudan Vilage, Batu Putih Sub-district, Berau Regency, and East Kalimantan Province. |
| MA | 6.12 | <p>KLK Group company Policy are describes about prohibition of forced or trafficked labour, titled: Kebijakan Berkelanjutan KLK, Dated on 1 December 2014. Signed by Mr. Tan Sri Dato CEO of KLK Group. Policy/Point 3.2/i and ii/ mention: “no force and child labour”.</p> <p>As stated in the SOP “Company do not use any work from forced or trafficked labour”. Defines as worker who illegally trafficked and work not as their own.</p> <p>Based on the workers interview, No such threat of a penalty and deductions from their salary. No original identification card (KTP, passport or certificate) was kept by the company.</p> <p>Should the workers wish to resign from the company, there is a procedure for resigning in an Employee Agreement. The resign letter should be proposed at least 1 month before. The payment of resign fee depends on the length of works. No evidence of contract substitution were found during the audit. Checked through worker interview, the contract were made in 2 copies. Kept by both company and the workers. Both is exact same document.</p> |
| MA | 6.13 | <p>Company policy to respect human rights has been available and it’s provided by KLK Group. Sighted Doc. KLK Sustainable Company Policy Titled: Kebijakan Berkelanjutan KLK, Dated on 1 December 2014. Signed by Mr. Tan Sri Dato CEO of KLK Group. Policy/Point 3.1 described: “Mendukung deklarasi universal Hak Asasi Manusia”/ Company respect the human rights</p> <p>As a part of to respect the Human Rights in Mill, the company policy has been communicated through the training about Human Rights (included on) Sustainability Policy/ Kebijakan Berkelanjutan KLK. Sighted the Report of Activities of its training that were held on 7 November 2016 by sustainability team and Team. It was attended by All workers in POM.</p> <p>However, no such cases found. Verified through the complaint books and workers interview.</p> |
| Principle 7: Responsible Development of New Plantings | | |
| Criterion by Audit | Summary | <p>PT. JEK has been assessed for Principle 7 as there is new land development and planted from period of 2010 – 2014 without undergo RSPO NPP. The company found full compliance on Principle 7.</p> <p>Note: RSPO has been informed through email during assessment conducted on date 22/03/2017.</p> |
| MA | 7.1 | <p>SEIA conducted through AMDAL dated on February 2006 to cover entire PT. Jabontara Eka Karsa total hectarage 14,086 Ha.</p> <p>Stakeholders involved during this assessment conducted consist from surrounding local communities as:</p> <ul style="list-style-type: none"> - Camat Batu Putih - Bappeda Kab. Berau - Bapelda Kab. Berau - Kampung Batu Putih <p>Management plan document available in RKL dated on November 2008. Negative impact identified such as:</p> <ul style="list-style-type: none"> - Communities perception - Conflict potential |

| | | |
|----|-----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | <ul style="list-style-type: none"> - Decreasing the air quality - Noise pollution - Decreasing the surface water quality - Fire potential - Flora and Fauna disturbance. |
| MA | 7.2 | <p>Soil suitability and survey conducted prior to development of planting from physical and chemical to determine long term suitability of land for oil palm. Table 3.12 "Hasil Analisa Sifat Kimia Tanah Di Areal Perkebunan Kelapa Sawit PT. Jabontara Eka Karsa" Soil map consist of:</p> <ul style="list-style-type: none"> - Sandstone, mudstone & shale – 71% - Limestone – 29% <p>Topography map available shown of estate is consist of flat (57%), undulating (35%), rolling (7%) and hilly (2%). Drainage and road system developed prior the planting activities consider as above topography condition.</p> |
| MA | 7.3 | <p>HCV assessment conducted by PT. Jump Consultant prior to new planting on 2011, 2012, 2013, 2014 & 2015. No HCV conducted prior to planting on 2007 & 2009 due the area is replanting from old material planted by former management company. HCV area are well maintained and not been developed.</p> <p>Sighted HCV assessment date on August 2010 for the entire PT. Jabontara (14.086 Ha). Identification of HCV consist of HCV 1.2, HCV 1.3, HCV 3, HCV 4.1, HCV 4.2 and HCV 6. HCV assessment conducted based on consultation with affected stakeholders as evidence in report annex – 8, held on 3rd June 2010. Stakeholders involved such Tokoh masyarakat Kampung Gunung Sari, Kepala Kampung Gunung Sari, Agriculture Department (Disbun), Forestry Department (DISHUT), Environment Department, The Nature Conservation (NGO) & Kepala Kampung Tasuk.</p> <p>Company has management plan for HCV based on recommendation action from HCV assessment. The plan is included:</p> <ol style="list-style-type: none"> 1) Monitoring and evaluation condition of HCV through monitoring record periodically. 2) Planting a jungle tree species to enhance the biodiversity. 3) To remark the HCV area including appropriate signage. 4) Socialisation on presence of HCV to internal and external stakeholders. <p>Sighted HCV monitoring plan title "Rencana Pengelolaan Areal HCV di Jabontara Eka Karsa (JEK): 2016 – 2017" last updated on October 2016. From site observation, HCV area well maintained including the proper signage, monitoring of ERT carried out in HCV area every 6 months, planting of targeted jungle trees species such Kapur, Meranti & Mahoni. Training for internal workers and local communities held.</p> |
| MA | 7.4 | <p>Topography map available shown of estate is consist of flat (57%), undulating (35%), rolling (7%) and hilly (2%). No peat or fragile area in PT. Jabontara Eka Karsa.</p> |
| MA | 7.5 | <p>No land dispute or compensation in PT. Jabontara Eka Karsa. No customary land within the compound of company land.</p> |
| MA | 7.6 | <p>No customary rights land or land compensation available in PT. Jabontara Eka Karsa.</p> |
| MA | 7.7 | <p>Company have policy of "Kebijakan Dilarang Membakar" dated on 1st August</p> |

