



**PT. MUTUAGUNG  
LESTARI  
ASSESSMENT REPORT**

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

**[ ] Stage-1    [√] Stage-2    [ ] Surveillance    [ ] Re-Certification**

Name of Management Organisation : **KKP POM - PT Karunia Kencana Permaisejati  
Subsidiary of Wilmar International Ltd.**

Plantation Name : **PT Karunia Kencana Permaisejati - KKP 1 Estate; KKP 2 Estate &  
KKP 3 Estate**

Location : **Village of Kenya, Subdistrict of Telawang, District of  
Kotawaringin Timur, Province of Kalimantan Tengah, Indonesia .**

Certificate Code : **MUTU-RSPO/105**

Date of Certificate Issue : 22 December 2017                      Date of License Issue : 22 December 2017

Date of Certificate Expiry : 21 December 2022                      Date of License Expiry : 21 December 2018

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
ST-2	06 – 10 April 2015	Oktovianus Rusmin (Lead Auditor) ; Moh Arif Yusni; Andi Pratama Pasaribu, I Wayan Sudi Antara	Ganapathy Ramasamy	Tony Arifiarachman
Reaudit ST-2	23-27 October 2017	Muhamad Rinaldi , Asystasya Aishah Silalahi, Hasiholan Sihombing, Yohanes Hardian		

Assessment	Approved by MUTUAGUNG LESTARI on:
ST-2	<b>22 December 2017</b>

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MUTU Certification • Accredited by Accreditation Services International  
on March 12<sup>th</sup>, 2014 with registration number **ASI-ACC-055**



# PT. MUTUAGUNG LESTARI ASSESSMENT REPORT

## TABLE OF CONTENT

### FIGURE

Figure 1. Location Map of PT KKP	1
Figure 2. Operational Map of PT KKP	2

Abbreviations Used	3
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### 1.0 SCOPE of the CERTIFICATION ASSESSMENT

1.1 Assessment Standard Used	4
1.2 Organisation Information	4
1.3 Type of Assessment	4
1.4 Location of Mill and Plantations	4
1.5 Description of Area Statement	5
1.6 Planting Year and Cycles	5
1.7 Description of Mill and Supply Base	5
1.8 Estimate Tonnage of Certified Product	6
1.9 Other Certifications	7
1.10 Time-Bound Plan	7

### 2.0 ASSESSMENT PROCESS

2.1 Assessment Team	10
2.2 Assessment Methodology, Assessment Process and Locations of Assessment	10
2.3 Stakeholder Consultation and Stakeholders Contacted	12
2.4 Determining Next Assessment	13

### 3.0 ASSESSMENT FINDINGS

3.1 Summary of Assessment Report of the RSPO Certification	14
3.2 Summary of Assessment Report of Supply Chain Requirement	44
3.3 Conformity Checklist of Certificate and Logo Use	47
3.4 Summary of RSPO Partial Certification	48
3.5 Identification of Findings, Corrective Actions, Observations, Opportunity for Improvement and Noteworthy Positive Components	52
3.6 Summary of Arising Issues from Public, Management and Auditor Responses	54

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

4.1 Formal Signing of Assessment Findings	57
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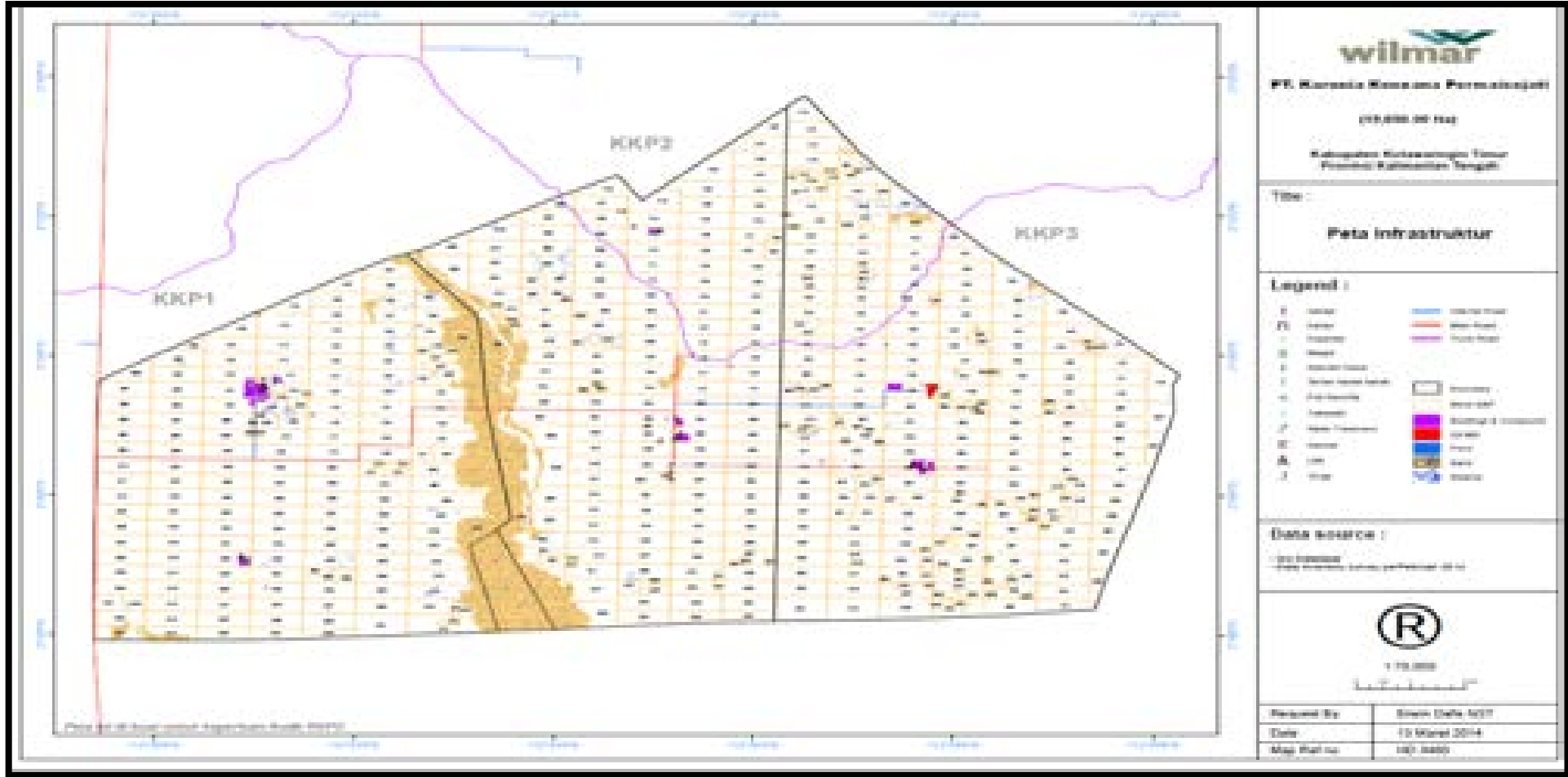
### APPENDICES

1. List of Stakeholders Contacted in the RSPO Certification Process	58
2. Assessment Program	60

Figure 1. Location Map of PT KKP



Figure 2. Operational Map of PT KKP



**Abbreviations Used**

ASA	:	Annual Surveillance Assessment
BPJS	:	<i>Badan Penyelenggara Jaminan Sosial</i> (Social Security Agency)
BKSDA	:	<i>Badan Konservasi Sumber Daya Alam</i> (Natural Resources Conservation Agency)
BOD	:	Biological Oxygen Demand
CD	:	Community Development
CITES	:	Convention on International Trade in Endangered Species
CKP	:	Central Kalimantan Project
CPO	:	Crude Palm Oil
CSPO	:	Certified Sustainable Palm Oil
CSR	:	Corporate Social Responsibility
EFB	:	Empty Fruit Bunch
EMU	:	Ecological Management Unit
EFB	:	Empty Fruit Bunch
EHS	:	Environment Safety and Health
SEIA	:	Social Environmental Impact Assessment
EWS	:	Early Warning System
FFB	:	Fresh Fruit Bunch
GHG	:	Green House Gas
GIS	:	Geographic Information System
HCS	:	High Carbon Stock
HCV	:	High Conservation Value
HGU	:	<i>Hak Guna Usaha</i> (Land Use Permit)
HIRAC	:	Hazard Identification Risk Assessment Control
HCV	:	High Conservation Value
HRD	:	Human Resource Department
IUCN	:	International Union for Conservation of Nature and Natural Resources
KER	:	Kernel Extraction Rate
KKPs	:	Karunia Kencana Primasejati
KTP	:	<i>Kartu Tanda Penduduk</i> (Identity Card)
LA	:	Land Application
LUCA	:	Land Use Change Analysis
MoU	:	Memorandum of Understanding
MSDS	:	Material Safety Data Sheet
NGO	:	Non Government Organization
OER	:	Oil Extraction Rate
OHS	:	Occupational Health and Safety
P2K3	:	<i>Panitia Pembina Keselamatan dan Kesehatan Kerja</i> (OHS Committee)
PGA	:	Personal General Affair
PIPIB	:	<i>Penyempurnaan Peta Indikatif Penundaan Izin Baru</i> (Improved Indicative Map of New Permit Delay)
PK	:	Palm Kernel
POM	:	Palm Oil Mill
POME	:	Palm Oil Mill Effluent
PR	:	Public Relation
PPE	:	Personal Protection Equipment
QAMS	:	Quantitative Agronomy Management System
RKL&RPL	:	<i>Rencana Kelola Lingkungan &amp; Rencana Pemantauan Lingkungan</i> (Environmental Management Plan & Environmental Monitoring Plan)

SIA		Social Impact Assessment
SCCS	:	Supply Chain Certification Standard
SDC	:	System Development and Control
SOP	:	Standart Operating Procedure
SP	:	<i>Serikat Pekerja</i> (Labor union)
SPK	:	<i>Surat Perjanjian Kerja</i> (Work Agreement)
TPSA	:	<i>Tempat Pembuangan Sampah Akhir</i> (Final Waste Disposal Site)
WHO	:	World Health Organization
WTP	:	Water Treatment Plant
WWTP	:	Waste Water Treatment Plant

<b>1.0</b>	<b>SCOPE of the CERTIFICATION ASSESSMENT</b>		
<b>1.1</b>	<b>Assessment Standard Used</b>	<ul style="list-style-type: none"> <li>• <i>Indonesian National Interpretation of RSPO Principles and Criteria 2013 by INA-NITF, July 2016 (Endorsed by the RSPO Board of Governors meeting on 30<sup>th</sup> September 2016)</i></li> <li>• <i>RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 (Module D / E for CPO Mill)</i></li> </ul>	
<b>1.2</b>	<b>Organisation Information</b>		
1.2.1	Organisation name listed in the certificate	Wilmar International Ltd – PT Karunia Kencana Permaisejati	
1.2.2	Contact person	Perpetua George	
1.2.3	Organisation address and site address	<p><u>Head Office:</u> 56 Neil Road Singapore Singapore 088 030</p> <p>Multivison Tower Lt. 15 Jl. Kuningan Mulya Blok B9, Kuningan, Jakarta 12980 - Indonesia</p> <p><u>Site:</u> Village of Kenyala, Subdistrict of Telawang, District of Kotawaringin Timur, Prov. Kalimantan Tengah.</p>	
1.2.4	Telephone	(62-21) 461 6555	
1.2.5	Fax	(62-21) 461 6687	
1.2.6	E-mail	<a href="mailto:perpetua.george@wilmar.com.sg">perpetua.george@wilmar.com.sg</a>	
1.2.7	Web page address	<a href="http://www.wilmar.co.id">www.wilmar.co.id</a>	
1.2.8	Management Representative who completed the application for certification	Perpetua George (Sustainability Coordinator)	
1.2.9	Registered as RSPO member	2-0017-05-000-00 16 August 2005	
<b>1.3</b>	<b>Type of Assessment</b>		
1.3.1	Scope of Assessment and Number of Management Unit	Palm Oil Mill and supply base <ul style="list-style-type: none"> <li>• KKP POM, KKP 1 Estate; KKP 3 Estate ; KKP 3 Estate</li> </ul>	
1.3.2	Type of certificate	Single	
<b>1.4</b>	<b>Locations of Mill and Plantation</b>		
1.4.1	Location of Mill		
	<b>Name of Mill</b>	<b>Location</b>	<b>Coordinate</b>
			<b>Latitude</b> <b>Longitude</b>
	KKP POM	Village of Kenyala, Subdistrict of Telawang, District of Seruyan, Prov. Kalimantan Tengah.	2° 14' 27" S      112° 37' 48" E
1.4.2	Location of Certification Scope of Supply Base		

	Name of Supply Base	Location	Coordinate		
			Latitude	Longitude	
	KKP 1 Estate	Village of Seibabi, Subdistrict of Telawang, District of Kotawaringin Timur, Prov. Kalimantan Tengah.	2° 14' 25" S	112° 31' 6" E	
	KKP 2 Estate	Village of Tangar, Subdistrict of Mentaya Hulu, District of Kotawaringin Timur, Prov. Kalimantan Tengah.	2° 15' 11" S	112° 35' 14" E	
	KKP 3 Estate	Village of Kenyala, Subdistrict of Telawang, District of Kotawaringin Timur, Prov. Kalimantan Tengah.	2° 15' 34" S	112° 37' 41" E	
<b>1.5</b>	<b>Description of Area Statement</b>				
1.5.1	Tenure				
	• State		19,649.75	Ha	
	• Community			Ha	
1.5.2	<b>Area Statement</b>				
	• Total area		19,649.75	Ha	
	• Mature area		12,441.01	Ha	
	• Immature area		253.26	Ha	
	• Land Clearing		25.97	Ha	
	• Enclve		3,781.25	Ha	
	• Not plant able		1,577.61	Ha	
	• Mill		11.60	Ha	
	• Road, Housing complex		548.74	Ha	
	• HCV		1,010.31	Ha	
				Ha	
<b>1.6</b>	<b>Planting Year and Cycles</b>				
1.6.1	Age profile of planting year				
	Planting Year	Hectarage (Ha)			
		KKP 1 Estate	KKP 2 Estate	KKP 3 Estate	Total
	2007	4,492.40	1,890.26	-	6,382.66
	2008	195.68	1,367.53	1,353.11	2,916.32
	2009	69.44	643.00	1,514.32	2,226.76
	2010	68.37	102.38	255.34	426.09
	2011		19.24	322.73	341.97
	2013			67.14	67.14
	2014			80.07	80.07
	2015	30.16		140.94	171.10
	2016	10.19		48.21	58.40
	2017	3.68		20.08	23.76
	<b>TOTAL</b>	4,869.92	4,022.41	3,801.94	12,694.27
1.6.2	New Planting area after January 2010		1,168.53	Ha	
1.6.3	Planting Cycle		1 <sup>st</sup> Cycle		



<b>1.7</b>	<b>Description of Mill and Supply Base</b>						
1.7.1	Description of Mill						
	<b>Name of Mill</b>	<b>Capacity (tonnes/ hour)</b>	<b>FFB Processed (tonnes/year)</b>	<b>CPO</b>		<b>Palm Kernel</b>	
				<b>Out put (tonnes)</b>	<b>Extracti on (%)</b>	<b>Out put (tonnes)</b>	<b>Extraction (%)</b>
	KKP Mill	60	203,763	44,827.86	22	9,373.10	4.6
	<i>*Production data source from November 2016-October 2017</i>						
1.7.2	Description of Certification Scope of Supply Base						
	<b>Name of Estate</b>	<b>Total Area (Ha)</b>	<b>Planted Area (Ha)</b>	<b>FFB (tonnes/year )</b>	<b>Yield (tonnes /ha/yea r)</b>	<b>Supplied to Mill</b>	
						<b>FFB (tonnes/year)</b>	<b>%</b>
	KKP 1 Estate	6,328.27	4,869.92	129,969.73	26.93	34,668.00	26.67
	KKP 2 Estate	6,398.30	4,022.41	101,059.36	25.12	98,578.16	97.54
	KKP 3 Estate	6,923.18	3,801.94	70,569.31	19.64	70,207.67	99.49
	<b>TOTAL</b>	<b>19,649.75</b>	<b>12,694.27</b>	<b>301,598.40</b>	<b>23.90</b>	<b>203,453.83</b>	<b>67.46</b>
	<i>*Production data source from November 2016-October 2017</i>						
1.7.3	FFB description from other source						
	<b>Name of sources/Organisation (RSPO certified / non- certified)</b>	<b>Type of Organisation</b>	<b>number of smallholders</b>	<b>Production Area (Ha)</b>	<b>Supplied to Mill</b>		
					<b>FFB (tonnes/year)</b>		
	MSM 2 Estate (RSPO Certified)	Subsidiary of Wilmar International Ltd	-	4,254.56	106.79		
	MSM 1 Estate (RSPO Certified)	Subsidiary of Wilmar International Ltd	-	3,265.27	202.55		
	<b>TOTAL</b>					<b>309.34</b>	
	<i>*Source Production Data on November 2016-October 2017</i>						
1.7.4	Product categories			<b>FFB, CPO, PK</b>			
<b>1.8</b>	<b>Estimate Tonnage of Certified Product</b>						
1.8.1	Past Annual Claim Certified Product			Previous Certificate Claim ..... to .....		Actual certified product ..... to .....	
				(tonnes/year)		(tonnes/year)	
	• FFB Production			-		-	
	• CPO Production			-		-	
	• Palm Kernel (PK) Production			-		-	
	<i>*will be verified in the surveillance audit</i>						
<b>1.8.2</b>	<b>Product selling</b>						
	Tonnage of selling product			Actual selling product period November 2016 until October 2017			
	• CSPO			-			
	• CSPK			-			
	• CPO under other scheme trading (e.g ISCC, RFS)			-			
	• CPO under conventional trading (if any)			44,827.86			
	• PK under other scheme			-			

	<ul style="list-style-type: none"> <li>PK under conventional trading (if any)</li> </ul>	9,373.10																																																														
1.8.2	Estimate of Certified FFB Claim																																																															
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	OHSAS 18001:2007	-																																																														
	ISCC	-																																																														
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		Permata 1, Sarana Titian Permata 2, Sarana Titian Permata 3			
PT Mustika Sembuluh 2	2015	Mustika Sembuluh 3, Bumi Sawit Kencana 1	2015	Central Kalimantan	Certified
PT Kencana Sawit Indonesia	2010	Kencana Sawit Indonesia, Koperasi Swamata	2010	West Sumatra.	Certified
PT. Kerry Sawit Indonesia 1	2010	Kerry Sawit Indonesia 2, Kerry Sawit Indonesia 3	2010	Central Kalimantan	Certified
PT. Kerry Sawit Indonesia 2	2015	Kerry Sawit Indonesia 1, Kerry Sawit Indonesia 2, Mustika Sembuluh 2,	2015	Central Kalimantan	Certified
PT. Tania Selatan	2010	Burnai Barat, Burnai Timur	2010	South Sumatra	Certified
Sri Kamusan	2010	Hibumas 1, Hibumas 2, Sri Kamusan, Jebawang, Sekar Imej, Sapi Sugut	2010	Sandakan, Sabah	Certified
PT. AMP Plantation	2011	AMP I, AMP II, AMP III, AMP, Primatama Mulia Jaya, Karya Agung Megah Utama, Perkebunan Anak Negeri, Koperasi Tompek Tapian Kandis	2011	West Sumatra	Certified
PT. ANI (Sambas)	2012	ANI Estate	2012	West Kalimantan	Certified
PT. Buluh Cawang Plantation	2012	Bumi Arjo, Dabuk Rejo, Sukamulya, Bambu Kuning	2012	South Sumatra	Certified
PT. Bumi Sawit Kencana	2012	Bumi Sawit Kencana 1, Bumi Sawit Kencana 2, Karunia Kencana Permaisejati 1	2012	Central Kalimantan	Certified
PT. Sarana Titian Permata	2012	Sarana Titian Permata 1, Sarana Titian Permata 2, Sarana Titian Permata 3	2012	Central Kalimantan	Certified
PT. Sarana Titian Permata 2	2018	Sarana Titian Permata 1, Sarana Titian Permata 2	2018	Central Kalimantan	-
PT. Gersindo Minang Plantation	2013	Gersindo Minang Plantation, Permata Hijau Plantation-1, Permata Hijau Plantation-2	2013	West Sumatra	Certified
PT. Daya Labuhan Indah	2013	Wonosari, Sei Deras, Cabang Dua	2013	North Sumatra	Certified
PT. Milano (Cabang Dua Estate)	2013	(Supply base DLI-2)	2013	North Sumatra	Certified
PT. Agro Palindo Sakti	2014	PT Agro Palindo Sakti Estate	2014	South Sumatra	Certified
PT. Mentaya Sawit Mas	2014	Mentaya Sawit Mas 1, Mentaya Sawit Mas 2, Bumi Sawit Kencana 2	2014	Central Kalimantan	Certified
PT. Sinarsiak Dianpermai	2018	PT Sinarsiak Dianpermai Estate	2018	Riau	Stage 1
BBPOP (Benso Plantation)	2015	Benso, Benso Smallholder	2015	Ghana	Certified