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| | | 2013. During the land clearing from 2010 – 2012, status of land is secondary forest. Company have permit to carry out timber lodging at initial. No fire been used. |
| MA | 7.8 | <p>New development carried out in 2011 – 2014 which no GHG assessment carried out prior to this development at the time. However, considered on HCV assessment dated on August 2010, company has not clearing any HCV area identified from the assessment. Further, sighted satellite image map (Citra Landsat) of Jabontara dated on June 2010 shown there is no primary forest presence in HGU. Land identified as secondary forest, open land, oil palm and bushes. Comparison with the satellite image on July 2014, PT. Jabontara has completely the planting programme and still maintaining the identified HCV area.</p> <p>During this certification audit PT. Jabontara has provided GHG calculation on 2016 which are using PalmGHG. The calculation is completely captured each emission from estate operation.</p> <p>Plan to reduce net GHG emission available as seen in document title “Rencana Mengurangkan Emisi Gas Rumah Kaca” latest update on December 2016. Plan is covering emission sources – New planting & replanting, mitigation plan – avoid planting on peat, no fire during land preparation, avoid HCS area & increase the yield per ha able to reduce emission CO2. The plan also indicates from others aspects such transportation, water treatment, fertilizer usage, chemical usage, monitoring on diesel usage (genset) and restriction of open burning. The plan also including target to accomplish and reference.</p> |
| Principle 8: Commitment to Continuous Improvement in Key Areas of Activity | | |
| Criterion by Audit | Summary | Sighted continuous monitoring, review of activities and development are implemented along with action plans that allow demonstrable continual improvement in key operations. |
| MA | 8.1 | <p>Program Perbaikan Berkelanjutan (Continuous Improvement Plan/CIP) JPOM 2016-2017 available</p> <p>There are 4 aspects in Jabon POM CIP:</p> <p>1.Environmental, detail information below;</p> <ul style="list-style-type: none"> -Land application for short distance -Belt press system to reducing effluent waste <p>2.OHS, detail information below;</p> <ul style="list-style-type: none"> -add OHS warning board -Training for OHS staff -Sanction for OHS indiscipline <p>3.Social, detail information below;</p> <ul style="list-style-type: none"> -CSR program -SIA review with third party/consultant <p>In Estate, CIP consist of:</p> <p>1.Environmental, detail information below;</p> <ul style="list-style-type: none"> -beneficial plant program -providing waste bin in new staff/workers housing -waste reducing <p>2.OHS, detail information below;</p> <ul style="list-style-type: none"> -APD awareness program |

| | | |
|--|--|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | <p>-medical checkup per semester -training for new workers</p> <p>3.Social, detail information below; -external stakeholder consultation -new worker housing (100 unit) -new staff housing (6 unit) -elementary school and canteen developing</p> |
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4.3 Non-conformity Raised During this Audit and Any from the Previous Year, if applicable

This section gives an over view of new or revised non-conformities raised during this audit and of action taken to close out non-conformities raised during the previous audits, if applicable


- If a minor-non-conformity raised at the last audit, is not closed out, then this will be raised to Major status and the company given 60 days to close this out.
- The NC number is comprised of 2 parts to include the year in which the NC was raised as well as a sequential number.

4.3.1 Non-Conformities Identified during this Audit

The following NC's were raised for this audit.

| | | | |
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| NC number: | 01/2017 | | |
| Client name: | PT. Jabontara Eka Karsa | | |
| Date raised: | 24th March 2017 | | |
| Major or Minor: | Minor | Site : | POM and estates |
| Raised by: | Jamalul Arif | Deadline : | Next Surveillance Audit |
| Aspect of standard: 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. | | | |
| 1.1.1 List of information related to criterion 1.2 that can be accessed by relevant stakeholders shall be available | | | |
| Evidence of non-conformity: | | | |
| According to SIA recommendation by AKSENTA (Point 1), the company shall review and implement all social issues that related to RSPO Principle 1.1. No evidence that the relevant information adequately and transparently disseminates to whole stakeholders of PT. Jabontara Eka Karsa through stakeholder consultation/engagement except for Batu Putih village and government related agencies. E.g. based on Tembudan representative and Lobang Klatak Representative interview, the company has not organize the publicity as well as a socialization on their village, which means information is not received by these relevant stakeholders. | | | |
| Lead Assessor signature: | | | |
|  | | | |
| Date: 24 th March 2017 | | | |
| Root Cause Analysis and extent: (To be filled by Auditee) | | | |
| Corrective/Preventive Actions: (To be filled by Auditee) | | | |


| | |
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| Evidence of Conformity: | |
| Review of evidences submitted to CUC: | |
| Conclusion by CUC: | |
| NC Status: Yes <input type="checkbox"/> (CLOSED) No <input checked="" type="checkbox"/> (OPEN) ON SITE VERIFICATION REQUIRED Yes <input type="checkbox"/> No <input type="checkbox"/> | |
| Lead Assessor signature: | Date: |


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|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|------------|-------------------------|
| NC number: | 02/2017 | | |
| Client name: | PT. Jabontara Eka Karsa | | |
| Date raised: | 24th March 2017 | | |
| Major or Minor: | Minor | Site : | POM and estates |
| Raised by: | Jamalul Arif | Deadline : | Next Surveillance Audit |
| Aspect of standard: 6.1.4 (Minor) The documented plan for management and monitoring of social impacts, shall be reviewed at least on two-yearly basis. If necessary, the plan should be updated. There shall be evidence that the review process includes participation of all affected parties. | | | |
| Evidence of non-conformity: The last Social Impact Assessment (SIA) report for both POM and Estate titled "Penilaian Dampak Sosial" done by qualified Third Parties: Aksenta (Mr. Erizal as Team Leader). Conducted on 19 – 27 May 2014. Finalized on October 2014. There is no evidence that the review process includes participation of all affected parties (local communities) from October 2014. | | | |
| Lead Assessor signature:  | | | |
| Date: 24th March 2017 | | | |
| Root Cause Analysis and extent: (To be filled by Auditee) | | | |
| Corrective/Preventive Actions: (To be filled by Auditee) | | | |
| Evidence of Conformity: | | | |
| Review of evidences submitted to CUC: | | | |
| Conclusion by CUC: | | | |
| NC Status: Yes <input type="checkbox"/> (CLOSED) No <input checked="" type="checkbox"/> (OPEN) ON SITE VERIFICATION REQUIRED Yes <input type="checkbox"/> No <input type="checkbox"/> | | | |
| Lead Assessor signature: | Date: | | |

4.3.2 Non-Conformity Identified during the last ASA, not applicable for MA

Non-were raised during the last audit as this is the Main Assessment.

4.3.3 Observations Raised During this Audit

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| Client name: | PT. Jabontara Eka Karsa | | |
| Date raised: | 24 th March 2017 | | |
| Raised by: | Jamalul Arif | | |
| Requirement reference : 4.6.7 | | | |
| (All workers shall be provided with medical care, and covered by accident insurance) | | | |
| <p>Based on employees/workers health insurance (BPJS Kesehatan) data obtained from PT. Jabontara Eka Karsa (POM and Estate), it were found that PT. Jabontara Eka Karsa not complete registration of all it employees/workers for BPJS Kesehatan (medical insurance).</p> <p>Example in Sungai Jantui Estate, there were only 90 workers registered from 346 workers for BPJS Kesehatan (medical insurance). This is due to problems in BPJS Kesehatan system itself and residential status of the employees/workers.</p> <p>However, in consideration of progress of action taken by PT. Jabontara Eka Karsa until now. Sighted of increasing in the registration number of employees/workers to BPJS Kesehatan (medical insurance), sighted registration progress done by company from e-Dabu system (Monitoring system by BPJS) in February 2017 for total 688 employees/workers and in March 2017 increased to 1086 employees/workers</p> <p>There's should be strict monitoring, management and follow up about medical insurance for the employees/workers.</p> | | | |
| Assessors Signature |  | Date | 24 th March 2017 |

| | | | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|------|-----------------------------|
| Client name: | PT Jabontara Eka Karsa (POM) | | |
| Date raised: | 24 th March, 2017 | | |
| Raised by: | Jamalul Arif | | |
| Requirement reference : 6.8.3 | | | |
| (Records of evidence that equal opportunity and treatment for work shall be available) | | | |
| <p>Job vacancies and recruitment information for the local communities has not been documented. Job vacancies were based on direct information from other workers, it was confirmed through stakeholder consultation.</p> | | | |
| Assessors Signature |  | Date | 24 th March 2017 |

4.4 Issues that were raised during the Stakeholder Consultation, if any

Stakeholders that are likely to have information relevant for the evaluation was identified during the evaluation planning process.

- For Main and Re-Assessments, a 30 day Stakeholder consultation announcement is published on the RSPO website prior to the audit. The same announcement is circulated by the client and independently by the Control Union prior to the audit.
- For subsequent Annual Assessments, it is based on stakeholders reading the approved public summary reports available on the RSPO website, the client’s procedures in receiving on-going feedback or if feedback was sent directly to Control Union prior to an audit or thorough RSPO complaints procedures.

Prior to and during all assessments (Main and annual), the audit team will seek to gather evidence about all relevant principles and criteria directly from stakeholders including statutory bodies, indigenous peoples, local communities (including displaced communities, if any), workers and workers’ organizations [including migrant workers], smallholders, and local and national NGOs.