PT. Murini Sam Sam	2015	Murini Sam Sam Estate	2015	Riau	Certified
PT Bumi Pratama Khatulistiwa	2017	Bumi Pratama Khatulistiwa Estate Buluh Cawang Estate	2017	West Kalimantan	Certified
PT Karunia Kencana Permaisejati	2017	PT. Karunia Kencana Permaisejati 1, PT. Karunia Kencana Permaisejati 2, PT. Karunia Kencana Permaisejati 3	2017	Central Kalimantan	Final Audit
PT Rimba Harapan Sakti	2015	PT. Rimba Harapan Sakti 1, PT. Rimba Harapan Sakti 2, , Sarana Titian Permata 1, Sarana Titian Permata 2, Sarana Titian Permata 3	2015	Central Kalimantan	Certified
PT Agronusa Investama Pahauman	2018	PT ANI Pahauman Estate PT Pratama Procentindo	2018	West Kalimantan	-
PT. Agro Palindo Sakti 2	2018	PT. Agro Palindo Sakti Estate, PT. Indo resin Putra Mandiri, PT. Daya Landak Plantation, PT. Putra Indotropical	2018	West Kalimantan	-
PT. Agroindo Indah Perkasa 2	2017	PT Agroindo Indah Perkasa Estate	2017	Bangko – Jambi	-
PT. Musi Banyuasin Indah	2018	PT MBI Sei Jarum Estate PT MBI Sei Selabu Estate	2018	South Sumatera	-
1.10.2	<b>Progress of Associated Smallholders and Outgrowers for Certifiable Standard</b>				
	KKP palm oil mill does not received from other non certified RSPO associates outgrowers.				

<b>2.0</b>	<b>ASSESSMENT PROCESS</b>
<b>2.1</b>	<b>Assessment Team</b>
<b>ST-2</b>	<p>1. <b>Muhammad Rinaldi (Lead Auditor)</b>. Indonesian citizen, Diploma of Oil Palm Plantation. He has experience 4 years working as Assistant Agronomy since 2009. He has attended training RSP0 Lead Auditor, training of Auditor ISPO, training of Lead Auditor ISO 9001-2008, training of ISO 14000, training of HCV identification, training of OHS management system, training of potential and conflict resolution. Experienced in auditing in relevant scheme (ISPO) since 2014 with the aspects of land legality, environmental, social, occupational health and safety, Best Management Practices, Conservation and worker welfare. At this activity he assess aspect of Legal Aspect, land conflict, OHS and SCCS.</p> <p>2. <b>Asystasya Aishah Silalahi (Auditor)</b>. Indonesia citizen, Bachelor of Economy, Major of Agribusiness, Faculty of Economic and Management. She has one year experience in consultancy. She has followed training such as ISPO Auditor Training, Lead Auditor ISO 9001:2015, OHS General Expert, and several in house training related to environmental, BMP, etc. Has been involved in several audit activities since 2016 related to sustainable palm oil certification covering waste management aspect, Social Aspect, Health and Safety Aspect, and Worker Welfare. During this audit, she verified transparency, worker welfare and social aspect.</p> <p>3. <b>Yohanes Hardian (Auditor)</b>. Diploma of Forest Resource Conservation, Faculty of Forestry, Bogor Agricultural University, specialist in the environment aspect and wildlife. Has Worked as Staff Rehabilitation project at WWF Central Kalimantan region. Had attended training HCV, has been involved in several activity of HCV Identification of Oil Palm Plantation. Has worked as an environmental staff on Oil Palm Plantation. Have been trained as ISPO auditors and have attended training Auditor ISO 9001 and ISO 19011, Legal documents in-house training with the ISPO commission. Training SIA bu Remakr Asia 2016, Training Lead Auditor RSP0 by Proforest- Daemeter 2016. Experience audit RPO And ISPO Since 2014. At this activity he assess aspect of environment, HCV and GHG.</p> <p>4. <b>Hasiholan Sihombing (Auditor Trainee)</b>. Bachelor of Agriculture Department of Agricultural Cultivation, Agronomy Study Program, Faculty of Agriculture. He has work experience as a Plantation Operations Officer for 7 (seven) years since 2009 in one of the private oil palm plantation companies in Indonesia. The training that has been followed is ISPO Auditor Training, ISO 9001: 2015 Auditor Training, ISO 14001: 2015 Auditor Training, General Safety OHS Training, OHSAS 18001: 2007 Training and ISO 17021 &amp; 17065 Training. In this audit verify Best Management Practice and Long Term Plan.</p>
<b>2.2</b>	<b>Assessment Methodology, Assessment Process and Locations of Assessment</b>
<b>2.2.1</b>	<b>Figure of person days to implement assessment</b>
<b>ST-2</b>	<p>Number of auditors : 4 auditor          Number of days for <b>ST-2</b> at site : 4 days          Number of working days for <b>ST-2</b> at site : 16 Working days</p>
<b>2.2.2</b>	<b>Assessment Process</b>
<b>ST-2</b>	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT Karunia Kencana Permaisejati to the requirements of Indonesian National Interpretation of RSP0 Principles and Criteria 2013 by INA-NITF, July 2016 (Endorsed by the RSP0 Board of Governors meeting on 30th September 2016) and RSP0 Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSP0 Board of Governors on 21 November 2014 (Module E for CPO Mill).</p> <p>The assessment was conducted in three methods: (1) document review, aiming to observe the sufficiency of types or substances from required documents; (2) interview, aiming to obtain more detailed information and cross check the information; and (3) field observation, aiming to observe directly the sufficiency of implementation on site.</p> <p>Some opportunities for improvement of the results <b>ST-2</b> delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase (<b>S-1</b>). Improvement of findings from main assesment findings were observed by auditors at this <b>S-1</b> assessment. All information obtained was recorded in Check</p>

List of PT Mutuagung Lestari (MUTU) and part of **ST-2**

The assessment program please find Appendix 2

**2.2.3 Locations of Assessment**

**ST-2** Number of units in this certification activity is 3 estates, which supply the raw material (FFB) to one palm oil mill. In conducting the assessment, the team of auditors used the  $0.8\sqrt{y}$  formula to determine the management units sampling to be focused on and also considered the issues raised by stakeholder. Based on this formula, the team of auditors determined that the sampling locations are KKP palm oil mill and two estates (KKP 1 and KKP 3 Estate).

**KKP 3 Estate**

- **Division 1 Block 064.** Observation in the harvesting activity
- **Division 1 Block 464.** Observation in the planting area on 2015
- **Division 1 Block 062.**
  - Observation and interview with supervisor and worker in spraying activity.
  - Interview with new worker as daily paid worker
  - Interview with heavy equipment operator
- **Division 2 Block 117**
  - Observation and interview with supervisor and worker in harvesting activity
  - Observation regarding to the use of owls as a pest controller.
  - Interview with IPM worker, discussing about OSH implementation, worker status, basic salary, training, Knowledge of pests & diseases procedures.
- **Division 2 Block 145.** Observations regarding to nutrient recycling strategy using Empty Fruit Bunch
- **Division 2 Block 145.** Observation and interview with supervisor and worker in fertilizer activity
- **Housing Complex.** Observation and interview with worker regarding to housing facility (water, electricity, food access), waste management, health and safety, company's policy and complain mechanism.
- **Polyclinic.** Observation for paramedic staff
- **Chemical blending.** OHS implementation such as eyewash, emergency.
- **Agrochemical storage,** Observation regarding to agrochemical management, availability of eyewash etc, OHS implementation etc.
- **Firefighting post.** observation of firefighting equipment and emergency response.
- **Chemical storage and temporary hazardous storage.** Observation of recorded (logbook, symbol, management).

**KKP Factory**

- **Management Process.** Observation and interview with personnel related to FFB's processing into CPO, capacity each station, personnel understanding over the applicable SOP, fire emergency response facilities and infrastructure in mill, liquid waste management, first aid kits, the implementation of occupational health and safety, company's facilities, trainings from company and worker welfare.
- **Loading Ramp.** Observation and interview with sortation personnel related to personnel understanding over sortation procedure, the implementation of sortation, fruit criteria, fruit separation with ripeness and rawness criteria. (3 male worker)
- **Power House Room.** Observation and interview with the worker related to implementation of OHS, understanding of safe working, administration of fossil fuels use.
- **Boiler's Room.** Observation and interview with the worker related to implementation of OHS, understanding of safe working, overtime calculation.
- **Weighbridge Station.** Observation of supply chain procedure
- **Land Application Block O-34/Block-117.** Observation of POME application by using Straight Furrow system
- **Waste water treatment plant.** Observation of 14 ponds that using single feeding system.



- **Water treatment plant.** Observation regarding to working procedure in water treatment plant station and monitoring of water volume that used during process.
- **Housing Complex:.** Observation and interview with worker regarding to housing facility (water, electricity, food access), waste management, health and safety, company's policy and complain mechanism
- **Chemical storage and temporary hazardous storage.** Observation regarding to hazardous material and waste management

**KKP 1 Estate**

- **Division 2 Block 101.** Observation to HCV Riparian in the form of swamp area
- **Division 2 Block 088.** Observation to legal boundary No KKPS 01 & KKKPS 02
- **Division 2 Block 086.** Observation to legal boundary No KKPS 130
- **Division 1 Block 021.** Observation to Riparian of Mentaya Stream
- **Division 1 Block 001.** Observation to occupation area with local community
- **Division 1 Block 001.** Observation to legal boundary No KKPS 118 & KKKPS 119
- **Division 1 Block 038.** Observation to occupation area with other company
- **Division 1 Block 262.** Observation to planting area on 2017
- **Block 119 Division 2 (Pesticide Applicator).** Observation on safe working practices and interview with the spraying workers related type of pesticides use according to the procedure and also worker welfare.
- **Block 043 Division 1 (Fertilizer Applicator).** Observation on safe working practices and interview with the fertilizer workers related type of fertilizer use according to the procedure and also worker welfare.
- **Block 046 Division 1 (EFB Application).** Field observations and interview with supervisor and workers in use of Empty Fruit Bunch (EFB) as an application by product.
- **Block 042 Division 1 (Harvesting).** Observation of procedure application related fruit ripeness, safe working practices and interview about worker welfare.
- **Block 100 & 92 Division 2 (Peat Land Area).** Observations on the management of peat, water levels, piezometer and subsidence poles.
- **Block 102 Division 2 (Barn Owl Nest Observation).** To check nest condition.
- **Housing Complex:.** Observation and interview with worker regarding to housing facility (water, electricity, food access), waste management, health and safety, company's policy and complain mechanism.
- **Polyclinic.** Observation for paramedic staff
- **Chemical blending.** OHS implementation such as eyewash, emergency.
- **Agrochemical storage,** Observation regarding to agrochemical management, availability of eyewash etc, OHS implementation etc.
- **Firefighting post.** observation of firefighting equipment and emergency response.
- **Chemical storage and temporary hazardous storage.** Observation of recorded (logbook, symbol, management).

**Stakeholder**

- Public consultation with government of Kotawaringin Timur Regency (Enviromental, National Land and Manpower and Transmigration Agency)
- Public consultation with surrounding community (local contractor, Tangar and Kenyala Village)
- Public consultation with Internal Stakeholders (Gender committee, Bipartite Cooperation)

2.3	<b>Stakeholder Consultation and Stakeholders Contacted</b>
2.3.1	<b>Summary of stakeholder consultation process.</b>
ST-2	Summary of stakeholder consultation process Consultation of stakeholders for <i>PT Karunia Kencana Permaisejati – Wilmar International Ltd</i> was held by: <ul style="list-style-type: none"> <li>• Public Notification on 19<sup>th</sup> September 2017 PT Mutuagung Lestari and RSPO Website</li> <li>• Public consultation meeting with government of Kotawaringin Timur Regency conducted by visits and interview on</li> </ul>

	<p>24<sup>th</sup> October 2017</p> <ul style="list-style-type: none"> <li>• Public consultation meeting with local stakeholder conducted by FGD and interview on 24<sup>th</sup> October 2017</li> <li>• Public consultation meeting with internal stakeholder on 24<sup>th</sup> October 2017</li> <li>• Public consultation with NGO by email conducted on 17<sup>th</sup> October 2017</li> </ul>
<b>2.3.2</b>	<b>Stakeholder contacted</b>
	<i>Please find appendix 1</i>
<b>2.4</b>	<b>Determining Next Assessment</b>
	The next visit ASA-1 will be determined one year after certified issued.



**3.0. ASSESSMENT FINDINGS**

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

MUTUAGUNG LESTARI has conducted an assessment of KKP POM – PT Karunia Kencana Permaisejati, *Wilmar International Ltd* operation consisting of one (1 mill) and three (3) oil palm estates.

During the assessment, there were one (1) Nonconformity were assigned against Major Compliance Indicators and seven (7) opportunities for improvement were identified.

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

MUTUAGUNG LESTARI found that KKP POM – PT Karunia Kencana Permaisejati, *Wilmar International Ltd* complied with the requirements of Indonesian National Interpretation of RSPO Principles and Criteria 2013 by INA-NITF, July 2016 (Endorsed by the RSPO Board of Governors meeting on 30th September 2016) and RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 (Module E for CPO Mill).

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

Ref Std.	VERIFICATION RESULT of MUTU-Certification
<b>PRINCIPLE #1 COMMITMENT TO TRANSPARENCY</b>	
<b>1.1</b>	<b>Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.</b>
<b>1.1.1</b>	<p>Company has the newest list of stakeholder, consist of statutory bodies, leader community, smallholders, contractors, worker organizations, and NGOs. Based on interview with company’s management, the list of stakeholders will updated if there is a revision/ change or will be updated every 6 months. Based on interview with related stakeholders, they’ve already know the person in charge for communication with stakeholder.</p> <p>There is procedure “Providing Information to Stakeholders (Transparency)” No SOP47/PR/6/0516 for each Estate (KKP 1 &amp; 2 Estate) and Mill. Procedure aims to ensure that every request and delivery of information to the public is responded in accordance with the availability of information resources. Based on interview with related stakeholder, it is known that they don’t have difficulties to communicate with the company for information request.</p>
<b>1.1.2</b>	<p>Company has procedure for communication with stakeholder, written on SOP of Communication Implementation Mechanism and Community Consultation (SOP35/PR/1/0614) valid from 5<sup>th</sup> May 2015. This document regulates communication and consultation procedures with the community. The person in charge for communication and consultation is assigned in SOP of Appointment of Communications and Consultation Officer with the Community. Appointment of communications and consultation officers in accordance with the field of work, position, and level of authority, for example for PT KKP conducted by PR staff through Decree No 01 / BM-PR / SK / VI / 2014 on Appointment of Consultation and Communications Officers on 10<sup>th</sup> June 2014 .</p> <p>Record of information is written on the information book. The response to incoming mail not later than 14 days after the</p>

letter was received. In the book shows that there is no incoming information requests, there are only proposals, complaints and invitation to attend meeting held by stakeholders.

Status: Comply

**1.2**

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

**1.2.1**

Company has list of document that can be accessed publicly. The public documents, such as environmental document, company annual report, general policies, licensing includes land use title and decree of land use title, OHS, and social reports, plans for continuous improvement, OHS program, and so on. These documents are available in estate and mill office.

Company has monitoring and management report, such as employment report, report of environmental management and monitoring plan, and so on. These documents also can be accessed by public through the mechanism which has determined by the company.

Status: Comply

**1.3**

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

**1.3.1**

Company has code of conduct No. 003/DIR-KP/IV/2016 dated 20<sup>th</sup> April 2016. There are 3 principles on code of conduct, namely to avoid conflict of interest, to avoid misuse and/or abuse of position, and to ensure confidentiality of information and to prevent misuse of information gained through the company's operations, either for personal gain or for any purpose other than that intended by the Company. Based on interview with workers KKP 1 Estate and KKP POM, they understood about this policy. This policy has been socialized to the contractor worker, such as socialization on 22<sup>nd</sup> August 2017 attended by 10 participants in KKP 1 Estate and on 18<sup>th</sup> July 2017 attended by 10 participants in KKP 3 Estate. This policy is available in Indonesian Language. Based on interview with contractor, it is known that they understand about the ethical conduct of the company

Status: Comply

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

**2.1**

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

**2.1.1**

**Legality**

- Has have Land Use Title No. **65/HGU/BPN/2005** coverage area **19,649.754 Ha**. This in accordance with Laws No. 5 on 1960.
- Has have Plantation bussines permit number **No. 525.26/128/Ek.SDA/2017** in accordance with Plantation Ministry Regulation No. 98 on 2013.

Based on the Plantation Business Permit, it is explained that based on a review on the map of Minister of Forestry Decree No. 529/Menhut-II/2012 dated 25 September 2012, it is known that the area is in Convertible Production Forest Area and Production Forest Area so that PT.KKP is required to settle and process the release of forest area and the exchange of forest area.

The Company has demonstrated progress towards the release and exchange of forest areas, including:

- Sending letter no. 06/KKP/DIR/XI/2009 dated 11 November 2009 concerning the request for recommendation of the release of forest area to the Governor of Central Kalimantan received by Economic Bureau on 1 March 2010.
- Response letter on Forest Disposal Permit Request from Ministry of Forestry no. S-422/Menhut-VII/KUH/2013 dated 11 April 2013 which contains area that can be processed through mechanism of release of forest area is 13,100 Ha and forest area exchange of 2,030 ha.

- Recommendation of proposed land replacement of 2,030 ha for forest area from the Regent of Kutai Barat no. 503/510/DK-TU.P/IV/2013 dated 19 April 2013 is located in Long Bagun District, West Kutai Regency, East Kalimantan.

Progress of the release of the forest area will become **an observation on the next assessment. OFI**

**OHS**

- Has P2K3 structure and P2K3 report in accordance with Minister of Labor Regulation No. 4 year 1987
- Has boiler operators, welders and heavy equipment operators certified in accordance with the regulations.

**Worker Welfare**

Company has been implemented the regulation related to labor, for example the minimum wage is in accordance with Decree of Kalimantan Tengah Governor and “*Wajib Lapor Ketenagakerjaan*” has been reported annually to the Manpower Agency.