During each assessment the audit team will review the company’s implemented procedures in receiving feedback and will execute field visits and interviews. Not limited to the following questions, any feedback received is reviewed and summarized in this summary report for either Part 2 – Partial Certification or Part 4 – Assessment Findings above or noted below, if applicable:

1. Do you have any remarks on the RSPO standard?
2. What is your relation with the applicant?
3. Are there any plantation or mill management practices that affect you?
4. Do you consider any management is in conflict with the RSPO principles and criteria?
5. Do you have any suggestions for management?
6. Are you aware of any HCV in the plantations or in adjacent land?
7. Are you aware of any endangered or rare species?
8. Are there any adverse (or positive) effects on local communities?
9. Additional comments?
11. Do you have any comments about the assessment team and would you like to meet with them?
12. Do you have any comments for the client’s management of any other plantations?

| RSPO Principle | Stakeholder comment | CUC response |
|-----------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|
| 1 – Commitment to transparency | <p>PT. Jabontara Eka Karsa has been followed all regulations properly. As a part of KLK Group commitment, all permits had been completed as well. These information has been obtained from several local departments from Berau Regency, Kalimantan Timur Province, such as: The local department of Agriculture (Dinas Perkebunan), Local department of Environmental (Badan Lingkungan Hidup), and Local Department of Agrarian (Badan Pertanahan Nasional).</p> <p>The local department of Manpower and transmigration describes, they never found a negative complaint from The Workers Union (SPSI - PT.JEK). Should they have any complaint, the workers will be communicate the complaints through a complaint procedure and it will be closed immediately. The company is registering their workers to the Local Manpower Department in</p> | Positive findings |
| 2 - Compliance with applicable laws and regulations | | |
| 3 - Commitment to long-term economic and financial viability | | |
| 4 - Use of appropriate best practices by growers and millers | | |
| 5 - Environmental responsibility and conservation of natural resources and biodiversity | | |
| 6 – Responsible consideraton of | | |

| | | |
|------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------|
| <p>employees, and of individuals and communities affected by growers and mills</p> | <p>Berau Regency at least once a year based on the Indonesian Regulation. Also, it's to determine the workers minimum wages based on the Berau Regency minimum wages (UMK) which is IDR 2.650.537.</p> | |
| <p>7 - Responsible development of new plantngs</p> | <p>However, PIC from local department of Manpower has an expectation which can be recommendation for the company. He expected to create a SOP to hired temporary workers (KHL) to be permanent workers (KHT) within 3 month contracts or at latest after 6 month works.</p> | |
| <p>8 - Commitment to continuous improvement in key areas of activites</p> | <p>Based on the workers union interview. All workers are paid above the minimum wages and receive more benefits, such as: Social Security (BPJS Ketenagakerjaan), National Insurance (BPJS Kesehatan) and got a monthly premium as well. PT. Jabontara Eka Karsa has been provided a comfort livable housing for the workers. They describes that there is no accident so far. Health and safety system has been settled to ensure a save working conditions to all workers.</p> <p>The local communities, such as: Batu Putih Village, Tembudan Village Lobang Klatak Village describes that, the activity of PT. Jabontara Eka Karsa has a positive effects for the local communities in Berau Regency. It could increase their economic opportunities, protection the HCV and support the local school education.</p> <p>However, there are some complaint from them as a negative feedback for the company, these are the following points:</p> <ul style="list-style-type: none"> - The information of job vacancy was not transparent. They did not know about the career opportunity in PT. Jabontara Eka Karsa. They expected to receive the information, when the job vacancy has been available. - Based on Tembudan representative and Lobang Klatak Representative Interview, the company has not organize the publicity as well as a socialization on their village. They do not involved on Social Impact Planing and Monitoring. They are still lack of knowledge about RSPO and HCV. | <p>Positive findings</p> <p>Positive findings</p> <p>Negative findings 1.1.1 (minor) 6.1.4 (minor)</p> |

PART 5: RSPO SUPPLY CHAIN CERTIFICATION

The palm mill mentioned in the scope of the audit was audited against the requirements of the following:
RSPO Supply Chain Certification Systems. November 2014
RSPO Supply Chain Certification Standard. November 2014

5.1 POM Included In The Scope Of The Audit

| Name Palm Oil Mill (POM) | Mill Capacity MT/Hour | Location Address | Supply Chain Model (IP or MB) |
|--------------------------------|-----------------------------|------------------------------------------------------------------------------------------------------|----------------------------------|
| Jabon Palm Oil Mill | 60 | Kampung Batu Putih Kecamatan Batu Putih Kabupaten Berau, Kalimantan Timur, 77373, Indonesia | MB |

5.2 Confirmation Of The Company's Summary Of Annual Certified Volume Of RSPO Certified Palm Oil And Palm Kernel Over A Specified Period

| Product CU Code | CPO (MT) | PK (MT) | Specified 12 month period |
|--------------------|----------|----------|-----------------------------------------------------------------------------|
| POM 1 | 9,188.28 | 1,064.30 | Forecasted volumes between 01/10/2017 to 30/09/2018. See also 1.6 above. |

5.3 Summary Report Including A Brief Description Of The Scope Of Certification

A full RSPO SCCS certification audit was used during this annual assessment and the findings support the certification based on supply chain model listed above.

5.4 Monthly Records of Certified and Uncertified FFB Received Since the Last Audit In case of Main Assessment, it shall be the last 12 month figure.

Figure are actual FFB production on monthly basis

| No | MONTH-YEAR | Certified Supply Bases (MT) | Uncertified Supply Bases (MT), if any | Total (MT) |
|----|------------|-----------------------------|---------------------------------------|------------------|
| 1 | Oct '15 | 9,096.93 | 212.93 | 9,309.86 |
| 2 | Nov '15 | 9,831.84 | 314.57 | 10,146.41 |
| 3 | Dec '15 | 9,824.19 | 179.55 | 10,003.74 |
| 4 | Jan '16 | 9,585.54 | 168.35 | 9,753.89 |
| 5 | Feb '16 | 6,452.12 | 140.83 | 6,592.95 |
| 6 | Mar '16 | 6,408.83 | 169.63 | 6,578.46 |
| 7 | Apr '16 | 5,478.79 | 155.36 | 5,634.15 |
| 8 | May '16 | 6,391.24 | 191.45 | 6,582.69 |
| 9 | Jun '16 | 6,701.96 | 179.03 | 6,880.99 |
| 10 | Jul '16 | 5,334.15 | 151.68 | 5,485.83 |
| 11 | Aug '16 | 5,441.33 | 287.04 | 5,728.37 |
| 12 | Sept '16 | 7,827.92 | 566.34 | 8,394.26 |
| | TOTAL | 89,353.86 | 2,716.76 | 92,070.62 |

5.5 Monthly Records of Certified CPO and PK Since the Last Audit

In case of Main Assessment, it shall be the last 12 month figure.

Figure are actual CPO and PK production on monthly basis

| No | MONTH-YEAR | Certified CPO (MT) | Certified PK (MT) |
|----|--------------|--------------------|-------------------|
| 1 | Oct '15 | 2,306.07 | 211.96 |
| 2 | Nov '15 | 2,515.97 | 261.53 |
| 3 | Dec '15 | 2,581.80 | 306.51 |
| 4 | Jan '16 | 2,524.83 | 302.90 |
| 5 | Feb '16 | 1,674.97 | 204.53 |
| 6 | Mar '16 | 1,668.86 | 203.16 |
| 7 | Apr '16 | 1,443.66 | 172.58 |
| 8 | May '16 | 1,648.94 | 200.68 |
| 9 | Jun '16 | 1,743.85 | 209.10 |
| 10 | Jul '16 | 1,371.94 | 164.29 |
| 11 | Aug '16 | 1,389.72 | 168.68 |
| 12 | Sept '16 | 2,020.39 | 239.53 |
| | TOTAL | 22,890.99 | 2,645.47 |

5.6 Records of Certified CPO & PK Sold under GreenPlam to Buyers since the Last Audit, if Any

In case of Main Assessment, it shall be the last 12 month figure.

Figure are actual Certified CPO & PK Sold under GreenPlam to Buyers on monthly basis

| No | Buyers Name | GreenPalm Trading No | Certified CPO (MT) Sold | Certified PK (MT) Sold |
|----|-------------------|----------------------|-------------------------|------------------------|
| 1 | No RSPO sales yet | | | |

5.7 Records of Certified CPO & PK Sold under UTZ eTrace to Buyers since the Last Audit, if Any

In case of Main Assessment, it shall be the last 12 month figure.

If this is an Annual Surveillance Assessment, the figures used are since the last audit.
The transactions were sighted form the clients registered UTZ eTrace Account.

| No | Buyers Name | UTZ eTrace Trading No | Certified CPO (MT) Sold | Certified PK (MT) Sold |
|----|-------------------|-----------------------|-------------------------|------------------------|
| 1 | No RSPO sales yet | | | |

5.8 Non-Conformities Identified during this Audit

Timeline for compliance:

- All non-conformances observed during an audit shall be classified as 'major' since all requirements for Supply Chain certification have to be met before granting certification.
- For Main Assessments, all non-conformances shall be addressed satisfactorily by the operation before certification may be granted by the certification body. If non-conformances are not addressed within three (3) months of the audit, a full re-audit shall be required. The certification body shall assess the effectiveness of the corrective and/or preventive actions taken before closing out the non-conformances.
- For Annual Surveillance Assessments, non-conformances raised after the certification are serious (i.e. must be considered as a major) and the integrity of the RSPO Supply Chain Certification is at risk. A maximum of one month is to be given to the certified client to satisfactorily address the non-conformance. The certification body shall assess the effectiveness of the corrective and/or preventive actions taken. Should the nonconformance not be addressed within the one-month maximum timeframe, a suspension or withdrawal of the certificate and a full re-audit may be necessary.
- If no non-conformances are observed at an audit or when the corrective action plan has satisfactorily addressed raised non-conformance(s), the client shall be recommended for (re-) certification.

Non-were raised during this audit.

5.9 Description of the Organizational Management Systems

Including organizations, management and operational systems to ensure compliance with the RSPO Supply Chain Certification Systems and Standards as detailed above

Mill is apply for MB model which is still will received outside (non-certified) FFB once certified. It was found all the procedure and system are in place. All the PIC and staff has been trained to receive and handle certified RSPO CPO & PK products.

5.10 Final Certification decision by Control Union for the RSPO SCCS Audit of the POM

| | |
|----------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Recommendations made: | Yes |
| Summary of non-compliances: | N/A |
| Certification status of client: | <p>The POM included in the scope of this audit demonstrated full compliance with the RSPO SCCS.</p> <p>With effect from the certification date given in the RSPOPC certificate, this POM mentioned in the scope of this report is considered to be certified in accordance with the RSPO SCCS.</p> |

PART 6: CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY

6.1 Date of next ASA

| | |
|-------------------------------------------|------------------------------------------------|
| The provisional date for the next ASA is: | Within 9 -12 months from date of certification |
|-------------------------------------------|------------------------------------------------|

6.2 Date for Closure of Non-Conformities

See sections above for details of NC's, if any

- | | |
|----------------------------------|----------------------------|
| • All major NCs to be closed by: | N/A |
| • All minor NCs to be closed by: | On next surveillance audit |

6.3 Signing by the Client

I the undersigned, being the most senior relevant management representative of the operation seeking or holding certification, agree with the contents and audit findings as presented in this document .