**Environment regulation**

The Company has reported on the Implementation of RKL & RPL document semester 1 year 2017 to the related institutions dated October 2, 2017 to: Environment Department and Forestry Service of Kotawaringin Timur Regency, Environment Agency and Plantation Service of Central Kalimantan Province.

Based on documents verifications and field observations obtained information if the company has been compliance to Article 3 of the Safety Act. Company has risk identification in the HIRAC document and provided PPE for worker and conduct the medical examination for worker in Mill and Estate.

Based on verification on indicator 4.7.3, company shows the license for boiler operator, heavy equipment operator. And also shows the training program for electrical technicians to be carried out on November 20 – 24 2017.

**2.1.2**

Mechanism to identify laws and regulations as well as the compliance evaluation of the legal requirements are set in the procedure no. SOP 02/WIP-KB/(02)/1015 on 1 October 2015. In the procedure mentioned person in charge of rules and regulations list is legal officer assisted by environment Health and safety department, Human Resource, public relations and sustainability department. Examination of the implementation and compliance with regulations is conducted every year as indicated in the document FRM 02/SOP 02/WIP-KB/0610 1 May 2016.

**2.1.3; 2.1.4**

Identification of the new regulations is conducted two times a year. A copy of the list of legislation are distributed to all department. Regulations compliance programs are prepared by each division assisted by a legal officer and operational units must ensure the compliance of all terms. Some regulations are provided covering aspects of safety, Employment, field crops and the environment.. Based on the evaluation result document on May 2017, it is known that PT KKP has attempted to fulfill the above regulation and will be evaluated again in November 2017 by the Department of Public Relations

	<b>Status: Comply</b>	
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**2.2**

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

**2.2.1**

The Company already has documents of land tenure and concession in the document:

- Land use title Decree from National Land Agency Head No. 65/HGU/BPN/2005 dated 2 June 2005 on the granting of Land use title in Kotawaringin Timur Regency, Kalimantan Tengah for 35 years covering **19,649.754 Ha.**
- The Regent of Kotawaringin Timur Decree No. 525.26/128/Ek.SDA/2017 dated 3 March 2017 which explains the granting of Business Permit with an area of **19,649.754 Ha** with a factory capacity of **90 tons/hour**

Based on Land use title Decree, it is known that the area is derived from community tenure. The Company can show the

recapitulation of land compensation from 2006 to 2017 with the following data:

Estate Name	Amount of Compensation	Total Area (Ha)
KKP 1 Estate	280	5,128.59
KKP 2 Estate	291	5,433.49
KKP 3 Estate	641	7,192.29
<b>Total</b>	<b>1,212</b>	<b>17,754.37</b>

The Company has demonstrated actual land use in the document of area statement explaining the planted area of 12,694.27 Ha; land clearing area 25.97 Ha; occupation area 3,781.25 Ha; Unrestricted/unplantable area 1,577.61 Ha; Mill 11.60 Ha; infrastructure 548.74 Ha and HCV 1,010.31 Ha.

**2.2.2**

The Company shows the Map of Land use title boundary poles with a scale of 1: 75,000 which explains there are 93 main poles. In addition, the Company shows Boundary Pole Monitoring conducted for the period of First Semester 2017 for example in KKP 1 Estate with the result there are 34 main poles and 22 additional poles with condition 10 poles not installed because there are in overlap area with PT. Sukajadi.

Based on field visits to KKP 3 Estate poles 56 and 61 and at KKP 1 Estate on poles 01-02, 117-199 and 130, it is known that the pole in well-maintained and placement has corresponding to the coordinate point. From the visit the pole is known that the company is directly adjacent to the plantation of other companies.

The Company has a Standard Operating Procedure on Boundary Pole Installation and Monitoring (001/SOP/GIS/2014), effective from 1 July 2014. The procedure explains how to monitor until the monitoring period. The company show the document of "Monitoring Patok Batas" that explain the monitoring of boundary pole has been conduct every semester in accordance with the procedure.

**2.2.3, 2.2.4, 2.2.5 & 2.2.6**

The Company shows the SOP of Land Dispute Settlement (SOP 30/BM/2017 dated March 10, 2017) explaining that land disputes are resolved by consensus negotiations and disputed land jointly observed with landowners and attended by witnesses. In addition, the company has legalized a policy on 05 December 2013 which explains that the company will resolve all complaints and conflicts through negotiation processes, open and clear (transparent) and avoid using force or threats.

Based on interviews with Kenya and Tangar village representatives, it was explained that land compensation activities were conducted in a deliberation witnessed by the village representative team and jointly measured the area.

The Company shows a Map of Enclave/Arable scale of 1: 90,000 dated 6 September 2017 that explains areas that cannot be tenured within the company's Land use title area. In the map it is known that there are 3,781.25 hectares which is the occupation area / area that overlaps with other companies.

The Company has demonstrated the progress of the dispute/claim settlement, there are areas that can be compensated and there are areas that do not want to be compensated/enclave. For the area that can be compensated for the year 2017 of 108.96 Ha and for areas that do not want to be compensated / enclave has been identified as wide as 94.67 Ha.

For areas that do not want to be compensated/enclave, the company shows a Memorandum of Understanding and Minutes of Meeting with Enclave Land Owners for areas that do not want to be compensated. For example a Memorandum of Understanding with named Muel farmers is located in Block 001 KKP 1 Estate with no. MOU 002/MoU/KKP.II/BM-LAND/IV/2016 and Minutes of June 20, 2016 explaining that the current land owner does not sell the land/does not want to be compensated. The document is signed by the land owner, the company and known by the Village Head.

As for land compensation, the company has documented and retained the document of compensation evidence consisting of: Land Acquisition Certificate, Letter of Statement of Land Rights Release, Land Certificate, Land Map, Compensation Photo and Receipt. Example evidence of Land Compensation record at KKP 3 Estate in Kenya Village 28 April 2017

named Soni, among others:

- Receipt of payment, dated 28 April 2017 (Attached photos of submission of compensation)
- Land Compensation Measurement Results Map (signed by the farmer, village team, GIS and PT KKP management)
- Statement Letter releases rights and interests on growing land and cropping as well as receipt of compensation (signed by tenants, village team, village head and sub-district head and Manager of PT KKP). In the letter stated that the amount of compensation money has been agreed together.
- Statement of No Dispute (signed by Land owner, Village Head, Witnesses from the Village)
- Minutes of Land Acquisition Rates (signed by Land owner, Company Representative, Witnesses from Kenyala Village and Landowner Family),
- Minutes of Coordinate measurement (signed by Surveyor, Village Team and Land Users, and known by Kenyala Village Head (Attached photographs of measurements)
- Recapitulation of amends/Compensation signed by landowners, village teams and companies

Companies are encouraged to ensure the progress of settlement of cultivated land within Land use title. **OFI**

**Status: Comply**

### 2.3

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

#### 2.3.1, 2.3.2, 2.3.3 & 2.3.4

The Company shows the SOP of Land Dispute Settlement (SOP 30/BM/2017 dated March 10, 2017) explaining that land disputes are resolved by consensus negotiations and disputed land jointly observed with landowners and attended by witnesses.

Based on interviews with Kenyala and Tangar village representatives, it was explained that land compensation activities were conducted in a deliberation witnessed by the village representative team and jointly measured the area.

Traditional rights areas are mapped in the HCV Management Plan Map of Scale 1: 50,000 which describes the location of the Keramat Batu KKP3 Block 165, covering an area of ± 1.3 ha and the location of the community's economic source for farming in KKP3 Block 110-115, covering ± 163.88 ha.

PT KKP has shows a document of Consultation Report for Agreement on Cultural Heritage Site Management of Batu Keramat Or Batu Ecak as HCV 6 Category of Cultural Sites jointly managed by PT KKP with the community, dated 24 April 2014. There is also other documentation in the form of photographs of Initial Consultation By Kenyala Village Head, Villagers-Company discussion, Installation of HCV 6 Sign Board at Batu Keramat and Condition of Batu Keramat.

Based on the results of the stakeholder's consultation in Kenyala Village which is the owner of the traditional rights of Batu Keramat, it is found that in principle of the family/community representatives agreed that the area will be jointly managed by PT KKP with the community. It has also been shown the MOU Document for the Management of Traditional Rights (Area Management With High Conservation Value) in Tangar Village. The document was signed by the parties, namely: Village Head of Tangar, Chairman of the Tangar Village Representative Council, Representatives of PT KKP and witnesses. Attached to the Minutes of July 4, 2014, Participant's Present List and Photos.

**Status: Comply**

### PRINCIPLE #3 Commitment to long-term economic and financial viability

#### 3.1

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

##### 3.1.1 Major

The Company has documents on the long-term plan contained in the Financial Projection period 2015 - 2020 which contains:

- Financials (FFB production, total FFB processed, OER, KER, CPO production, PK production, own FFB sales to related-co, FFB price (Rp/mt), CPO price (Rp/mt), PK price (Rp/mt), CPO revenue, PK revenue, Gross operating



profit, Profit after and before taxation, total operating cash surplus (deficit), Taxation, servicing of finance and cumulative cash after servicing of finance).

- Area Statement (mature, immature, total plantable area, unplanted group, total area, FF production).
- Crop and Estate Cost (seperti biaya Maintenance, harvesting, dan total biaya).
- Plantation Development Cost.
- Capital Expenditure Estate and Mill (Processing cost, direct labour, factory overheads and, indirect labour, general and admin).
- Sustainability Implementation Costs (Environment, Social, Health and Safety also Other Related Compliance Expenses).

Annual planning also evaluated at the end of year and compared with realization. It annual planning can be adjusted based on field condition, financial condition or another reason.

**3.1.2 Minor**

There is no plan of replanting for the next five years due to the requirements written on the SOP of agronomy (Agricultural Manual and Standard Operating Procedure For Oil Palm 2015 in section 9 about Replanting). According to the SOP, the palm oil plants economic age is 25 years. Meanwhile, the oldest plants in KKP's was planted on 2007 (10 years).

**Status: Comply**

**PRINCIPLE #4 Use of appropriate best practices by growers and millers**

**4.1**

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

**4.1.1 Major**

The company has had SOP documents to practice the cultivation contained in the Agricultural Manual and Standard Operating Procedure For Oil Palm published in 2015 and has been ratified by Group Head of Plantation Wilmar International Limited. The document contains about the procedure for pre-development survey, assessment and planting, nurseries, land clearing and preparation, legume cover crop, oil palm planting, upkeep and maintenance of oil palm, harvesting of Fresh Fruit Bunches, plant protection, pest, and disease management, oil palm to oil palm replanting, EFB mulching, quantitative agro management system (QAMS) and oil palm thinning technique.

The Company has Standard Operating Procedures (SOP) for processing of plantation products (WIP/POM/SOP/01/02-14, published in 1 February 2014). The SOP contains about the procedure for SOP Weighbridge, Loading Ramp, Sterilizer station, Threshing station, Pressing Station, Clarification station, Depericarping, Kernel Recovery Station, Boiler House, Power Plant Station, Water Treatment Plant, Waste Management, Land Application and Solid Waste, Empty Fruit Bunch Utilization also about safe working practices, permit to work system and use of PPE's.

Interviews were conducted to harvester (4 workers in block 117 KKP3 and 5 workers in block 042 KKP1), pesticides applicator (4 workers in block 062 KKP3 and 11 workers in block 119 KKP1), manuring worker (11 worker in block 009 KKP3 and 10 workers in block 043 KKP1) and 8 workers in KKP POM. Based on the results of interviews can be concluded that the workers understand the duties and responsibilities of their work in accordance with the applicable SOP.

**4.1.2 Minor and 4.1.3 Minor**

Based on Internal Audit SOP, Correction and Continuous Improvement (SOP63/CKP/(3)/1017, revision: 3, valid date 2 October 2017, it is explained that the audit is conducted once a year to evaluate and examine all aspects of the system quality and environmental management. The SOP also describes mechanisms for nonconformities, Correction and improvement actions.

The Company already has regular monitoring of operational activities. For example:

- QAMS Audit (Quantitative Agronomy Management System). Performed regularly every week by the Department of Ecological Management Unit (EMU) to monitor best practice action. The example of last audit at KKP1 was conducted on 9 - 15 October 2017. Several findings related to the arrangement of the fertilizer workers are not in accordance with the standard on the fertilizer team, the workers are still found sowing harvesting path/2 lines (field 004). There is an action plan and corrective action from the estate such like immediately make improvements in accordance with

the standard that has been determined with deadline action plan dated in 26 October 2017.

- There is also an example of the results of the SDC (System Development and Control) audit on 28 September – 2 October 2017 at KKP POM with SDC Number Report: 010 / CKP\_SDC-POM / FVR / IX / 2017. One of the findings is warehouse wet conditions in case of heavy rain. There is action plan in the form of making a band wall in front of the old warehouse door and make a ditch with completion date on November 10, 2017.

Based on the above explanation, the Non-Conformity No. 2015.03 with a minor category on the previous Stage 2 finding which explains that there is not enough evidence yet that routine operational monitoring has been conducted at least once a year in KKP POM is closed.

**4.1.4 Major**

Based on FFB receiving data in KKP POM, the company did not received FFB from outgrowers. KKP POM only received FFB from sister company in Wilmar Group that has been certified.

**Status: Comply**

**4.2**

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

**4.2.1 Major**

SOP Agronomy consisted procedure for managed soil fertility as follows:

- Chapter 4 : Establishment and maintenance of legume Covers
- Chapter 6 : Upkeep and maintenance of oil palm
  1. Upkeep of immature oil palm
  2. Upkeep of mature oil palm
  3. Oil palm manuring
- Chapter 10 : EFB Mulching

Interviews were conducted on 11 fertilizer workers in block 009 KKP 3 and 10 fertilizer workers in block 043 KKP 1. From the interview result it is known that the workers can explain the procedure of fertilization well, that is in accordance with the dose determined based on the recommendation, sprinkled it in around and using calibrated containers. Field visits and interviews on workers related to EFB application are conducted in block 046 KKP1. Workers can explain EFB application procedure in accordance with SOP and EFB application has done well and in accordance with recommended dosage.

**4.2.2 Minor**

KKP1 and KKP3 Estate shown the plan and the realization of fertilization for period until September 2017. Based on document review and interview with the staff, the realization of fertilization in KKP1 and KKP3 Estate reach 100% completed according to the program.

**4.2.3 Minor**

The Company has SOP on Soil Sampling for soil fertility status (SA 12/EMU/2/0916, effective date 1 September 2016, revision: 02). In the SOP explains the intensity of regular sampling of soils every 5-15 years once or if necessary then conduct at replanting, to know the soil fertility status in each group soil management class based on the document of soil survey report by consultant. It also describes the procedure of soil sampling, equipment and materials to be used, sample preparation and analysis in the laboratory also reporting and documentation.

The Company also has SOP of Palm Oil Leaf Sampling with Document No. SA14 / EMU / 0/0117, revision: 0, valid date 2 January 2017. The SOP aims to identify and assess the land condition (symptoms of nutrient deficiency in plants, bunches and soil conditions) and can make sample preparations for analysis in the laboratory. Leaf analysis was conducted to determine the amount of nutrients needed by oil palm in the block through fertilization. Visual analysis performed simultaneously with leaf analysis activities.

Leaf analysis was analyzed on 20 May 2016 issued by the Department of EMU (Ecological Management Unit) for KKP 1 Estate and KKP 3 Estate used as fertilizer recommendation material for the period of 2017. The parameters measured were N, P, K, Mg, Ca (Major Element) and B, Cu, Zn, Fe (Minor Element). Until the audit is done, the company has not

carried out the soil analysis activities because the company's procedure states that the implementation of soil analysis is conducted between 5-15 years.

**4.2.4 Minor**

The company has implemented nutrient recycling using empty fruit bunch and liquid waste or POME as one way to improve soil fertility. KKP POM also utilizes fiber and kernel shells as a boiler fuel material.

The company shown a recording of the realization of EFB applications in the KKP 1 Estate, where until September 2017 has been applied as many as 24,524.40 tons on 613.66 Ha. While in KKP3 Estate has been applied as many as 26,161.76 tons on 748.88 Ha. Field visits and interviews on workers related to EFB application are conducted in block 046 KKP1. Workers can explain EFB application procedure in accordance with SOP and EFB application has done well and in accordance with recommended dosage.

**Status: Comply**

**4.3**

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

**4.3.1 Major**

To identify the marginal areas of companies have marginal land map consisting of:

- Topographic map in the form of contour and slope (scale 1: 100,000). In general (95.85%) the company areas are in a flat area (< 6 degree) and there are no slopes above 18%.
- Soil types map results scale 1:20,000 from soil survey of Param Agricultural Soil Survey (M) Sdn. Bhd. Malaysia set forth in the Soil documents of PT. KKPs. Based on the map in the company areas are peat soil covering an area of 305.61 hectares and sandy soil covering an area of 5,109.14 hectares.
- Land Use Map versus Marginal Land Map (Map Ref. No HD 5953) was recorded on 15 June 2016 with a scale of 1: 70.000 with the statement that the area not plantable consisting of HCV border, others, river, swamp area and sandy area. Total area 1,139.78 Ha.

No	Landuse		Estate (Ha)			Total (Ha)
	SAP Class	Sub Class	KKP 1	KKP 2	KKP 3	
1	Planted	Oil Palm	1,147.59	2,042.35	779.43	<b>3,969.37</b>
2	Arable Land	Native Settlers	34.39	580.86	100.70	<b>715.94</b>
		Enroachment	-	-	11.91	<b>11.91</b>
3	Not Plantable	HCV Border	6.04	13.71	5.40	<b>25.15</b>
		Others	0.51	-	-	<b>0.51</b>
		River	-	0.51	-	<b>0.51</b>
		Sand	30.73	34.28	5.71	<b>70.73</b>
		Swamp	29.59	26.49	13.13	<b>69.20</b>
4	Infrastructure	Buildings & Compound	1.04	2.39	-	<b>3.43</b>
		Road	39.33	88.01	30.11	<b>157.45</b>
5	HCV	HCV	10.84	63.90	10.21	<b>84.95</b>
<b>Total</b>			<b>1,300.06</b>	<b>2,852.49</b>	<b>956.60</b>	<b>5,109.15</b>

**4.3.2 Minor**

Based on the slope map, the company's area is flat, so the company does not specifically provide management strategies for planting in certain sloped areas (taking into account local soil and climate conditions).

**4.3.3 Minor**

The company can show the road maintenance program in the estate for the period of 2017 as in KKP 1 for main road along 48,258 meters and for collection road along 48,067 meter. While for KKP 3 has a main road maintenance program along 35,944 meters and 179,682 meter collection road. Based on field observation during the audit, it can be concluded that road maintenance has been done well, for example in the collection road block 046 division 1 KKP 1 Estate and the main road block 042 division 1 KKP1 Estate.

**4.3.4 Major**



The Company has the SOP for Management and Monitoring of the Peatlands has been planted Oil Palm with Exactly with No: SA03/EMU/(4)/1215, revision: 4, the effective date of 1 December 2015. The SOP described the procedures and conditions essential for peat soil has been planted oil palm that is water surface limit from the ground surface must be maintained between 50-75 cm. To control the water level, water gates or "stop offs" should be made of the appropriate size of the main drain and the collection drain. Water level markers should be placed in the appropriate place on the secondary or main drain, monitored and water levels are recorded daily.

The SOP also regulates how to make water level stakes and piezometers that serve to monitor shallow groundwater depths. To monitor the decline of the peat surface, the company is installing subsidence benchmarks. In the SOP is also set how to install subsidence bench and the frequency of monitoring and how to record it.