I also confirm:

- Acceptance of liability in execution of the instructions given.
- That this company was made aware that the findings of the audit team are tentative; pending review and decision making by the duly designated representatives of Control Union Certifications.
- That during the closing meeting all agenda items was covered by the Lead Auditor.

Acknowledged by:

| | |
|-----------|---------------------------------|
| Name: | Stephen Tiong Mee Ing |
| Position: | Research & Development Director |
| Date: | 07/08/2017 |



Signature

6.4 Signing by the Lead Auditor

I the undersigned, being the Lead Auditor, confirm that this report is an accurate record of the findings and of the closing meeting. I further confirm that the summary of the findings as presented in this report are a true representation of the actual findings of the audit team.

Acknowledged by:

| | |
|-----------|-------------------|
| Name: | Muhd Jamalul Arif |
| Position: | Lead Auditor |
| Date: | 31/07/2017 |



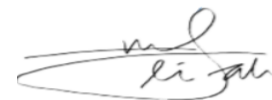
Signature

6.5 Signing by the Certifier

I the undersigned, being the Certifier, confirm that the information and conclusions included in this report have been prepared in good faith and that the certification decision has been based upon this information.

Acknowledged by:

| | |
|-----------|------------|
| Name: | Nor Atiqah |
| Position: | Certifier |
| Date: | 11/11/2017 |



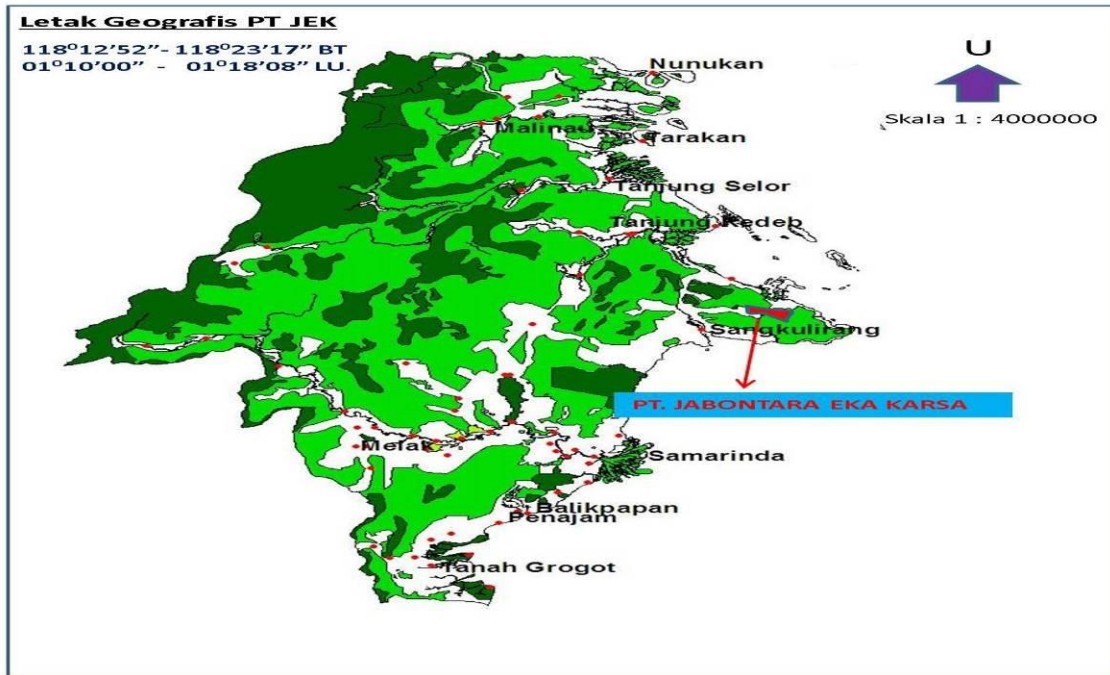
Signature

PART 7: APPENDICIES

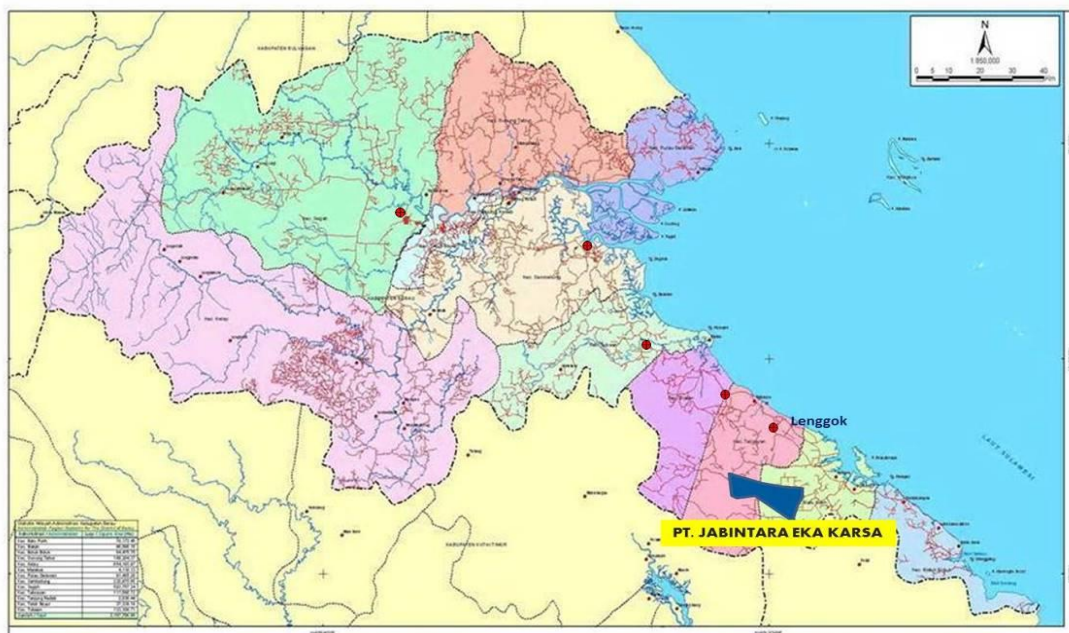
Appendix 1: Location Map for this Certification Unit

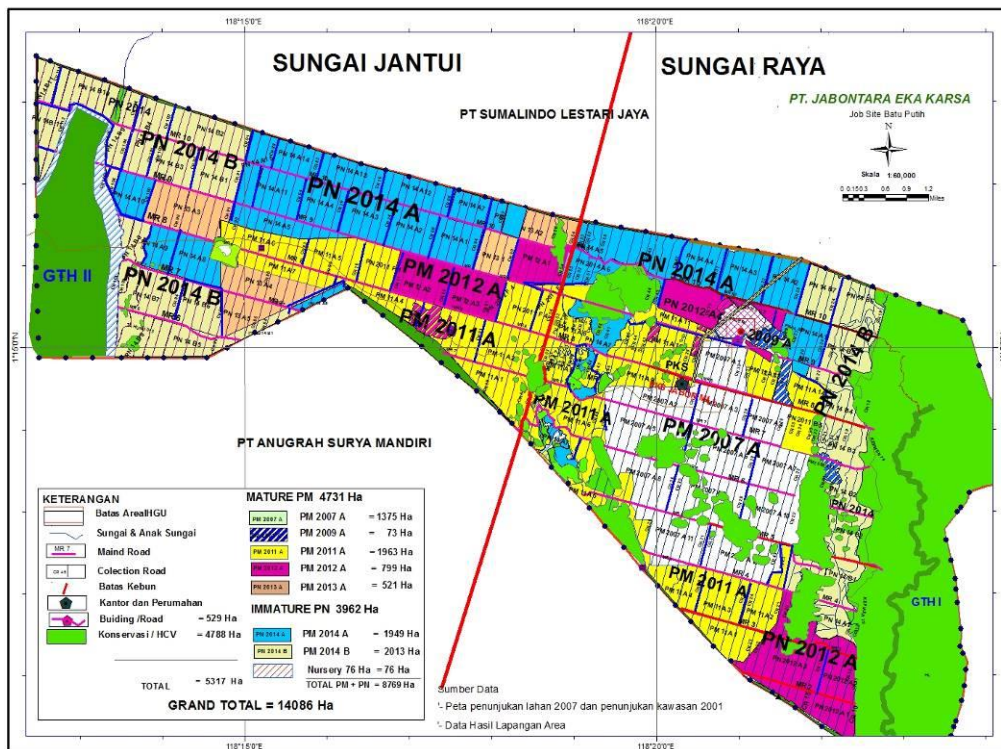
From 1.9, the location map(s)

EAST KALIMANTAN MAP



BERAU MAP





Appendix 2: Summary of GHG Emissions

All data inputs and the use of RSPO PalmGHG Calculator (include the version number) have been verified with the final summary of the net GHG emissions (tCO₂e/tCPO) figure in relation to C5.6

Calculation option applied for the reporting: Full Version / Apply November 2005 cut off for LUC / Exclude LUC Emission [Select as applicable]

Summary of Net GHG Emissions (Calculation period Oct 2015 – Sep 2016)

| Emissions per Product | tCO ₂ e/tProduct |
|-----------------------|-----------------------------|
| CPO | -0.12 |
| PK | -0.12 |

| Production | t/yr |
|---------------|-----------|
| FFB processed | 91,091.60 |
| CPO Produced | 2,726.352 |

| Extraction | % |
|------------|------|
| OER | 25.9 |
| KER | 2.99 |

| Land use | ha |
|-----------------------------|---------------|
| OP planted area | 8,693 |
| OP planted on peat | 0 |
| Conservation (forested) | 4,788 |
| Conservation (non-forested) | 605 |
| Total | 14,086 |