The company shows recordings of subsidence monitoring, piezometer monitoring and water level monitoring. Based on the results of monitoring, the subsidence ranges from 0 - 2.8 cm / year (still below the quality standard of 35 cm / 5 years). Based on field visits in blocks 100 and 091 division 2 KKP 1 Estate, the water level position at the time was 45 cm and 50 cm from the ground level.

Field visit was conducted to observe subsidence benchmark condition in block 092 Division 2 of KKP 1 and it was concluded that subsidence benchmark condition was in good condition. Based on field visits in blocks 100 and 091 division 2 KKP 1 Estate, the position of water level at that time is 45 cm and 50 cm from the ground level. It is still under normal circumstances based on SOP. The water level condition is also in good condition and the size of the mark is clearly visible.

**4.3.5 Minor**

The company has not implemented the drainability assessment specifically, but the company already has an assessment mechanism for the level of accuracy set forth in the SOP document of Management and Monitoring of the Peatlands has been planted Oil Palm with Exactly with No: SA03/EMU/(4)/1215, revision: 4, the effective date of 1 December 2015 and approved by General Manager of Central Kalimantan Project.

In that document above, stand per hectar recommendation is 148 tree/Ha. Water level maintain between 50 – 75 cm below the soil level. Peat type in CKP (including KKP's Estate) is inland peat/non marine peat. Water level monitored every day and subsidence monitored every semester.

**4.3.6 Minor**

For the management strategies of marginal land and other critical soils (sandy soil, sulfuric acid soil, low organic matter content), the company has Inter Office Memo (Ref. No. 072 / EMU / VII / 2009) dated 11 July 2009 which contains the updates on the SOP for Sandy Areas Planting in CKP containing:

- Planting Mucuna
- EFB application in Immature Plant
- EFB application in Mature Plant (35 MT / ha )

**Status: Comply**

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

**4.4.1**

The company already has a river map with a scale of 1: 75,000 which explains that the flow of the river that flows in plantation area is Lais River, Kenyala River, and Petir River. The company has had a SOP No. 21 / EHS / 0/0409, April 2014 regarding to the Watershed Management which has been approved by the General Manager. The SOP is aimed to ensure the preservation of the Watershed within the location of activities, including water management activities (construction of drainage channels, water gate / weirs, monitoring of water level (water level and piezometers and monitoring of subsidence. The company has had a SOP No. 20 / EHS / 0/0409, April 2009 regarding to the management of Riparian (Riparian Belt) which has been approved by the General Manager. The SOP is aimed to ensure the preservation of the watershed within the location of activities, including:

- Determination of the riparian
- Making the riparian boundaries pole and sign board

- Making the prohibition signs on spraying activities
- Socialization of riparian protection
- Planting vetiver grass

**4.4.2.**

Based on the results of visits in the rivers of Lais and Kenya Rivers are less than 5 meters wide and in accordance with the SOP the width of the river border is 5 meters of right and left of the river as the boundary area of the river and has been installed the boundary of the river border. The Company has carried out the protection and maintenance of river border as stated in the report of RKL / RPL implementation in the first semester of 2017, including:

- Planting of Cover Crop with *Mucuna bracteata* type, *Pueraria javanica* and *Calopogonium mucunoides* that serves to cover the land surface so as to reduce the potential of soil erosion
- Planting of local plants
- Installation of Sign Board in reservoir and river border
- Providing clean water for employees and available in every housing complex
- The company provides water storage for each house
- No fertilization and spraying with chemicals in areas designated as border rivers

companies need to ensure quality in the Kenya river to ensure plantation activities have no effect on the quality of river water Kenya (OFI)

**4.4.3**

The The company has tested the WWTP effluent quality (outlet pond no. 14) recorded in the report of Environmental Management Plan / Environmental Monitoring Plan in the first semester of 2017. Based on the testing performed by the Laboratory of PT Unilab Perdana Indonesia (LP-195-IDN) not found parameter that is above the quality standard in the KKP POM (still on the threshold). The Company already has a liquid waste application permit pursuant to the decision of the regent of East Kotawaringin no: 660/198 / EK.SDA-BLH / IV / 2016 concerning the permit to utilize the palm oil industry's waste on land in oil palm plantations. this permit is valid for 5 years, with the utilization land area 513,22 ha

**4.4.4**

Available water usage records for KKP POM in the period of 2017 along with the analysis of the efficiency of the water usage contained in the document of water usage recapitulation in KKP POM where the average of water usage per tonne of FFB is 1.32 m3 / tonne of FFB (still meet the budget as much as 1.6 m3 / ton FFB)

**Status: Comply**

**4.5**

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

**4.5.1 Major**

Procedure of Observation and Control of Disease set in the Agriculture Manual & Standard Operating Procedure For Palm Oil Plant, Chapter 8 Plant protection- Pest and Disease Management. In the procedure explained about the types of pests and diseases, the detection period (1 or 2 months), threshold control of pests and diseases, methods for sampling at the time of detection or the census, as well as the control recommendations. In this procedure was explained that the pest detection activities are conducted every one or two months.

Throughout the year 2017, pest-eating caterpillar pest attack, horned beetle is still below the threshold. For ganoderma and soil termite pests, there is no attack at all in 2017.

For rat pests there are attacks above the threshold in KKP 1 Estate. In July 2017, based on early detection of pest attacks, there were rat pest attacks (> 5%) in blocks 050, 052, 053, 054, 056, 057, 058 and 059 divisions 1 KKP 1 Estate. Then, based on company procedures, a rat census of platform on the blocks was performed. From the results of the census, it was concluded that the rat attack was above the threshold (> 20%). Then the tree census is conduct the block and the result is still above the threshold (> 5%). Then it was decided to control chemically by using Racumin on the block in accordance with the applicable SOP. The Company demonstrates the exercise of control by using the Racumin and at

the time of the audit, the control by using chemicals is no longer used because the pest rats are below the threshold. However, the company has not been able to show the documentation of the results of the evaluation on the effectiveness of the implementation of rat pest control using chemicals. It becomes **OFI No. 4**.

**4.5.2 Minor**

Pest & Disease training was presented on 3 August 2017 at block 034 KKP2 and attended by 62 workers consisting of worker of KKP 1, KKP 2 and KKP 3. The training material is about explanation of detection and census of pest and field practice. Based on interviews with workers who have conducted pest census activities it is known that they have been trained in pests and diseases census given by the company.

**Status: Comply**

**4.6**

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

**4.6.1 Major**

To ensure pesticide used are in accordance with the target, the company conducted identification the type of weed found in operational area. Based on document verification it's known that the herbicide being used is appropriate for the target or type of weed. The company used Isopropil amina glyphosate and Metil metsulfuron, which have received permission from the government. Based on the document review and interview with the spraying foreman, it is known that the pesticide used with the specified dose and used based on regulations.

Based on field visits and interviews with 4 spray workers in blocks 062 division 1 KKP 3 and 11 spray workers in block 119 of division 2 of KKP 1 it was concluded that workers knew about the function of the chemical used and selective when doing the spraying activity, as for example for glyphosate material used to spray the circle and harvesting path only while the weeds in inter row not sprayed.

**4.6.2 Major**

The company shown the used of pesticide for 2017. The company also shown the total pesticides used from 2015-2017, in a monthly pesticide monitoring document containing information the type of pesticide used, active ingredient content, amount of active ingredients applied per Ha, number of applications, usage unit, LD-50 oral and LD-50 dermal.

**4.6.3 Major**

The company has program to reduce the pesticide usage that covered at SOP Agronomy (No.SA11/EMU/0/1014) by replacing pesticides with biological controls such as using natural predators to control rat and planting the beneficial plant. Based on document review and field observation, several IPM program with biological approach that has been implemented such as rat control by *Tyto alba*, and leaf eater caterpillar by planting beneficial plant such as *Turnera subulata* and *Casia cobanensis*. Moreover, the company has also conducted early detection routinely listed in the monthly report of early warning system. There is no prophylactic use, it is shown that any pest control using pesticide is based on census result.

**4.6.4 Minor**

Based on Willmar Policy that released on 5 December 2013 stated that:

*"Pesticides that are categorized as World Health Organisation Class 1A or 1B, or that listed by the Stockhom or Rotterdam Conventions, are prohibited except in emergency situation. Paraquat usage is prohibited."*

Based on document verification and field visit to pesticide storage, KKP1 and KKP3 Estate no longer use paraquat since 2013 and in the last 3 years do not use pesticide with WHO 1A or 1B class.

**4.6.5, 4.6.7 & 4.6.9**

SOP of pesticide handling is listed in:

- a. SOP of Spraying and Fumigation (No. PSKK 2/CKP/(2)/1111 in November 2011) describing related pre-work preparation, PPE to be used, safe working methods eg spraying should not againts wind direction, washing of PPE and storage in special place until the delivery of used jerry cans to Hazardous Waste Temporary Storage
- b. SOP of Hazardous Material and Hazardous Waste Management (SOP 22/EHS/(4)/0816 dated August 15, 2016) related to the way of storage and managing the material.

Training related to Best Practice and OHS Spraying, for example at KKP 3 was conducted on 06 September 2017 to 9 employees and KKP 1 was conducted on 14 September 2017 to 14 workers. Based on interviews with spray workers at KKP 1 and KKP 3, it was explained that the workers have been trained related to spraying techniques and can explain safe working methods e.g. the application should not against the wind and after work, they should to bathe and place PPE in the warehouse of PPE.

Based on field visits in chemical warehous, it is known that MSDS is present and has been implemented. It is proven that based on field visits in spraying activities, workers have used PPE with rubber gloves, googles, shoes, apron and masks. The types of PPE have been in accordance with the recommendations listed in Glisat MSDS (glyphosate) and Tiara (Metyl metsulfuron). Workers also explained that all damaged PPE could be replaced immediately by reporting and bringing damaged PPE evidence to the supervisor.

#### **4.6.6**

The Company already has SOP for hazardous and hazardous waste management No. SOP 22 / EHS / (4) / 0816 which is legalized on 15 August 2016 which aims to make the packaging of toxic and former fertilizers reusable so that the amount of waste caused by the activity can be minimized and minimize the occurrence of pollution on the soil and water due to waste former toxic packaging and packaging packaging of fertilizer. Based on the results of visits in the pesticide warehouse known to exist in a special room and have good ventilation. There are MSDS for each type of pesticide. Based on visits at the pesticide mixing site the company has provided a place to cleaning up after work and available storage equipment such as spray equipment, PPE and shoes.

#### **4.6.8 Major**

Based on the verification of document on the realization of weed and pest control activities, there was no recorded application of pesticides from the air.

#### **4.6.10**

The Company already has SOP Number 51/EHS/(0)/0909 authorized by the General Manager of January 2011 regarding Washing of Used Poison containers and Used Sacks Of Fertilizers And Wastewater Treatment Used Washing, elaborated on the purpose, scope, definition, administrative procedures and implementation, washing methods, waste water management and supervision of waste water. The company shows the news of dissemination event of hazardous waste management conducted on August 9, 2017 at KKP POM and Estate followed by 27 employees. Based on the results of field visits in the chemical warehouse is known that the warehouse officer has been able to explain the procedure of pesticide waste management. and no pesticide waste was found in chemical warehouses.

#### **4.6.11**

The company shows a list of spray workers for the period of September 2017 which explains for the KKP 1 there are 13 spray workers with 12 female workers and 1 male worker, while for KKP 3 there are 12 workers with all female worker.

The Company shows the results of Health Check with Cholinestrase examination method conducted once a year and physical examination (medical checkup) conducted twice in a year. The company shows the last Cholinestrase examination in May 2017 for KKP 1 there were 41 spray workers with Normal results and KKP 3 there were 32 spray workers with Normal results.

Based on interviews with spray workers, it was explained that the medical checkup is done 3 times a year with blood sampling every once a year. Health examination results will be notified if there are workers who are not in normal condition. During this time, there are no workers who are sick due to exposure to pesticides

#### **4.6.12**

Available Inter Office Memo No 016/GM/VIII/2009 dated 26 August 2009 about Substitution For Pregnant And Lactating Workers that explaining does not allow pregnant and lactating female workers work as a spraying worker

Steps taken by the company to ensure that no spray worker is pregnant or lactating by performing pregnancy checks every 6 months during physical health examination by a company doctor. The company shows the results of the October

2017 pregnancy examination for example in the KKP 3 to 23 female workers (spray and manuring) with the results of all employees not in a state of pregnancy. Based on interviews with spray workers KKP 1 and KKP 3, it is known that workers have known the prohibition of work on areas that use chemicals during pregnancy and lactation.

**Status: Comply**

**4.7**

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

**4.7.1**

There is a policy about Work Safety and Health of Wilmar International in September 2010 signed by Group Plantation Head and Group CSR Head. The Company shows the Socialization of Corporate Policy which includes the policy of OHS, for example at KKP POM socialization conducted on May 29, 2017, KKP 1 Estate conducted on October 09, 2017 and KKP 3 conducted on October 11, 2017.

The Company already has a Work Program of EHS Department Year 2017 for plantations and Mill. Based on field visits and interviews with workers, it is known that OSH programs have been implemented, for example:

- Performing P2K3 meetings every month
- Inspection of emergency equipment performed monthly
- Have performed the medical examination lasted in May 2017.

The OHS Program evaluation is conducted annually in the Year End Report, for example the OHS program evaluation in 2016 at KKP POM explains about the achievement of the OHS training to the making of work program of OHS in 2017.

**4.7.2**

The Company can show the risk identification in the HIRAC document with the final evaluation conducted on 01 August 2017. HIRAC has covered all operational activity of mill and plantation.

The company has demonstrated that the product's inherent precautions have been observed. This is indicated by the use of PPE by the worker, for example WTP operators has equipped PPE such as Safety Shoes, Nitrile Gloves, Helmets, goggles, masks with carbon and ear muffs. This is in accordance with HIRAC and MSDS Alluminium Clodirda as chemicals used in WTP. Based on interview with management unit, the medical examination result and medical history record of each worker is kept in office unit.

**4.7.3**

The company shows evidence of safety work training, including:

- Training related to the management of hazardous material and hazardous Waste for example on KKP 3 Estate conducted on 07 October 2017 to 5 warehouse officer
- Training related to Best Practice and OHS Harvesting, for example at KKP 1 conducted on March 14, 2017 to 46 harvester of Division 2.
- Socialization of SOP on process of generator, turbine and WTP conducted on May 12, 2016 to 7 employees

In addition, the company shows evidence of training related to the laws, for example:

- Has 9 boiler operators in accordance with Minister of Labor Regulation No. 01 Year 1988, for example:

Name	License/Sertificate	Date of Issue	Operator
Handoko	8376.OPK3-PUBT-B.IV/2015	22 May 2015	Boiler
Wiriyandi	11544.OPK3-PUBT-B.I/VII/2017	28 July 2017	Boiler

- Has 51 operators of heavy equipment in accordance with Minister of Labor and Transportation No. 09 Year 2010, for example:

Name	License/Sertificate	Date of Issue	Operator
Charles Antonius	12.3302-OPK3/WL/PAA/VII/2013	15 July 2013	Whell Loader



- Certificate of Competence of Electricity Safety Technician in accordance with Decree of General Director of Labor Ministry. 311 Year 2002. For OHS Electrical technicians, the company shows the Letter of Agreement of Cooperation of Electricity Safety Technician Training from PT. Tentera Safety (OHS Service Company) on October 26, 2017 which describes the training program to be carried out on November 20-24, 2017. The company has the opportunity to ensure the program is implemented. **OFI**

Based on field visits, it is known that workers have used personal protective equipment in accordance with risk identification, for example in harvesting activities, workers use PPE with type of helmet, gloves, goggles, shoes, cover for harvesting equipment. Workers also explained that all damaged PPE could be replaced immediately by reporting and bringing damaged PPE evidence to the supervisor. Based on interview with worker in mill, they have received training such as understanding about high risk in work environment.

The company has given the training to the workers that works in high noise level, among others:

- Socialization of SOP on process of generator, turbine and WTP conducted on May 12, 2016 to 7 employees
- Have 9 certificate of operator boilers in accordance with Minister of Labor Regulation No. 01 Year 1988

#### **4.7.4**

The person responsible for the OHS implementation is listed in the structure of P2K3 and has been established in accordance with the Minister of Labor Regulation No 04 year 1987. The structure of P2K3 is established based on the Estate and Mill management unit, with the following structure:

##### **Estate**

The company shows the organizational structure of P2K3 with the head of P2K3 is Engkus Kusmana and Secretary of P2K3 is Sultan Yahya. For approval of the P2K3 structure is still in process, the company shows evidence of Document Receipt of application for approval of P2K3 structure on October 10, 2017.

For secretary of P2K3 (Sultan Yahya) is OHS Expert. The company can show the reference letter No. 1004/MSI-LS/IX/2017 dated September 25, 2017 from PT. Mitra Sinergi Internasional (OHS Service Company) explaining that named Sultan Yahya has attended OHS Expert training on 11-25 September 2017 and the certificate still processed in the Labor Ministry

##### **Mill**

Organizational structure according to Agency of Labor and Transportation Decree No. KEP.560.566/111/WAS-KK.II/P2K3/VIII/2017 on the legalization of P2K3 dated August 15, 2017. In the organizational structure explained that the head of P2K3 is Bimbing Herwanto and secretary is Arista R. Ramadhana.

Secretary of P2K3 has certified as OHS Expert in accordance with Certificate of Appointment of Occupational Safety Expert No. KEP/WASKK/AK3/2016 dated June 06, 2016 with a validity period of 3 years issued by Labor Agency Head Kotawaringin Timur Regency.

Based on interviews with the Manpower Office of Kotawaringin Timur Regency, it is explained that the company's P2K3 structure is still under approval process.

Company can show the meeting documentation to discuss OHS problem which is done every month in Minutes of Meeting of P2K3, for example:

- Minutes of Meeting of P2K3 Estate was conducted on September 30, 2017 which was attended by 7 members of P2K3 discussing about awareness of PPE usage and fire extinguisher installation.
- Minutes of P2K3 Mill Meeting held on 14 September 2017 which was attended by 8 members of P2K3 discussing the installation of fire extinguishers in housing complex

#### **4.7.5**

The company has emergency preparedness and response procedures. Emergency Preparedness and Response Procedure No. SOP/KKPsPOM-EHS -009. SOPs are made by the EHS Assistant Supervisor and authorized by Mill Head

on March 25, 2013.

The company shows the socialization of emergency response procedures, among others:

- Fire Fighting Training and fire extinguisher usage at KKP POM on 14 August 2017 to 31 Workers
- Emergency response team training related to fire simulation on 13 April 2017 to 24 workers in KKP 1 Estate

The company showed evidence of First Aid training for KKP 3 Estate on June 16, 2017 to 13 workers including supervisor; KKP 1 Estate was conducted on June 19, 2017 to 20 workers including the supervisor; KKP POM conducted on July 10, 2017 to 15 workers

Based on field visits and interviews, it was found that all the supervisor in each of activities were equipped with first aid kit and had been trained on the use of first aid boxes and the supervisor explained the usefulness of each first aid kit.

**4.7.6**

Based on field visits, the company already has a clinic in every Estate equipped by company Doctor and paramedic. For accident insurance, the company has registered all workers in *BPJS* Employment insurance.

The Company shows evidence of payment of accident insurance for the period of September 2017, among others:

- Payment of *BPJS* for KKP POM conducted on 13 October 2017 for 108 workers
- Payment of *BPJS* for KKP 3 Estate was conducted on 13 October 2017 for 597 workers
- Payment of *BPJS* for KKP 1 Estate was conducted on 13 October 2017 for 765 workers

The number of workers is in accordance with list of all workers include daily paid and permanent workers.