Summary of Field Emissions and Sinks

| Emissions | Own Crop | | Group | | 3 rd Party | | Total | |
|--------------------------------------------|--------------------|-----------------------------|--------------------|-----------------------------|-----------------------|-----------------------------|--------------------|------------------------------|
| | tCO ₂ e | tCO ₂ e/ tFFB | tCO ₂ e | tCO ₂ e/ tFFB | tCO ₂ e | tCO ₂ e/ tFFB | tCO ₂ e | tCO ₂ e / tFFB |
| Land Conversion | | | | | | | | |
| *CO ₂ Emissions from Fertiliser | 7,372.42 | 0.04 | | | | | 7,372.42 | 0.04 |
| **N ₂ O Emissions | 8,431.04 | 0.04 | | | | | 8,431.04 | 0.04 |
| Fuel Consumption | 1,419.77 | 0.02 | | | | | 1,419.77 | 0.02 |
| Peat Oxidation | 0 | 0 | | | | | 0 | 0 |
| Sinks | | | | | | | | |
| Crop Sequestration | -71,184.35 | -0.45 | | | | | -71,184.35 | -0.45 |
| Conservation Sequestration | 0 | 0 | | | | | 0 | 0 |
| Total | 21,138.37 | 0.12 | | | | | 21,138.37 | 0.12 |

Summary of Mill Emissions and Credits

| tCO ₂ e | tCo ₂ e/tFFB |
|-------------------------------------|-------------------------|
| <i>Emissions</i> | 0.18 |
| <i>POME</i> | 0 |
| <i>Fuel Consumption</i> | 0 |
| <i>Grid Electricity Utilisation</i> | 0 |
| <i>Credits</i> | |
| <i>Export of Grid Electricity</i> | -0.01 |
| <i>Sales of PKS</i> | 0 |
| <i>Sales of EFB</i> | 0 |
| <i>Total</i> | 0.17 |

Palm Oil Mill Effluent (POME) Treatment

| | |
|-------------------------------|------|
| Divert to compost | 0% |
| Divert to anaerobic digestion | 100% |

POME Diverted to Anaerobic Digestion:

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

Appendix 3: GHG assessment for new plantings

GHG assessment report for new plantings developed as per 'Chapter 6 – Reporting of GHG assessment for new plantings' within RSPO GHG Assessment Procedure for New Plantings Version 3 was verified by the auditors as part of this evaluation in relation to C7.8

Note: Extract the GHG assessment for new plantings developed by the client under 'Chapter 6 – Reporting of GHG assessment for new plantings' in RSPO GHG Assessment Procedure for New Plantings Version 3 and list below.

| Appendix 4: List of Abbreviations | |
|-----------------------------------|--------------------------------------------------------------|
| AMDAL | Analisis Mengenai Dampak Lingkungan |
| BOD | Biological Oxygen Demand |
| BRC | British Retail Consortium |
| CHRA | Chemical Health Risk Assessment |
| CoC | Chain of Custody |
| COD | Chemical Oxygen Demand |
| CPO | Crude Palm Oil |
| CSR | Corporate Social Responsibility |
| CU | Control Union |
| CUC | Control Union Certifications |
| DOE | Department of Environment |
| EFB | Empty Fruit Bunch |
| EIA | Environment Impact Assessment |
| ERT | Endangered Rare or Threatened species |
| EU | European Union |
| FFB | Fresh Fruit Bunch |
| FSC | Forest Stewardship Council |
| FSC COC | Forest Stewardship Council Chain of Custody |
| FSC FM | Forest Stewardship Council Forest Management |
| GGL | Green Gold Label |
| GMP | Good Manufacturing Practice |
| GOTS | Global Organic Textile Standard |
| GTP | Good Trading Practice |
| GPS | Global Positioning System |
| HACCP | Hazard Analysis and Critical Control Point |
| HCV | High Conservation Value |
| HCVF | High Conservation Value Forest |
| HGU | Hak Guna Usaha |
| IPM | Integrated Pest Management |
| JAS | Japanese Agricultural Standard |
| MSDS | Material Safety Data Sheet |
| NC | Non Conformity |
| OE | Organic Exchange |
| OER | Oil Extraction Rate. (CPO as a % of the mass of FFB). |
| OSH | Occupational Safety and Health |
| OSHAS | Occupational Safety and Health Assessment Scheme |
| P&C | Principle and Criteria |
| PEFC | <i>Programme for the Endorsement of Forest Certification</i> |
| PET | Polyethylene Terephthalate |
| PK | Palm Kernel |
| POM | Palm Oil Mill |
| POME | Palm Oil Mill Effluent |
| PPE | Personal Protective Equipment |
| RKL | Rencana Pengelolaan Lingkungan Hidup |
| RPL | Rencana Pemantauan Lingkungan Hidup |
| RSPO | Roundtable on Sustainable Palm Oil |
| RSPO NI | Roundtable on Sustainable Palm Oil National Interpretation |
| RTE | Rare, Threatened, and Endangered |
| SA8000 | Social Accountability 8000 |
| SEIA | Social Environmental Impact Assessment. |
| SIA | Social Impact Assessment |
| SOCISO | Social Security Organisation |

| | |
|----------|------------------------------------------------------------------------|
| SOP | Standard Operating Procedure |
| UKL/UPL | Upaya Pengelolaan lingkungan (UKL) / Upaya Pemantauan Lingkungan (UPL) |
| USDA/NOP | United States Department of Agriculture – National Organic Program |
| MT | Metric Tonnes |
| WHO | World Health Organization |