The Company shows evidence that insurance is still valid, among others, evidence of claims against accidents such as work accidents that occurred to Bambang Legono on March 9, 2017 which resulted in the loss of 1 hand finger with completeness documents such as Accident Report (according to form from *BPJS*) to Determination of Accident Guarantee for maintenance fees and disability claims.

**4.7.7**

The Company shows the Workplace accident Recapitulation which informs the number of work accidents until the lost day of work for the period of 2016 and January-September 2017. With the following data:

- KKP POM in 2016 there was 1 accident with 7 days lost; in 2017 there is 1 accident with 1 day lost
- KKP 1 Estate in 2016 has 37 accidents with 219 days lost; in 2017 there are 22 accidents with 43 days lost
- KKP 3 Estate in 2016 has 32 accidents with 170 days lost; in 2017 there are 17 accidents with 113 days lost

The Company shows the Work Accident Investigation Form describing the details of the incident, the victim data, and the description of the incident to the follow-up of the investigation result of the improvement plan. The entire workplace accident has been reported in accordance with the regulation (Minister of Labor Regulation 03 year 1998) which is listed in the P2K3 Report reported every 3 months.

	<b>Status: Comply</b>	
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**4.8**

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

**4.8.1**

Company has training program for workers for period of 2017 for operational training and socialization of procedure and company policy. The aspect in the training program are such as environment, labor best management practice aspect, ect. Some of training program, namely:

- Manual spraying/mechanic
- Emergency response
- EHS aspect
- Socialization about Minimum Wage of 2017
- Etc

Based on interview with worker in estate and mill, they have received some training related to their work, such as

harvesting best practice, training for manuring, and spraying, first aid training. The training has been documented into minutes of meeting, list of attendees, and photo activity.

**4.8.2**

Company has showed the documentation of training or socialization whether it is internal or external training in form of minutes of meeting, list of attendees, and photo activity. For example, socialization of Company's Regulation, Human Rights Policy, and Complaint Mechanism, Pest and Disease training on 3<sup>rd</sup> August 2017 attended by 62 participants, and others. The training is for all worker, include daily worker, contractor worker, and permanent worker

**Status: Comply**

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

**5.1**

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

**5.1.1**

The company has had environmental documents (EIA) of Oil Palm and Palm Oil Mill in PT Karunia Kencana Permaisejati in Mentaya Hulu Subdistrict, East Kotawaringin District, and Central Kalimantan Province in 2008. Based on Decree No. 69 / KPU-AMDAL .Kotim / VI / 2008 Head of BAPPEDALDA (regional environmental impact control agency) of Kotawaringin Timur Regency on 28 June 2008 explained that the scope of the study in the AMDAL document is 19,649.75 hectares with plant capacity of 45 Ton FFB / Hour and will be increased to 90 Tons FFB / Hour.

**5.1.2; 5.1.3**

The Company has made the implementation of EIA which is outlined in the document of Environmental Management Plan / Environmental Monitoring Plan implementation in each semester and the Company has reported the implementation of Environmental Management Plan / Environmental Monitoring Plan document in each semester to the relevant agencies based on the evidences:

<b>ENVIRONMENTAL MANAGEMENT PLAN / ENVIRONMENTAL MONITORING PLAN in the STAGE OF OPERATIONS (EIA, 2008)</b>	<b>IMPLEMENTATION of ENVIRONMENTAL MANAGEMENT PLAN &amp; ENVIRONMENTAL MONITORING PLAN PERSEMESTER</b>	<b>INFORMATION</b>
<p><b>Environmental Management Plan-Estate</b></p> <ol style="list-style-type: none"> <li>1) Soil chemical properties</li> <li>2) River water qualities</li> <li>3) Water biota</li> <li>4) Job opportunities</li> <li>5) Community Revenues</li> <li>6) Attitudes and perceptions</li> <li>7) Social Process</li> <li>8) Values and cultural norms of society</li> <li>9) Public health disorders</li> </ol> <p><b>Environmental Management Plan-Mill</b></p> <ol style="list-style-type: none"> <li>1) Air qualities</li> <li>2) Noise</li> <li>3) River water qualities</li> <li>4) Ground water qualities</li> <li>5) Water biota</li> <li>6) Job opportunities</li> <li>7) Community revenues</li> <li>8) Attitudes and perceptions</li> <li>9) Social processes</li> <li>10) Values and cultural norms</li> <li>11) Public unrest</li> <li>12) Public health disorders</li> </ol>	<p><b>Implementation of Environmental Management Plan</b></p> <ol style="list-style-type: none"> <li>1) Microclimate</li> <li>2) Air quality</li> <li>3) Noise</li> <li>4) Soil chemical properties</li> <li>5) River water qualities</li> <li>6) Water biota</li> <li>7) Soil erosion</li> <li>8) Fire potential</li> <li>9) Natural vegetation</li> <li>10) wildlife</li> <li>11) Job opportunities</li> <li>12) Community revenues</li> <li>13) Attitudes and perceptions</li> <li>14) Social processes</li> <li>15) Values and cultural norms</li> <li>16) Public health disorders</li> </ol>	<p>Implementation of Environmental Management Plan in accordance with the directives of EIA document</p>



Environmental Monitoring Plan	Implementation of Environmental Monitoring Plan	Implementation of Environmental Monitoring Plan in accordance with the directives of EIA document
<ol style="list-style-type: none"> <li>1) Micro climate</li> <li>2) Air quality reduction</li> <li>3) Noise</li> <li>4) Soil chemical properties</li> <li>5) River water qualities</li> <li>6) Ground water qualities</li> <li>7) Water biota</li> <li>8) Soil erosion</li> <li>9) Fire potential</li> <li>10) Natural vegetation</li> <li>11) Wildlife</li> <li>12) Job opportunities</li> <li>13) Income</li> <li>14) Attitudes and perceptions</li> <li>15) Social processes</li> <li>16) Values and cultural norms</li> <li>1) Public health disorders</li> </ol>	<ol style="list-style-type: none"> <li>17) Micro climate</li> <li>18) Air quality</li> <li>19) Noise</li> <li>20) Soil chemical properties</li> <li>21) River water qualities</li> <li>22) Ground water qualities</li> <li>23) Water biota</li> <li>24) Soil erosion</li> <li>25) Fire potential</li> <li>26) Natural vegetation</li> <li>27) Wildlife</li> <li>28) Job opportunities</li> <li>29) Income</li> <li>30) Attitudes and perceptions</li> <li>31) Social processes</li> <li>32) Values and cultural norms</li> <li>33) Public health disorders</li> </ol>	

The Company has conducted monitoring based on monitoring matrix in RKL and RPL documents. Air quality monitoring and surface water quality are still in accordance with the quality standards set out in government regulations. The implementation of RKL & RPL document semester 1 year 2017 to the related institutions dated October 2, 2017 to: Environment Department and Forestry Service of Kotawaringin Timur Regency, Environment Agency and Plantation Service of Central Kalimantan Province. Based on a review of documents and interviews with the company and relevant agencies, there is no change in the operating areas or activities of the company. So that there is no revision of the environmental management document.

**Status: Comply**

**5.2**

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

5.2.1

The Company already has a record on the identification of protected species, rare, or endangered and high conservation value habitats compiled by the Malaysian Environmental Consultant Sdn. Bhd in 2008. Based on the record produced HCV extents (HCV-1 up to HCV-6) covering an area of 1,186.3 hectares and Riparian covering an area of 145.59 ha.

In HCV Identification the company has conducted public consultations with BKSDA, Forestry Service and local government staff as well as local NGOs such as JARI Kalteng, Laman Kalteng, and Bangal villagers, Kawanbatu, Sebaby, Tanah Putih, Desa Sembuluh, Tangar village, Sumbermakmur village, and surrounding villages on July 16, 2008. The Company has determined the HCV area of 1,010.31 ha, but has not been able to show details on the HCV areas that have been authorized by the management. **This becomes a non-conformity no 2017.01**

5.2.2

Associated with the presence of rare or endangered species, or habitats with high conservation value, the company already has documents of HCV and Riparian Management Plan of PT. KKP in 2012 to 2021 which contains the HCV area and Riparian Belt management plans, among others:

1. Manufacture & Maintenance of pole and sign board
2. Installation of poster and flyer distribution
3. Monitoring the region
4. Survey of biodiversity
5. Installation of Camera Trap
6. Restoration of region
7. Taking samples of river water

- 8. Socialization
- 9. Coordinate with relevant agencies

The Company has measures to protect endangered or threatened species and their habitats from hunting, fishing or harvesting illegally and not properly, covering:

- Installation of HCV signboard and warn / ban on hunting, felling trees and poisoning the fish, posters and warning boards
- Socialization to field employees when the morning briefing and the villagers
- Protection of the area, the company has the SOP of area protection as well as patrol reports

Base on observation to HCV Riparian in the form of swamp area And Observation to Riparian of Mentaya Stream at KKP 1 estate has Installation pole boundary of riparian and sign board.

**5.2.3.**

The Company has SOP The protection of wildlife no SOP 18 / HCV / (1) / 0615 in the SOP described that employees and contractors working in the company environment on:

- May not capture, keep or kill animals either protected by state or other regulations such as CITES and IUCN. Animals that are not protected through company licenses
- Are not allowed to trade protected or unprotected protected wildlife
- Not allowed to catch fish by using poison and electricity (stun device)
- If proven to violate the sanction of SP 1- 3 to layoffs
- The provision of sanctions shall not apply if there is a rescue attempt to the endangered and endangered species that endanger or threaten human life

The company has conducted socialization to employees and staff for the year 2017 has been attended by employees, FC (Field Conductor), FO (Field Officer), Division and estate manager and available evidence of absence and photo documentation of the implementation of activities:

- HCV socialization on 25 September 2017 at KKP1 estate
- HCV socialization dated 26 September 2017 at KKP2 estate
- HCV socialization on 5 October 2017 at KKP3 estate

**5.2.4**

The company has demonstrated an example of a monitoring report conducted on 18 October 2017 with the findings of no disturbance to the HCV area and the weed-treated signboard treatment, as well as explaining wildlife encounters with long-tailed monkeys, squirrels, rat eagles, lizard.

**5.2.5.**

The Company has presented evidence of Consultation Reports for the Agreement on the Management of Cultural Sites of Keramat Batu or Batu Ecak as HCV 6 Category of Cultural Sites Maintained Together between Citizens and Company PT KKP dated 24 April 2014 at the home of Kenyala Village Head and 25 February 2015 at Kenyala Village Meeting Office.

The results of the consultation can be concluded that the village is very agree if the cultural site citizens within the company are kept together. Thus, it can be a history of the ancestors of the Dayak tribe of the Kenyala village.

5.2.1	<b>Status : non-conformity no 2017.01 with major category</b>
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**5.3**

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

**5.3.1**

The company has the identification results of waste and pollution sources contained in:

- Identification of the waste / pollution sources in PT KKPS on POM unit which contains the results of mill waste identification: solid, effluent, Hazardous Waste, Domestic, and Medical
- Document of waste and GHG emissions Identification which includes the identification of waste in the form of: Hazardous waste, non hazardous waste (solid and liquid) and GHG emissions from POM operational activities,

WWTP, Housing and LA. While the GHG: CO<sub>2</sub>, HCFC, CH<sub>4</sub>

The Company has the management plans of waste / pollution recorded in the identification, evaluation and environmental impact reports, including: Chemical activity management (herbicides), Fertilization activity management, Hazardous waste management, Solid waste management (shell & fiber) and Effluent management

### 5.3.2

The company has SOP of Hazardous Material and Hazardous Waste Management (SOP22/EHS/(2)/0711) . The documents described in all of Hazardous waste is storage at Hazardous waste temporary warehouse, and then transferred / transported / used again or managed by other parties who have had permission from the environmental agency. Based on the results of the visit in the hazardous waste storage warehouse it is known that the waste storage is according to the type of waste and the storage warehouse has been equipped with eye shower, first aid kit, and oil trap

The company has had a licensed Hazardous Waste Temporary Warehouse based on the East Kotawaringin Regent Decree No: 660/356 / BLH-Ek.SDA / VIII / 2014 about the Permit for Hazardous Waste Temporary Warehouse of PT Karunia Kencana Permaisejati in Mentaya Hulu Subdistrict, East Kotawaringin District, Central Kalimantan Province. Dated August 6, 2014 with a validity period of 5 years. Hazardous Waste storage period for 90 days; Hazardous Waste Temporary Warehouse includes five locations: 1. KKP-1 Estate, 2. KKP-2 Estate, 3. KKP-3 Estate (solid), 4. KKP-3 Estate Office (Effluent) and 5. KKP-3 POM .

### 5.3.3

The Company already has a waste management plan contained in:

- SOP Utilization of solid waste (SOP / KKPSPOM-EHS-032) governing the utilization of solid decanters for plantations, EFB for mulch, shell fiber for boiler fuel
- SOP Utilization of liquid waste from Mill in oil palm plantations (SOP 14 / EHS / (1) / 1114) which regulates the utilization of liquid waste in LA after going through the WWTP
- SOP management of Hazardous Materials and Hazardous Wastes (SOP22 / EHS / (2) / 0711) containing hazardous waste management including pesticide packaging waste and medical waste
- SOP Solid waste processing of housing (SOP 16 / EHS (1) / 0911) September 2011 which contains domestic waste management from temporary dumpster to Landfill in grave with layer 1 mechanism of garbage, soil, garbage, soil

Related to the hazardous waste management, the company can show owned the Cooperative Agreement Letter for transporting and processing the solid hazardous waste and effluent between PT Karunia Kencana Permaisejati and PT Maju Asri Jaya Utama SPK :001/KKP/VIII/2015. dated August 1, 2014 valid 5 year. The Company has presented the proof of delivery of hazardous waste to the licensed collector on 19 June 2017 to PT Maju Asri jaya in the form of Chemical Packaging. Lubricant used, filter used,

Based on the results of field visits in housing KKP1 and KKP3 not found waste disposal by using fire. Trash is collected and disposed at TPSA. The Company has documented the management of hazardous waste in the report showing the receipt of the Environment Office of the East Kotawaringin District and the Central Kalimantan Provincial Environment Office on

- Hazardous waste report for 1st quarter of 2017 dated 28th April 2017
- Hazardous waste report of 2nd quarter of 2017 dated 28 July 2017
- Hazardous waste report for the 3rd quarter of 2017 dated 18 October 2017

Based on solid waste utilization document, the realization of FFB application in KKP 1, until September 2017 has been applied as many as 24,524.40 tons, while the realization of EFB application in KKP 3, until September 2017 has been applied as many as 26,161,76 tons. Based on liquid waste report of 3rd quarter of 2017 known utilization of Liquid Waste from January - September 2017 is equal to 184,658 m<sup>3</sup>. Based on Hazardous waste report of 3rd quarter of 2017 know the kind the type of Hazardous waste that is stored:

- Mill waste warehouse is used lubricant: 634 liters, Oil Filter: 20 kg, used cloth: 5.6 kg, Chemical packaging: 2 drums

- KKP 1 estate waste warehouse is used lubricant: 438 liters, used cloth: 30 kg, Used filter: 15 kg, Chemical packaging: 4 drums
- KKP estate 3 waste warehouse as follows: used lubricant: 533 liters, used plush fabric: 20 kg, Used Filter: 18 kg, Chemical Packaging: 4 drums

Status: Comply

**5.4**

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

**5.4.1**

The company in POM unit had monitored the use of renewable energy, namely shells and fiber as boiler fuel, for example, for the period from January to September 2017:

- Renewable energy consumption for FFB processing = 0.22 ton of fiber & shell / Ton FFB
- The use of diesel fuel for FFB processing = 0.97 liter / ton FFB
- Electricity consumption from generator for FFB processing = 7,3 KWH / ton of FFB
- Electricity consumption from turbine for FFB processing = 19,2 KWH / ton of FFB

The use of diesel fuel in POM units in the period from January to September 2017 is to the use of diesel fuel for employees and staff housing lighting. But this time, in the context of the use of diesel fuel efficiency, then the POM unit adds a power on the turbine for housing lighting power

Status: Comply

**5.5**

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

**5.5.1 ; 5.5.2**

The Company is committed to not use fire / burning (zero burning) in land clearing activities in accordance with applicable laws and regulations in Indonesia. The whole land clearing activities carried out mechanically. Therefore, the company does not have documentation of the analysis of the use of fire in the land preparation / clearing.

Based on field observations were done randomly by the auditor, cannot be found the remains of burning in the company operations area. In addition, to avoid burning in the company operations area, has installed signs ban on burning (sign board) at some points which are vulnerable to fire. For example in the border area between estate and community land and surrounding areas of HCV / conservation.

The company has had a record of fire prevention and control in relation to the implementation of zero burning, including:

- Document of Environmental Management Plan / Environmental Monitoring Plan implementation in second semester of 2014 which describes a fire prevention measure performed by the company which made the sign ban on burning in the plantations, simulated fires, training in the use of fire extinguisher in the mill area and training in using hose hydrant in the mill area (provided documentation of the activities). Based on field observations and simulated fires in KKP1 and KKP POM, the emergency response teams can demonstrate fire management properly and safely. The entire hydrant system at the mill can also be used at any time in case of emergency.
- Reporting the implementation of prevention, mitigation and monitoring of fires recorded in the reporting documents of Environmental Management Plan / Environmental Monitoring Plan implementation in second semester of 2014.

The company has had a SOP No. 91 / CKP / (1)/1216, 01 January 2017 regarding to fire control of forest and land which have been approved by General Manager. The SOP is aimed to handle emergencies caused by forest fires in small and large scale. The procedures include:

1. Planning
2. Fire prevention
3. Fire countermeasures
4. Post-fire handling
5. Kind of equipment

Auditor has a chance to witness the simulation of fire emergency response organized by the emergency response team in KKP1 Estate and KKP POM. Based on the auditor observations, emergency response teams were able to demonstrate

the process of handling fires properly and in accordance with the rules of safe fire handling (for example, by using an appropriate personal protective equipment and using adequate breathing apparatus). In addition, the entire infrastructure of firefighters such as, hydrant system and fire extinguisher in the mill can function well so it's ready to use at any time.

Status: Comply

**5.6**

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

**5.6.1: 5.6.2**

The company has the identification results of waste and pollution sources contained in the Document of waste and GHG emissions Identification which includes the identification results of waste in the form of: hazardous waste, non hazardous waste (solid, and effluent) and GHG emissions from POM operational activities, WWTP, Housing and LA. While the GHG: CO<sub>2</sub>, HCFC, CH<sub>4</sub>, besides has taken measurements of air quality (emission and ambient) in semester 1 2017 were recorded in the report of Environmental Management Plan / Environmental Monitoring Plan including: ambient air quality in the mill area, housing and plantation; raw odor (H<sub>2</sub>S) in the housing; Boiler stack emissions, generator emissions in the mill and estate, loaders emissions, boiler stack emissions, generator stack emissions (opacity). The test results still meet the Threshold Limit Value of applicable Quality Standard.

Engine room area, boiler area, kernel station designated as high noise area with noise test in engine room is 92 dbA and in boiler room is 90 dBA. To anticipate the impact of noise on workers the company has provided personal protective equipment such as Ear plug and Ear muff for employees. The company has conducted periodic health checks for Audiometry conducted to 61 workers. based on the examination results note that the employee in a normal state. Based on the visit in the engine room there is a symbol of high noise area. To reduce noise the company has made periodic maintenance of all existing machines at the plant in its maintenance plan in 2017. The company has demonstrated daily report preventive maintenance carried out in August 2017 such as the addition of lubricant, chruser no 1 repair, cable repair in claybath, transmission of empty bunch press.

The company has had Mitigation reports and GHG Emissions Reduction Effort of PT. KKP-POM including: greening planting, perform periodic maintenance, the application of effluent in LA. The company has had the identification and plan on the management of effluent contained in the POM effluent Utilization SOP in oil palm plantations (SOP 14 / EHS / (1) / 1114) which governing the utilization of effluent in LA after going through the WWTP Straight Furrow system. The company has had a monitoring records of effluent quality monitoring in the last WWTP before being discharged into LA, monitoring wells, control wells and soil quality in LA. (See minor 4.4.1 and minor 4.4.2)

**5.6.3**

Summary emissions

Product	tCO <sub>2</sub> e/t Product
CPO	1.49
PK	1.49
PKO	0
PKE	0

Production	ton/year
FFB Processed	33,125.274
CPO Produced	6,820.591

Description	Unit	Value
Total Planted Area	Ha	20129.35
Total Planted Area on Peat	Ha	1499.435
Conservation Area	Ha	1724.62
OER	%	22.07



KER	%	4.54
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Mill emission and credit

Description	tCO2	tCO2e/t FFB
Emissions Sources		
POME	32,293.04	0.22
Fuel Consumption	787.02	0.01
Grid Electricity Utilisation	0	0
Credits		
Export of Excess Electricity to Housing & Grid	0	0
Sale Of PKS	0	0
Sale Of EFB	0	0
Total	33,080.1	0.22

Description	Own			Group		
	tCO2e	tCO2e/ha	tCO2e/t FFB	tCO2e	tCO2e/ha	tCO2e/t FFB
Emission Source						
Land Conversion	61,260.88	6.95	0.39	639.16	7.12	0.41
CO2 Emissions from Fertiliser	6,259.19	0.72	0.04	63.86	0.71	0.04
N2O Emissions	1,1475.69	1.27	0.07	138.11	1.53	0.09
Fuel Consumption	2,610.66	0.3	0.02	21.34	0.27	0.02
Peat Oxidation	27,424.74	3.05	0.17	520.48	5.78	0.33
Sinks						
Crop Sequestration	-82,971.19	-9.36	-0.52	-840.66	-9.36	-0.54
Sequestration in Conservation Area	0	0	0	0	0	0
Total	26,059.97	2.92	0.16	542.29	6.04	0.35

Palm Oil Mill Effluent (POME) Treatment

Divert to compost	0 %
Divert to anaerobic digestion	100%

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

Status: Comply

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

**6.1**

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

**6.1.1**

Company has document of Social Impact Assessment which describe social impact of plantation and mill operation. The Social Impact Assessment was done on 18<sup>th</sup> – 25<sup>th</sup> March 2014, collaboration with CV AFI ERFOLG Consultant. The SIA document describes the general condition and characteristic of the locals, socio-economic condition of surrounding community, manpower issue and relation among the parties, social impact management of PT KKP and the conclusion and the recommendation. The assessment was done with the participation of surrounding community.

**6.1.2**

The Social Impact Assessment was done with the participation of surrounding community and worker of PT KKP. The result of this assessment is socialized through focus group discussion (FGD). Focus group discussion is held in village of Biru Maju, Sebabi, Tangar, Hanjalipan, Kenya and also to the workers of PT KKP estate and mill. Stakeholders has chance to give their opinion related to social impact assessment in this activity. Company has recorded the respondent list participated in this assessment.

**6.1.3**

Company has plan for mitigate or reduce of negative impact and increase of positive impact was described in environment monitoring and management plan report (RKL and RPL report) and in the SIA report. Company also has 2016 – 2019 social monitoring and management plan. The aspects was monitored and manage related of social aspects consist of smallholders, CSR program, OHS implementation, worker recruitment from surrounding village, health facility, etc. This management and monitoring plan is completed with timeline. The PIC for implementation of social management and monitoring plan is CSR department and other related department. The implementation of this plan is documented on Review of SIA Program.

**6.1.4**

Company has document of Management and Monitoring Plan for 2016 – 2019. This document has been reviewed on 2017 attended by representatives from surrounding villages. It has been documented in form of list of attendees, report of public consultation, and activity photos. Some of the program has implemented, such as CSR implementation, worker recruitment from surrounding village, etc. The result of public consultation is documented on “Review of SIA Program”. Besides, the company also give out questionnaire to the representative of surrounding village related to social impact of operational activity of the company.

**6.1.5**

The process of Social Impact Assessment was conducted with participation of community surround including smallholder cooperation located in Kenya Village. The result of the assessment involving the cooperative gives the result that the company is required to realize the plasma.

**Status: Comply**

**6.2**

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

**6.2.1**

Company has the mechanism for communication which is written SOP of Communication and Consultation Implementation Mechanism (SOP35/PR/1/0614) The aim of this procedure is to make sure all request and delivery of information for public is responded according to the available information source and also to explain technical implementation of communication and consultation with external stakeholder. Based on consultation with related stakeholder, they already know the mechanism for communication and consultation with the company.

**6.2.2**

Company has SOP of Appointment of Communications and Consultation Officer with the Community (SOP 44/PR/6/1116) on 18<sup>th</sup> November 2016. Appointment of communication and consultation in accordance with the field of work, position, and level of authority, for example for PT KKP conducted by PR Staff through Decree No 01 / BM-PR / SK / VI / 2014 on Appointment of Consultant and Communications Officer with Community on June 10, 2014. Based on interviews with representatives from Tangar and Kenya Villages, it is known that they know who is responsible for communication and consultation to stakeholders

**6.2.3**

Company has the newest list of stakeholder, consist of statutory bodies, leader community, smallholders, contractors, worker organizations, and NGOs. The communication is documented and kept by the company. Based on interview with stakeholders, is known that they already know about the mechanism of communication and consultation. Company

documented incoming letter from stakeholder in a log book. Moreover, company responds to all incoming letter not later than 14 days after the letter was received.

Status: Comply

**6.3**

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

**6.3.1.**

The company has SOP of Complaint (SOP 42/HRD/(0)/06.09, effective on June, 2009) and SOP of Completion of Complaints and Dispute Resolution Specific Disputes Outside Court-Revision 2, May 5, 2015. These document as guidance in related of complaint and grievance receive from external and internal (employee). The personnel in charge for received and documented of complaint and grievance from related parties are HRD, Field Officer (for estate) and PGA (for mill). The complaints will review and consulted with related party for overcome. Related to protection for whist blower, the company has have mechanism and was socialized to worker in estate, mill. Based on interview with worker in estate and mill, they have understood about this procedure.

**6.3.2.**

Company has recorded all the incoming complaint on “*Keluh Kesah Karyawan & Saran*”. Based on document verification of this document, interview with the workers, bipartite forum boards and Gender Committee that knows was there area no significant complaint and grievance from another internal stakeholders.

Status: Comply

**6.4**

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

**6.4.1 & 6.4.2**

The procedures of the identification, calculation and compensation for the loss of legal and traditional rights are contained in the SOP of the Land Management / Land Acquisition Technical Manual (SOP 29 / BM / (0) 0409 Effective date of April 13, 2009) on land acquisition stages, which is:

1. Report from the community about the tenure of the plantation in the company area.
2. The company reports to the village head on community claims for review, checks and field measurements.
3. Survey, measurement and inventory of land and cultivation of community land that is carried out by National Land Agency team, village head, public figure and company.
4. Based on the survey data the village head made a land certificate and submitted to the subdistrict head.
5. Land Certificate is approved by sub-district and National Land Agency
6. The sub-district party makes a bill to the company so that the land can be paid for land compensation
7. Pricing is done by negotiation

**6.4.3**

The company shows evidence of land compensation, such as Receipt of payment, Land Compensation Measurement Results Map, Statement Letter releases rights and interests on growing land and cropping as well as receipt of compensation, Statement of No Dispute, Minutes of Land Acquisition Rates, Minutes of Coordinate measurement and Recapitulation of amends/Compensation. The Company can show the recapitulation of land compensation from 2006 to 2017 with the following data:

Estate Name	Amount of Compensation	Total Area (Ha)
KKP 1 Estate	280	5,128.59
KKP 2 Estate	291	5,433.49
KKP 3 Estate	641	7,192.29
<b>Total</b>	<b>1,212</b>	<b>17,754.37</b>

Based on interviews with Kenyala and Tangar village representatives, it was explained that land compensation activities were conducted in a deliberation witnessed by the village representative team and jointly measured the area.



	<b>Status: Comply</b>	
<p><b>6.5</b>  <b>Pay and conditions for employees and for employees of contractors always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.</b></p>		
<p><b>6.5.1</b>          Company has work agreement for contract worker which explain about the wages, work hour, duty and responsibility, and other provisions. The wages is in accordance with Kalimantan Tengah Governor Decree No 24/2017 about sectoral minimum wage for Kotawaringin Timur Regency as much as Rp 2,368,739 per month. Besides, the company have The wage for contract worker is set in the work agreement. Based on interview with worker in estate, they received the payslip document and the amount is in accordance with the applicable regulation. There is permanent worker and temporary daily worker. The wage provision for temporary daily worker is written on the work agreement and in accordance with the applicable regulation. And also, the worker has understand and aware for overtime payment</p> <p><b>6.5.2</b>          Work agreement (contract) between worker and company describes about type of work and salary, duty and responsibility, work hour, health and medical, work termination, and others. Contract is written in Indonesian Language and workers are understood the substance of the contract. On the chapter which describes salary system, stated that basic wage for permanent daily worker is above daily minimum wage.</p> <p>Company also has company regulation for PT KKP. The company regulation is ratified on 10<sup>th</sup> March 2017 through Head of Manpower and Transmigration Agency of Kotawaringin Timur Decree NO.KEP.185/HI-KESJA/III/2017. This document is regulated about company and worker responsibilities, recruitment process, promotion and demotion, work time management, payment system, social insurance, contract termination, and so on. Based on interview with the worker, it is known that they understand about worker's rights and obligation as written in Company Regulation.</p> <p><b>6.5.3 &amp; 6.5.4</b>          Based on the results of field visits known that Company has been providing housing facilities, lighting, water, cooperatives, employee halls, places of worship, school buses, clinics and educational facilities. The facilities provided by the company is adequate. Based on document review of complaint log book of KKP POM, it is known that there are several complaint about housing facilities. Following up this complaint, company has repaired the housing. Company could improve the facilities and infrastructure in the housing complex, especially in KKP POM Housing. <b>OFI</b></p> <p>Adequette food supply can be accessed by the nearest market. Moreover, there are some kiosk in housing complex. Personnel can get the staple food with reasonable price. The Company also provides water depot for worker in each estate.</p>		
	<b>Status: Comply</b>	
<p><b>6.6</b>  <b>The employer respects the right of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.</b></p>		
<p><b>6.6.1</b>          Company has socialized company policies which one of the policy stated that company give freedom to all worker to form and join labor union which outlined on the Human Rights Policy. Based on interview with representative of Bipartite Cooperation, it is true that company is giving freedom for worker to establish a labor union, and also provide Bipartite Cooperation which have worker representative in it. The bipartite cooperation has been registered to Labor Agency of Kotawaringin Timur Regency.</p> <p><b>6.6.2</b>          The bipartite cooperation conducted internal meeting periodically or where there is an issue with company or the member of union. There are meeting documentation, such as minutes of meeting on May 2017, attended by 13 participants and the list of attendees and photo documentation. The documentation in available in office unit and available for member if they were asking.</p>		
	<b>Status: Comply</b>	

<b>6.7 Children are not employed or exploited.</b>	
<b>6.7.1</b> The minimum age for new worker recruitment is 18 years old, it is based on policy related to child labor ratified by Group Plantation Head and Group CSR Head on September 2010. Based on document review and field observation, there are no workers under 18 years old. Based on public consultation with Manpower Agency of Kotawaringin Timur Regency and field observation, there is no issue regarding child labor. Based on interview with worker in estate, they know the minimum age to work in the company. Based on field observation in estate, auditors did not sighted any harvester accompanied by their wife or children.	
	<b>Status: Comply</b>
<b>6.8 Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.</b>	
<b>6.8.1 &amp; 6.8.2</b> Company has policy related to equal opportunity ratified by Group Plantation Head on September 2010, which explain that Wilmar support the principles of justice and aims to treat everyone with respect, free from discrimination and ethics violation. This policy is available in each unit and can be accessed publicly. Based on field observation and interview with spraying and manuring female worker, it is known that there is no issue or complain from worker regarding discrimination. Also, information from board of labor union stated that there is no issue related discrimination. The workers that has been interviewed is came from various social origin, race, and religion.	
<b>6.8.3</b> Company kept the personal file of each worker in estate office. Based on interview with management, the recruitment is conducted through the company requirement. Worker promotion, mutation or demotion is done through the employee performance assessment and also medical check up. Company showed documentation of employee recruitment, such as photocopy of KTP, Family ID, application letter, medical check up and if the result was good, will be recruited and signed the work agreement.	
	<b>Status: Comply</b>
<b>6.9 There is no harassment or abuse in the work place, and reproductive rights are protected.</b>	
<b>6.9.1, 6.9.2, 6.9.3</b> Company has policy related to Sexual Harassment and has been socialized to workers on 20 <sup>th</sup> October 2017. It states that Wilmar International try to make conducive work environment. Based on interview with committee of Gender Committee in estate and mill, it is known that there is no issue or complaint related to sexual harassment on the workplace. Company also form gender committee for handling the harassment issue around female workers. It is also known that they understand the mechanism of complaint submission. Complaint can be submitted to board of bipartite cooperation, gender committee, or their foreman. Based on interview with the board of gender committee, the company provides the female worker with pregnant and nursing leave for about 3 months. Pregnant and nursing female worker is prohibited to work related to chemical.	
	<b>Status: Comply</b>
<b>6.10 Growers and mills deal fairly and transparently with smallholders and other local businesses.</b>	
<b>6.10.1 &amp; 6.10.2</b> The company holder did not receive and process the FFB from other sources (external FFB). The entire FFB processed in the mill comes from company own estates. Also, there is no smallholder developed by the certificate holder.	
<b>6.10.3 &amp; 6.10.4</b> However, there are examples of contractual agreements between the company and the contractor in the construction of type G-10 housing as in SPK Number: C & A 1608.15 / 2016 / KKP1-293 signed by both parties on 2 May 2016. There is also an example of proof of payment whose number is in accordance with the claim filed by the contractor. It is paid on time in accordance with the agreement.	
Based on the results of interviews with building contractors (CV Munaa Amirah) it is known that the contractor understands	

the contents of the agreement and confess that the payments made by the company on time	
<b>Status: Comply</b>	
<b>6.11</b>	
<b>Growers and millers contribute to local sustainable development wherever appropriate.</b>	
<b>6.11.1</b>	
The contribution to local development is documented in the program of Corporate Social Responsibility for year 2017. The identification of community needed is done when review of Social Plan to surrounding village. Besides, company also gave questionnaire related to company's contribution for surrounding village. The CSR/CD program has been socialized to surrounding village on 13 <sup>th</sup> and 14 <sup>th</sup> September 2017 in Tangar and Kenyala Village. Based on interview with representatives of Tangar and Kenyala village, company's recruited local worker.	
<b>6.11.2</b>	
The partnership with smallholder scheme is in progress, which is measurement phase of smallholder prospective area of Hapakat Manggantang Pabeleom Cooperative.	
<b>Status: Comply</b>	
<b>6.12</b>	
<b>No forms of forced or trafficked labour are used.</b>	
<b>6.12.1; 6.12.2; 6.12.3</b>	
Based on document review, field observation, and interviews with worker and stakeholders, it is known that there is no migrant labor, including forced labor and illegal labor. The recruitment is done according to the company's procedure. All workers have work agreement that explain about the obligation and rights of the worker, and other provision. They work based on the contract and work order. Based on field observation and interviews with the workers in Estate and Mill, it is known that there is no discrimination among them. They came from local and nonlocal worker. Based on field observation in estate, auditors did not sighted any harvester accompanied by their wife or children. Based on interview bipartite cooperation member, there is no issue related to force labour. And there is no inter area workers.	
<b>Status: Comply</b>	
<b>6.13</b>	
<b>Growers and millers respect human rights</b>	
<b>6.13.1</b>	
Company has policy on human rights which explain the kind of human rights for all workers (June, 2014). The policy has been socialized to the workers and contractor, for example in KKP POM on 31 <sup>st</sup> July 2017 attended by 25 participants, contractor in KKP 1 on 22 <sup>nd</sup> August 2017 attended by 10 participants and contractor in KKP 3 on 18 <sup>th</sup> July 2017 attended by 10 participant. The socialization has been documented in form of minutes of meeting, list of attendees, and socialization material. Based on interview with worker in KKP 1 estate and KKP POM, they know and understand about workers rights. And also, from consultation with internal stakeholder (Bipartite comittee), it is known that there is no complaint related to human rights violation. If there is a complaint, the complaint can still be resolved by amicable way between employees.	
<b>Status: Comply</b>	
<b>PRINCIPLE #7 Responsible development of new plantings</b>	
<b>7.1</b>	
<b>A comprehensive and participatory independent social and environmental assessment is undertaken prior to establishing new plantings or operations, or expanding existing ones, and the results incorporated into planning, management and operations.</b>	
<b>7.1.1; 7.1.2; 7.1.3; 7.1.4 ; 7.1.5</b>	
The company does not develop new estate outside the area of 19,650 ha and the mill capacity is 45 tons FFB / hour, so there is no new EIA (Major 5.1.1). The company owns Social Impact Assessment document, including the analysis of positive and negative aspect, social and environment aspect, and participation of the affected parties (local communities). The company owns the management plans and adequate operation procedures (Major 5.1.2).	
<b>Status: Comply</b>	
<b>7.2</b>	
<b>Soil surveys and topographic information are used for site planning in the establishment of new plantings, and the results are incorporated into plans and operations.</b>	

**7.2.1 & 7.2.2**

Available Soil type map of survey results made by Param Agricultural Soil Survey (M) Sdn. Bhd. Malaysia as stated in the document Soils Of PT KKP. The land type map shows that there are several types of soil in the estate, such as: Jitra, Terap, Sitiawan, Tebok, Rasau, Kechor, Gong Chenak, Bukit Tuku, Banar, Kampus Pusu, Cherang Hangus, Jelutong, Buso, Miri, Serai, Changkat Radish and Local Alluvial Complex. The nomenclature of the land class uses the Malaysian standard, but still includes a complete description of the characteristics of each soil class. And those classified as marginal soils are peat and sandy soil.

The Company has a land map that informs about soil classification, texture, depth, drainage, limiting factor, rocks, and conformity information for oil palm plantation development.

**Status: Comply**

**7.3**

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

**7.3.1; 7.3.2 ; 7.3.3 ; 7.3.4; 7.3.5**

In September 2010, Wilmar issued a policy on the environment which states that the company is implemented and maintained the environmental management system in accordance with ISO 14001, the principles and criteria of the RSPO standards and SOP as well as the best practices prevailing in the environment group. The policy is a commitment of the company to not going to perform land clearing in the HCV area. Based on the results of HCV map overlay with the operational area maps known that the company does not perform estate operations in the HCV area. Based on the data from Landsat image map in 2003 that the company area is a secondary forest. The Company has conducted a study of HCV in 2008 by Consultant from Malaysian Environmental Consultant Sdn. Based on interviews with the management of PT KKP known that the company performed land clearing for plantations referring to the study of HCV which are the areas that become HCV area was not done plantation development.

The company can prove that land clearing is done under 2010, this is supported by LC recap data with samples on blocks 261 and 262 has been conducted land clearing activities in July 2006 covering 7 ha and re-clearing and planting in 9 year 2017 This is evidenced by the aerial photography carried out in accordance with the aerial photography permit dated 25 August 2007 no SC / 114 / P / VIII / 2007 / DJSTRA issued by the Director General of Defense Strategy of the Republic of Indonesia, it is known that the block areas 261 and 262 are acreage open or already done land clearing and already done blocking. The Company did not conduct NPP because land clearing was done in 2006 and for planting area above 2010 all land clearing activities have been conducted before 2010.

Based on the results of communication with the RSPO on 26 September 2017 it is known that it can show that the Land Use Change Analysis report has received approval from the RSPO secretariat. However, for RACP will be ensured in surveillance audit activities (OFI).

**Status: Comply**

**7.4**

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

**7.4.1 & 7.4.2**

The company has a soil map from soil survey results by Param Agricultural Soil Survey (M) Sdn. Bhd. Malaysia set forth in the soil documents of PT KKP. Based on the map in the company area, there are peat soil area covering an area of 305.61 hectares and sandy soil covering an area of 5,109.15 hectares. In the management of crops in peat areas, the company performs the setting of water level by using weirs/dams, regulator of water level. For the monitoring of river water by using water level, while for monitoring the land subsidence by using subsidence monitoring wells and piezometers. (See 4.3.4).

For the plant management strategy in marginal and other critical lands (sandy areas, soil contains sulfuric acid, low organic matter content), the company owns Inter Office Memo (Ref. No. 072/EMU/VII/2009) dated 11 July 2009 which contains the Update on the SOP for Sandy Areas Planting in CKP (include KKP Estate). (See 4.3.6).

**Status: Comply**

**7.5**

**No new plantings are established on local peoples' land without their free, prior and informed consent, dealt with**

through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.

**7.5.1**

The company can show the recording of land compensation in the occupation land within the Land use title, for example the evidence of Land Loss Record at KKP 3 Estate in Kenya Village 28 April 2017 Soni, among others:

- Receipt of payment, dated 28 April 2017 (Attached photos of submission of compensation)
- Land Compensation Measurement Results Map (signed by the farmer, village team, GIS and PT KKP management)
- Statement Letter releases rights and interests on growing land and cropping as well as receipt of compensation (signed by tenants, village team, village head and sub-district head and Manager of PT KKP). In the letter stated that the amount of compensation money has been agreed together.
- Statement of No Dispute (signed by Land owner, Village Head, Witnesses from the Village)
- Minutes of Land Acquisition Price (signed by Land owner, Company Representative, Witnesses from Kenya Village and Landowner Family),
- Minutes of Coordinate measurement (signed by Surveyor, Village Team and Land Users, and known by Kenya Village Head (Attached photographs of measurements)
- Recapitulation of amends/Compensation signed by landowners, village teams and companies

Based on interviews with Kenya and Tangar village representatives, it was explained that land compensation activities were conducted in a deliberation witnessed by the village representative team and jointly measured the area.

**Status: Comply**

**7.6**

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

**7.6.1, 7.6.2, 7.6.3, 7.6.5 & 7.6.6**

The procedures of the identification, calculation and compensation for the loss of legal and traditional rights are contained in the SOP of the Land Management/Land Acquisition Technical Manual. SOP 29/BM/(0)0409 Effective date of April 13, 2009 explaining the identification and survey of land to the pricing made by negotiation

The Company can show the recapitulation of land compensation from 2006 to 2017 with the following data:

Estate Name	Amount of Compensation	Total Area (Ha)
KKP 1 Estate	280	5,128.59
KKP 2 Estate	291	5,433.49
KKP 3 Estate	641	7,192.29
<b>Total</b>	<b>1,212</b>	<b>17,754.37</b>

The company shows evidence of land compensation, such as Receipt of payment, Land Compensation Measurement Results Map, Statement Letter releases rights and interests on growing land and cropping as well as receipt of compensation, Statement of No Dispute, Minutes of Land Acquisition Rates, Minutes of Coordinate measurement and Recapitulation of amends/Compensation

**7.6.4**

The company has shown that plantation development benefits the surrounding community, including:

- Absorption of labor
- Assistance to Nearby Villages in the form of CSR
- Plasma development, during the audit activity, the plasma development has not yet been realized but the company can show the last plasma development process in the form of a meeting of plasma land area prospective of Koperasi Hapakat Manggantang Pambeloem Kenya Village conducted on May 06, 2017. Based on the meeting, it is known that there are 359.86 Ha which is planned as plasma area but in the area there are 90.97 Ha which is Forest area and will be processed release of forest area



Based on interviews with representatives of Kenya and Tangar Villages, it was explained that the presence of the company helped absorb the labor and there have been CSR contributions to the village.	
	<b>Status: Comply</b>
<b>7.7</b>	
<b>Use of fire in the preparation of new plantings is avoided other than in specific situations, as identified in the ASEAN guidelines or other regional best practice.</b>	
<b>7.7.1 &amp; 7.7.2</b>	
In the Agronomy Manual and SOP of Oil Palm Plantation 2015, CHAPTER 3, section 4.0 states that the company is fully committed to the obligation to maintain the environment sustainably, all land clearing should be conducted on a non-fire (Zero Burn or Green Stacking) method.	
	<b>Status: Comply</b>
<b>7.8</b>	
<b>New plantation developments are designed to minimise net greenhouse gas emissions.</b>	
<b>7.8.1; 7.8.2</b>	
The company can prove that land clearing is done under 2010, this is supported by LC recap data with samples on blocks 261 and 262 has been conducted land clearing activities in July 2006 covering 7 ha and re-clearing and planting in 9 year 2017 This is evidenced by the aerial photography carried out in accordance with the aerial photography permit dated 25 August 2007 no SC / 114 / P / VIII / 2007 / DJSTRA issued by the Director General of Defense Strategy of the Republic of Indonesia, it is known that the block areas 261 and 262 are acreage open or already done land clearing and already done blocking. However the company has calculated its significant GHG emission using Palm GHG calculator version 3.1 in which the source of GHG emission and emission generated from company operational activities is detected. The mitigation plan is developed and the implementation is in place (refer to 5.6). However, HCS assessment is not a mandatory since there is no new expansion for palm oil planting, HCS assessment is not a mandatory.	
	<b>Status: Comply</b>
<b>PRINCIPLE #8 Commitment to continuous improvement in key areas of activity</b>	
<b>8.1</b>	
<b>Growers and millers regularly monitor and review their activities and develop and implement action plans that allow demonstrable continuous improvement in key operations.</b>	
<b><u>Agronomy aspect</u></b>	
<ul style="list-style-type: none"> <li>The company has not used paraquat since 2016.</li> <li>The company developed the owl population by making nest box that contained in almost every block. This is in order to eliminate the use of chemicals for the control of pests and diseases of oil palm plants.</li> </ul>	
<b><u>Environmental Aspect</u></b>	
The company has a Record of monitoring the utilization of solid waste (EFB for mulch, fiber and shell for boiler fuel) and monitoring the utilization of effluent used in land applications	
<b><u>Internal audit</u></b>	
The company has conduct internal audit of RSPO on 21-24 August 2017 with number of non-compliance are 42 and all non-compliance has been corrected	
	<b>Status: Comply</b>



3.2. Summary of Assessment Report of Supply Chain Requirement

Clause	(Module D) CPO Mills – Identity Preserved Requirements
D1	Definition
<p><b>D.1.1</b>  <b>A mill is deemed to be Identity Preserved (IP) if the FFB used by the mill are sourced from its own supply base certified to the RSPO Principles and Criteria (RSPO P&amp;C). Certification for CPO mills is necessary to verify the volumes and sources of certified FFB entering the mill, the implementation of any processing controls (for example, if physical separation is used), and volume sales of RSPO certified products. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. If a mill processes certified and uncertified FFB without physically separating the material then only Module E is applicable.</b></p> <p>Based on interviews with weighbridge officers and verification documents of FFB receipt on 2017, it is known that the FFB received by the Mill is only from the owned plantation and plantation of the Wilmar Group which already have RSPO certificate (PT.Mentaya Sawit Mas).</p> <p>Based on the explanation, it is known that KKP POM apply SCCS with Model of Identity Preserved (IP)</p> <p><b>Status: Comply</b></p>	
D.2	Explanation
<p><b>D.2.1</b>  <b>The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the CB in the public summary of the P&amp;C certification report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced should then be recorded in each subsequent annual surveillance report.</b></p> <p>Estimates of FFB, CPO and PK produced by KKP POM obtained from the budget data of 12 months (November 2017-October 2018) after the audit activities and have been described in this ST-2 report, consist of:            FFB: 331,758 ton            CPO: 74,645 ton (OER: 22.5%)            PK: 14,929 ton (KER: 4.50%)</p> <p><b>Status: Comply</b></p>	
<p><b>D.2.2</b>  <b>The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).</b></p> <p>Karunia Kencana Permaisejati POM has registered on Palmtrace with member ID RSPO_PO1000004150 with contact detail on behalf Yudi Muhtar (yudi.muhtar@wilmar.co.id)</p> <p><b>Status: Comply</b></p>	
D.3	Documented procedures
<p><b>D.3.1</b>  <b>The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:</b></p> <ul style="list-style-type: none"> <li>a. Complete and up to date procedures covering the implementation of all the elements in these requirements;</li> <li>b. The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site procedures for the implementation of this standard.</li> </ul>	

The Company shows the procedures of Supply Chain, among others:

- SOP of Traceability (No. SOP / KKPSPOM-LOG-002 Rev 2) explaining
  - The person responsible include:
    1. The Security Officer is responsible for recording all FFB expeditions, CPO and PK dispatches
    2. Weighbridge staff responsible to weighing all FFB, CPO and PK, guaranteeing all reports of FFB acceptance and delivery of products has complied with SCCS/RSPO standard.
    3. Logistic officer responsibility for calculated all CSPO/Non-CSPO product, dispatch and reported CSPO/ Non-CSPO product, CSPO / Non-CSPO dispatch report and traceability.
    4. Sortation officer is responsible for grading the FFB and making reports
    5. Head clerk responsibility to control FFB Received, CSPO / Non-CSPO dispatch and traceability report.
    6. Mill head responsibility to guarantee all FFB processing until final product must be carried out according to the procedure.
  - Identification on the slip of the scales of delivery of certified products
  - Procedures for reporting up to E-trace data
- SOP of CPO and PK Shipping (No. KKPSPOM-LOG-001 SOP) explains the tank inspection related to CPO tank washing, the procedure of filling the tank up to stamp on the weighbridge slip by the weighbridge staff for the delivery of certified products
- SOP of Production Increase Information (No. SOP/KKPSPOM-MR-005) explaining that if there is an excess production of the amount already certified then Management Representative PT KKP is obliged to inform the Certification Body.
- SOP of Weighbridge operating (No. WIP/POM/SOP/01/2017)

The Company also showed socialization of SOP related to supply chain on October 20, 2017 to the weighbridge staff, logistic, sortation officer, supervision process, laboratories and security officer by Mill Manager. Based on interview with weighbridge officer, there is known that the officer has known about supply chain. However that the implementation will observe in the surveillance audit.

Status: Comply

**D.3.2**

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

The Company has a SOP of FFB Reception (No. SOP/KKPSPOM-LOG-003) explaining the procedure for receiving FFB. in the SOP explains that security and weighing staff must verify the supplier of FFB, if there is a supplier of FFB that is not certified then the FFB is returned and cannot be accepted in the Mill

Status: Comply

**D.4 Purchasing and goods in**

**D.4.1**

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

*Verification and documentation of certified and non-certified FFB volume will be observed by auditor in the next assessment.*

Status: Comply

**D.4.2**

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

The company has SOP of Production Increase Information (No. SOP/KKPSPOM-MR-005) explaining that if there is an excess production of the amount already certified then Management Representative PT KKP is obliged to inform the Certification Body.

Status: Comply

**D.5 Record keeping**

**D.5.1**

<b>The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a three-monthly basis.</b>	
The company has monthly report that informing of receipts of FFB and delivery of CPO and PK. Based on the document, it is known that all FFB are from RSPO Certified.	
	<b>Status: Comply</b>
<b>D.6</b>	<b>Processing</b>
<b>D.6.1</b>	
<b>The site shall assure and verify through documented procedures and record keeping that the RSPO certified oil palm product is kept segregated from non-certified material including during transport and storage</b>	
The implementation of separation between certified products with non-certified product will conduct in the next assessment (surveillance – 1).	
	<b>Status: Comply</b>
<b>D.6.2</b>	
<b>The objective is for 100 % segregated material to be reached</b>	
The implementation of separation between certified products with non-certified product will conduct in the next assessment (surveillance – 1).	
	<b>Status: Comply</b>

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

<b>1.</b>	<b>Evidence of permission or approval certificate and logo from Certification Body which submitted by Client</b>	<b>X or√</b>
ST-2	Will observe in the surveillance audit	
	<b>Status: Comply</b>	
<b>2.</b>	<b>Implementation of certificate and logo used by Client comply with size and type (shape) against Guideline of Logo Use</b>	<b>X or√</b>
ST-2	Will observe in the surveillance audit	
	<b>Status: Comply</b>	
<b>3.</b>	<b>Implementation of Certificate and Logo is not used on product</b>	<b>X or√</b>
ST-2	Will observe in the surveillance audit	
	<b>Status: Comply</b>	
<b>4.</b>	<b>Controlling of Certificate and Logo, including withdrawing inappropriate logo.</b>	<b>X or√</b>
ST-2	Will observe in the surveillance audit	
	<b>Status: Comply</b>	

3.4. Summary of RSPO Partial Certification.

Summary Partial Certification

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

Wilmar International Ltd Time Bound Plan (TBP) is explained in point 1.10. Wilmar International Ltd has informed the TBP progress, MUTU has considered that Wilmar International Ltd is complied with the RSPO requirement for TBP. The Time Bound Plan was revised and declared by Wilmar International Ltd on September 2016.

MUTU has verified partial certification for un-certified unit's subsidiary of Wilmar International Ltd based on their Time Bound Plan. There are seven (7) uncertified mills and sixteen (16) uncertified estates of Wilmar International Ltd. MUTU Auditor verified positive assurance against the company internal audit and supporting evidence as well as any information from others sources.

MUTU Auditor has verified company partial certification and concludes that:

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

2.1 Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
2.1.1	Did the company conduct an internal audit? If so, has a positive assurance statement been produced?	<p>Yes and positive assurance is produced for these units.</p> <p><b>Auditor verification</b></p> <p>There is internal audit produced for</p> <ul style="list-style-type: none"> <li>- PT Agronusa Investama Pahauman</li> <li>- PT Bumipratama Khatulistiwa</li> <li>- PT Agro Palindo Sakti 2</li> <li>- PT Musi Banyuasin Indah</li> <li>- PT Sinarsiak Dianpermai</li> <li>- PT Agroindo Indah Perkasa 2</li> </ul> <p>And positive assurance is produced for these units.</p>
2.1.2	<p>No replacement after dates defined in Nis Criterion 7.3 of:</p> <ul style="list-style-type: none"> <li>• Primary forest.</li> <li>• Any area identified as containing High Conservation Values (HCVs).</li> <li>• Any area required to maintain or enhance HCVs in accordance with RSPO criterion 7.3.</li> </ul>	<p>WILMAR International Ltd has submitted liability disclosure to RSPO on 31 July 2014 and LUCA template on 3-8 March 2015</p> <ul style="list-style-type: none"> <li>- PT Agronusa Investama Pahauman, LUCA document was verified by RSPO on 1 Sept 2015. The 2<sup>nd</sup> LUCA verification document was on 2<sup>nd</sup> Nov 2015 with result of PASS WITH CLARIFICATION.</li> <li>- PT Bhumi Pratama Khatulistiwa, Submitted liability disclosure to RSPO on 8 Dec 2015</li> </ul>

		<p>and LUCA template on August 2015. The final RSPO endorsement from RSPO compensation on 29 September 2016 is 0 ha therefore there is no compensation plan required</p> <ul style="list-style-type: none"> <li>- PT Agro Palindo Sakti 2, LUCA doc was verified by RSPO on 1 Sept 2015. The 2<sup>nd</sup> LUCA review was on Dec 2016 with result of PASS</li> <li>- PT Musi Banyuasin Indah, 0 liability confirmed by RSPO Compensation. There is no planting after 1 November 2005</li> <li>- PT Sinarsiak Dianpermai, 0 liability confirmed by RSPO Compensation. There is no planting after 1 November 2005</li> <li>- PT Agroindo Indah Perkasa 2, 0 liability confirmed by RSPO Compensation. There is no planting after 1 November 2005</li> </ul> <p><b>Auditor verification</b> Auditor has verified the supporting evidence of above the company statement. The above statement in accordance with the supporting evidence provided.</p>
2.1.3	Any new plantings since January 1 <sup>st</sup> 2010 must comply with the RSPO New Plantings Procedure.	<p>No new planting/land clearing after 1<sup>st</sup> January 2010.</p> <p><b>Auditor verification</b></p> <ul style="list-style-type: none"> <li>- PT Agronusa Investama Pahauman, The first planting year was in 1999. The latest land clearing was in 2009 based on: LUCA analysis 2009 where the area was already bare land area. LUCA has been submitted to RSPO as part of company disclosure requirement.</li> <li>- There is no new planting after 1<sup>st</sup> January 2010 for, PT Bumipratama Khatulistiwa, PT Agro Palindo Sakti 2, PT Musi Banyuasin Indah, PT Sinarsiak Dianpermai, PT Agroindo Indah Perkasa 2</li> </ul>
2.1.4	Any Land conflicts are being resolved through a mutually agreed process, e.g. RSPO Grievance procedure or Dispute Settlement Facility, in accordance with RSPO criteria 6.4, 7.5 and 7.6.	<p>There is no land conflicts.</p> <p><b>Auditor verification</b> There is no information from public source and RSPO website on any land conflict for uncertified unit of the group subsidiaries.</p> <p>Based on the company record there is documentation on land compensation recapitulation updated on 1 October 2007, participatory mapping, agreement letter on compensation between company and land owner, land owner identity and procedure on</p>



		compensation technical guidance SOP 001/WIP-KB/(0)/0610 dated June 2010.
2.1.5	Any Labour disputes are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.	<p>There is no labor disputes.</p> <p><b>Auditor verification</b> There is no information from public source and RSPO website on any labour conflict for uncertified unit of the group subsidiaries.</p> <p>The company has mechanism to handle employee complaint and grievance that is stated in SOP 005/WIP-KB/(0)/0610 for communication and consultation with community and SOP 004/WIP-KB/(0)/ 0610 on complaint and grivance mechanism and solving any dispute out off court.</p> <p>There is no list of employee and stakeholder complaint and grievance.</p>
2.1.6	Any Legal non-compliance is being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2.	<p>Yes, there is process for land legality.</p> <p><b>Auditor verification</b> PT Agronusa Investama Pahauman</p> <ul style="list-style-type: none"> <li>- The continues changing on PIPIB map. In accordance to PIPIB 10 there is no area of the company (based on location permit) that is in the moratorium area. When PIPIB 11 released, some area of the company is in the updated peat moratorium map.</li> </ul> <p>PT Agro Palindo Sakti 2</p> <ul style="list-style-type: none"> <li>- There is an obstacle on processing HGU is before continuing the HGU process, the company has to complete the requirement for 20% area allocation for smallholder. Based on BupatiSanggau Decree No. 137 year 2011 dated 25 March 2011 for 623 ha of smallholder scheme for 2 koperasi of Batu Ceramin and and Maju Bersama. Later, koperasi Maju Bersama split into Koperasi Maju Bersama and Koperasi Harapan Baru. And Koperasi Harapan Baru wants to take about 136 ha within company proposed HGU area. The company needs to resolve this issue first before be able to continue HGU process.</li> </ul> <p>PT Musi Banyuasin Indah</p> <ul style="list-style-type: none"> <li>- Overlay the map of land use with attachments Ministerial Decree No. SK.822/Menhut-II/2013 PT MBI entered in production forest area.</li> <li>- Planting outside HGU Kebun Sei Selabu (block 010, 024 and 027).</li> </ul>

		<p>Explanation management unit following the legal department still perform continuous coordination with the government while waiting for a change of government decisions regarding the status of the area.</p> <p>PT Sinarsiak Dianpermai</p> <ul style="list-style-type: none"> <li>- HGU 1,002 Ha on process</li> <li>- Status of Other Use Areas based on Appendix SK 878 / Menhut-II / 2014 dated September 29, 2014 and letter no. S.160 / BPKH.XIX-3/2016 dated March 31, 2016</li> </ul> <p>Explanation management unit as follows:</p> <ul style="list-style-type: none"> <li>- Disagreement between the ministry of forestry by the Riau provincial government on the status of land PT SSDP (between the status of forest and APL), which led to the process of making the concession inhibited.</li> <li>- There are some estate areas around the Mill that does not have permission locations. The process of acquiring a location permit was hampered due to the reasons in point 1 as well.</li> <li>- The legal department is still doing continuous coordination with the government while waiting for a change of government decisions.</li> </ul> <p>PT Agroindo Indah Perkasa 2</p> <ul style="list-style-type: none"> <li>- There is HGU on propose.</li> </ul>
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3.5 Identification of Findings, Corrective Action, Observations, Opportunity for Improvement and Noteworthy Positive Components.

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

<b>NCR No.</b>	: 2017.01	<b>Issued by</b>	: Yohanes Hardian
<b>Date Issued</b>	: 26 October 2017	<b>Time Limit</b>	: Before Certificate Issue
<b>NC Grade</b>	: Major	<b>Date of Closing</b>	: November 9, 2017
<b>Standard Ref. &amp; Requirement</b>	5.2.1 <b>Record on the result of High Conservation Value ( HCV assessment) that includes both the planted area and the relevant wider landscape-level consideration (such as wildlife corridors) shall be available.</b>		
<b>Non-Conformance Description &amp; Evidence observed (filled by auditor):</b>  The Company has determined the HCV area of 1,010.31 ha, but has not been able showed the details on the HCV areas that have been authorized by the management. <b>This becomes a non-conformity no 2017.01</b>			
<b>Root Cause Analysis (filled by organization audited):</b> The Company has conducted HCV assessments by consultants in 2008 with an identified HCV area of approximately 1010.31 Ha which has been established by the management. The existence of the HCV category value in the 1010.31 Ha area in the document and HCV identification maps that have been shown, is not described in detail about the HCV value information, its extent and distribution anywhere.			
<b>Correction (filled by organization audited):</b> <ol style="list-style-type: none"> <li>1. Making details of HCV category values in PT KKP based on MEC identification studies, ranging from type, location and area of HCV.</li> <li>2. Detailed information on HCV category values are set forth in documents known and approved by the Management of PT KKP.</li> </ol>			
<b>Corrective Action (filled by organization audited):</b> Availability of detailed information on HCV category values, extent and location in PT KKP is a document approved by PT KKP Management.			
<b>Assessor Evaluation and Conclusion (filled by auditor):</b> <b>Verify November 9, 2017</b> The Company has presented the document of PT HCV Identification Report Description. KKP that has explained the detailed information on HCV category values and the extent of each HCV in documents known and endorsed by the Management of PT KKP. The details are as follows : KKP 1 Estate 118.34 ha KKP 2 Estate 335,76 ha <u>KKP 3 Estate 556.21 ha</u> Total 1010.31 ha Thus the Non conformity has been comply			
<b>Verified by</b>	: Yohanes Hardian		

**3.5.3 Opportunity for Improvement**

No	Ref Std	Descriptions
1	2.1.1	Ensure progress of forest area release and exchange of forest area. (OBSERVATION)
2	2.2.3	Ensure progress of settlement of arable land within the HGU
3	4.4.2	Ensure that plantation activities do not affect the water quality of the Kenyala river (OBSERVATION)
4	4.5.1	Ensure evaluation result on effectiveness of rat pest control implementation using chemicals in accordance with applicable SOP.
5	4.7.3	Ensure the progress of training technician Occupational safety and health 3 Electricity
6	6.5.3	Ensure facilities and infrastructure in the housing of employees in adequate conditions, especially in factory housing (OBSERVATION)
7	7.3.1	Ensure progress of follow-up Remediation Plan (OBSERVATION)

**3.5.4 Noteworthy Positive Components**

No	Ref Std	Descriptions
	-	Competence of staff involved in the implementation of RSPO audit
	-	Commitment to the fulfillment of employee facilities, especially educational facilities
	-	The company's commitment to sustainable palm oil plantation management



**3.6 Summary of Arising Issues from Public, Management and Auditor Response**

Public Issues (Institution/ NGO/Community)	Auditor Responses
<p><b>Environmental Agency of East Kotawaringin District</b></p> <ul style="list-style-type: none"> <li>- The Company already has Land Application and Temporary Storage for Hazardous and Toxic Waste Permit.</li> <li>- The Company has reported reports of Hazardous and Toxic Waste, Liquid Waste and management and monitoring plan Report regularly.</li> <li>- In general in environmental aspects, the company has complied with applicable regulations.</li> <li>- There is no environmental issue in the area of the company that goes to the environmental agency.</li> </ul>	<p>This has been comply with criteria 5.1, 5.3</p>
<p><b>National Land Agency of East Kotawaringin District</b></p> <ul style="list-style-type: none"> <li>- The company already has Land Use Title.</li> <li>- There is no issue of land disputes that enter the land office of East Kotawaringin District</li> </ul>	<p>This has been comply with criteria 2.2, 2.3</p>
<p><b>Manpower and Transmigration Agency of East Kotawaringin District</b></p> <ul style="list-style-type: none"> <li>- The wages of all workers have been paid in accordance with the provisions of the government (regional minimum wage of East Kotawaringin District).</li> <li>- The company has provided housing facilities, facilities of worship, clean water, education and electricity for workers.</li> <li>- No issue of child labor and discrimination</li> <li>- Manpower and Transmigration Agency already know what information data can be requested to the company. Information can be accessed by verbal means or by mail or email.</li> <li>- The Company already has Company Regulation.</li> <li>- The company has bipartite cooperation institution.</li> <li>- Manpower and Transmigration Agency emphasizes the obligation to report to the office if there is a job vacancy in the company, because it is already contained in Presidential Decree no. 4 of 1999.</li> <li>- Manpower and Transmigration Agency also emphasizes on empowerment of local workforce as stated in Kotim Regency Regulation no. 3 of 2016.</li> <li>- Manpower and Transmigration Agency does not know about daily workers (PHL) in the company because the company has never reported on the daily workers.</li> <li>- The organizational structure of P2K3 PT KKP has been approved by the Manpower and Transmigration Agency.</li> <li>- The company has routinely submitted quarterly</li> </ul>	<ul style="list-style-type: none"> <li>• This has been comply with criteria 4.7, 6.5, 6.6, 6.7</li> <li>• The daily worker has reported in the report of “Wajib Lapor Tenaga Kerja” that conduct every year</li> </ul> <p>Based on interview with representative of surrounding village, it is known that the job vacancy from KKP is heard through the worker. And also, there are some of local residents that work in estate and mill.</p>

Public Issues (Institution/ NGO/Community)	Auditor Responses
<p>report of P2K3</p> <ul style="list-style-type: none"> <li>- Company routinely sends report of Labor Compulsory Report.</li> <li>- Existing operators in the company have included OHS training to obtain operator training certificate.</li> <li>- The company has routinely conducted testing machines every year.</li> <li>- The company already has a certified first aid officer.</li> </ul>	
<p><b>Interview with Representative of Tangar Village</b></p> <ul style="list-style-type: none"> <li>- Communication and consultation with stakeholder is done through Bina Mitra Department. They have understood mechanism for communication.</li> <li>- Company has socialized policy about High Conservation Value and Ban on Land Burning.</li> <li>- If there is a dispute, the village has a dispute resolution procedure and then proceeds to the company</li> <li>- Company has recruited some of their worker from surrounding village</li> </ul>	<p>Auditor has verified related to employment and CSR based on criteria 6.8 and indicator 6.11.1,</p>
<p><b>Interview with Representative of Kenyala Village</b></p> <ul style="list-style-type: none"> <li>- Communication and consultation with stakeholder is done through Bina Mitra Department. They have understood mechanism for communication.</li> <li>- Company has socialized policy about High Conservation Value and Ban on Land Burning.</li> <li>- If there is a dispute, the village has a dispute resolution procedure and then proceeds to the company</li> <li>- Company has recruited some of their worker from surrounding village</li> <li>- There are some issues related to environmental pollution on Kenyala River</li> </ul>	<ul style="list-style-type: none"> <li>• Auditor has verified related to employment and CSR based on criteria 6.8 and indicator 6.11.1</li> <li>• Auditor has verified related to water quality at river base on indicator 4.4.2</li> </ul>
<p><b>Gender Committee of KKP 1, 3 Estate and Mill</b></p> <ul style="list-style-type: none"> <li>• Company has women committee. Until the audit is conducted, there is no complaint related to sexual harassment and discrimination.</li> <li>• Women committee has socialized related female workers' rights and complaint mechanism in case the sexual harassment is occurred. Female workers have menstruation leave (H1), maternity and pregnant leaves for about 3 months.</li> <li>• The pregnant and nursing female worker is prohibited working with chemical material.</li> </ul>	<ul style="list-style-type: none"> <li>• Company has prohibited the pregnant female worker to work with chemical material. It is in accordance with indicator 4.6.12</li> <li>• Based on field observation and interview with workers, there is no discrimination issue in company. It is in accordance with criteria 6.8</li> <li>• Based on interview with female workers, it is known that they have menstruation leave (H1), maternity and pregnant leaves for about 3 months. It is in accordance with criteria 6.9</li> </ul>
<p><b>Bipartite Cooperation of KKP 1, 3 Estate and Mill</b></p> <ul style="list-style-type: none"> <li>• Company gives freedom to worker to join the labor union and has been registered to Manpower and Transmigration Agency of Kotawaringin Timur Regency.</li> </ul>	<ul style="list-style-type: none"> <li>• The company has implemented the minimum wage according to the Governor decree It is in accordance with indicator 6.5.1</li> <li>• The labor union has registered to Labor Agency. It is in accordance with criteria 6.6</li> </ul>



Public Issues (Institution/ NGO/Community)	Auditor Responses
<ul style="list-style-type: none"> <li>There is no complaint related to child labor, discrimination, sexual harassment, or human rights. Company has been implemented the minimum wage in accordance with Kalimantan Tengah Governor Decree No 24/2017 about sectoral minimum wage for Kotawaringin Timur Regency as much as Rp 2,368,739 per month.</li> </ul>	<ul style="list-style-type: none"> <li>Based on field observation, there is no child labor. It is in accordance with criteria 6.7</li> <li>Based on field observation and interview with workers, there is no discrimination issue in company. It is in accordance with criteria 6.8</li> </ul> <p>Based on interview with worker, there is no issue related to human rights violation. It is in accordance with criteria 6.13.</p>
<p><b>Interview with Local Contractor CV Muna Amira</b></p> <ul style="list-style-type: none"> <li>There is work agreement between contractor and company.</li> <li>Payment of work is done in accordance with the contract and on time.</li> <li>PPE is provided by contractor</li> </ul>	<p>Auditor has verified related to local development on criteria 6.10 and 6.11.</p>

4.0	<b>CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY</b>
4.1	<b>Formal Sign-off of Assessment Findings</b>
	<p>Hereunder sign by management representative from inspected company to acknowledge a field assessment and agree for all content explained in this assessment report, included of non-compliance findings.</p> <p style="text-align: center;">Signed on behalf of:</p> <div style="display: flex; justify-content: space-around; align-items: flex-end;"> <div style="text-align: center;"> <p>PT Karunia Kencana Permaisejati Group Estate Manager</p>  <p><b>Engkus Kusmana</b> Thursday, 09 November 2017</p> </div> <div style="text-align: center;"> <p>Mutuagung Lestari Lead Auditor</p>  <p><b>Muhammad Rinaldi</b> Thursday, 09 November 2017</p> </div> </div>

Appendix 1. List of Stakeholder Contacted in the RSPO Certification Process

No	Institution/NGO/Community	Address	Phone/Email	Form of Communication	Date of Contact	Response	
						Yes	No
1	Environmental Agency of Kotawaringin Timur District	Kotawaringin Timur District	-	interview	24 October 2017	✓	
2	Land Agency of Kotawaringin Timur District	Kotawaringin Timur District	-	interview	24 October 2017	✓	
3	Manpower and Transmigration Agency of Kotawaringin Timur District	Kotawaringin Timur District	-	interview	24 October 2017	✓	
4	Plantation Agency of Kotawaringin Timur District	Kotawaringin Timur District	-	interview	24 October 2017		✓
5	Tangar Village	Kotawaringin Timur District	-	interview	24 October 2017	✓	
6	Kenyala Village	Kotawaringin Timur District	-	interview	24 October 2017	✓	
7	Gender Committee	Kotawaringin Timur District	-	interview	24 October 2017	✓	
8	Bipartite Cooperation	Kotawaringin Timur District	-	interview	24 October 2017	✓	
9	Local Contractor CV Muna Amira	Kotawaringin Timur District	-	interview	24 October 2017	✓	
	KKP 3 Estate - 3 harvesters - 5 female spraying workers - 1 heavy equipment operator - 7 male and 4 female manuring workers - 1 mechanic and 1 head of workshop - 2 census officers	Kotawaringin Timur District	-	Interview	24 October 2017	✓	
	KKP 1 Estate - 5 harvesters - 11 spraying workers - 10 manuring workers - 1 head of workshop - 4 EFB applicators	Kotawaringin Timur District	-	Interview	25 October 2017	✓	
	KKP Mill - 2 proces stasion worker - 3 Grading Officers - 1 boiler operator - 1 Engine operator - 2 weighbridge operator - 1 mechanic - 1 WTP Operator	Kotawaringin Timur District	-	Interview	24 October 2017	✓	
	AMAN	Jakarta	<a href="mailto:rumahaman@bn.net.id">rumahaman@bn.net.id</a>	Questionnaire through email	17 October 2017		✓

	WALHI	Jakarta	<a href="mailto:informasi@walhi.or.id">informasi@walhi.or.id</a>	Questionnaire through email	17 October 2017		✓
	International Animal Rescue Indonesia (IARI)	Jakarta	<a href="mailto:info@internationalanimalrescue.org">info@internationalanimalrescue.org</a>	Questionnaire through email	17 October 2017		✓
	Sawit Watch	Jakarta	<a href="mailto:info@sawitwatch.or.id">info@sawitwatch.or.id</a>	Questionnaire through email	17 October 2017		✓

Appendix 2. Assessment Program

DATE		23-27 October 2017	
PLANNED TIME	ACTUAL DURATION	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
<b>Monday, 23 October 2017</b>			
06.40 – 08.00 08.30 – 14.00 15.00 – 15.30 15.30 – 17.00	06.40 – 08.00 08.30 – 14.00 15.00 – 15.30 15.30 – 17.00	<b>JAKARTA → PANGKALAN BUN</b> <b>PANGKALAN BUN → PT KKP</b> <b>Opening Meeting</b> <b>Document Review:</b> <ul style="list-style-type: none"> <li>Review of Previous Visit Non-conformance</li> <li>Collect Basic Information (Mill and Estates)</li> <li>Review of Partial Certification and Time Bound Plan</li> </ul>	<ul style="list-style-type: none"> <li>ALL Team</li> </ul>
<b>Tuesday, 24 October 2017</b>			
08.00 – 12.00	08.00 – 12.00	<ul style="list-style-type: none"> <li><b>Public Consultation with Government in Kotawaringin Timur</b></li> <li><b>Stakeholders consultation to</b> Nearest village and community leader (Kenjala and Tangar Village, Labour Union, Committee Gender, Local Contractor)</li> </ul> <b>Field Observation KKP 3 Estate</b> <ul style="list-style-type: none"> <li>Manuring, Spraying, Harvesting, Integrated Pest Management (IPM), Fragile Soil Management and Worker Welfare (payments, complaint mechanism)</li> <li>Legal operational</li> <li>High Conservation Value Area, Empty Fruit Bunch Application</li> <li>Worker facilities (housing, health clinic, clean water, etc) and Hazardous Waste Material (B3) management, Land Fire facilities, Storage, ect.</li> </ul>	<ul style="list-style-type: none"> <li>HSS</li> <li>AAS</li> <li>MRD</li> <li>YHN</li> <li>YHN</li> <li>YHN</li> </ul>
12.00 – 14.00	12.00 – 14.00	<b>BREAK</b>	<ul style="list-style-type: none"> <li>ALL Team</li> </ul>
14.00 – 17.00	14.00 – 17.00	<b>Field Observation KKP POM</b> <ul style="list-style-type: none"> <li>Workshop, Chemical Storage, waste management, WTP</li> <li>Supply Chain</li> <li>Operational activities, Loading Ramp (Grading)</li> <li>WWTP (IPAL), Land Application (LA), Hazardous Waste Material (LB3) management</li> </ul> <b>Document Review and Clarification of Public Consultation and Field Observation</b>	<ul style="list-style-type: none"> <li>AAS/HSS</li> <li>MRD</li> <li>AAS/HSS</li> <li>YHN</li> </ul>
<b>Wednesday, 25 October 2017</b>			
08.00 – 12.00	08.00 – 12.00	<b>Field Observation KKP 1 Estate</b> <ul style="list-style-type: none"> <li>Manuring, Spraying, Harvesting, Integrated Pest Management (IPM), Fragile Soil Management and Worker Welfare (payments, complaint mechanism)</li> <li>Legal operational</li> <li>High Conservation Value Area, Empty Fruit Bunch Application</li> <li>Worker facilities (housing, health clinic, clean water, etc) and Hazardous Waste Material (B3) management, Land Fire facilities, Storage, ect.</li> </ul>	<ul style="list-style-type: none"> <li>HSS/AAS</li> <li>MRD</li> <li>MRD</li> <li>YHN</li> </ul>
12.00 – 14.00	12.00 – 14.00	<b>BREAK</b>	<ul style="list-style-type: none"> <li>ALL Team</li> </ul>

DATE		23-27 October 2017	
PLANNED TIME	ACTUAL DURATION	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
14.00 – 17.00	14.00 – 17.00	<ul style="list-style-type: none"> <li>Document Review and Clarification of Public Consultation and Field Observation</li> </ul>	<ul style="list-style-type: none"> <li>ALL Team</li> </ul>
<b>Thursday, 26 October 2017</b>			
08.00 – 10.00	08.00 – 10.00	<ul style="list-style-type: none"> <li>Document Review and Clarification of Public Consultation and Field Observation</li> </ul>	<ul style="list-style-type: none"> <li>ALL Team</li> </ul>
12.00 – 16.00	12.00 – 16.00	Audit finding preparation and conclusion	<ul style="list-style-type: none"> <li>ALL Team</li> </ul>
16.00 – 17.00	16.00 – 17.00	Closing Meeting	<ul style="list-style-type: none"> <li>ALL Team</li> </ul>
<b>Friday, 27 October 2017</b>			
08.00 – 11.00	08.00 – 11.00	PT KKP → SAMPIT	<ul style="list-style-type: none"> <li>ALL Team</li> </ul>
13.10 – 14.35	13.10 – 14.35	SAMPIT → JAKARTA	