

*Roundtable on Sustainable Palm Oil Certification  
RSPO*

**[√] Surveillance 1**

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 Kenyala, 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 2018

Date of Certificate Expiry : 21 December 2022      Date of License Expiry : 21 December 2019

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
ASA-1	01-05 October 2018	Sandra Purba (Lead Auditor), Arif Faisal, Sofyan Hadi Lubis, Yudhi Yuniarto Tallutondok	Ardiansyah	Octo HPN Nainggolan

Assessment	Approved by MUTUAGUNG LESTARI on:
ASA-1	<b>20 December 2018</b>

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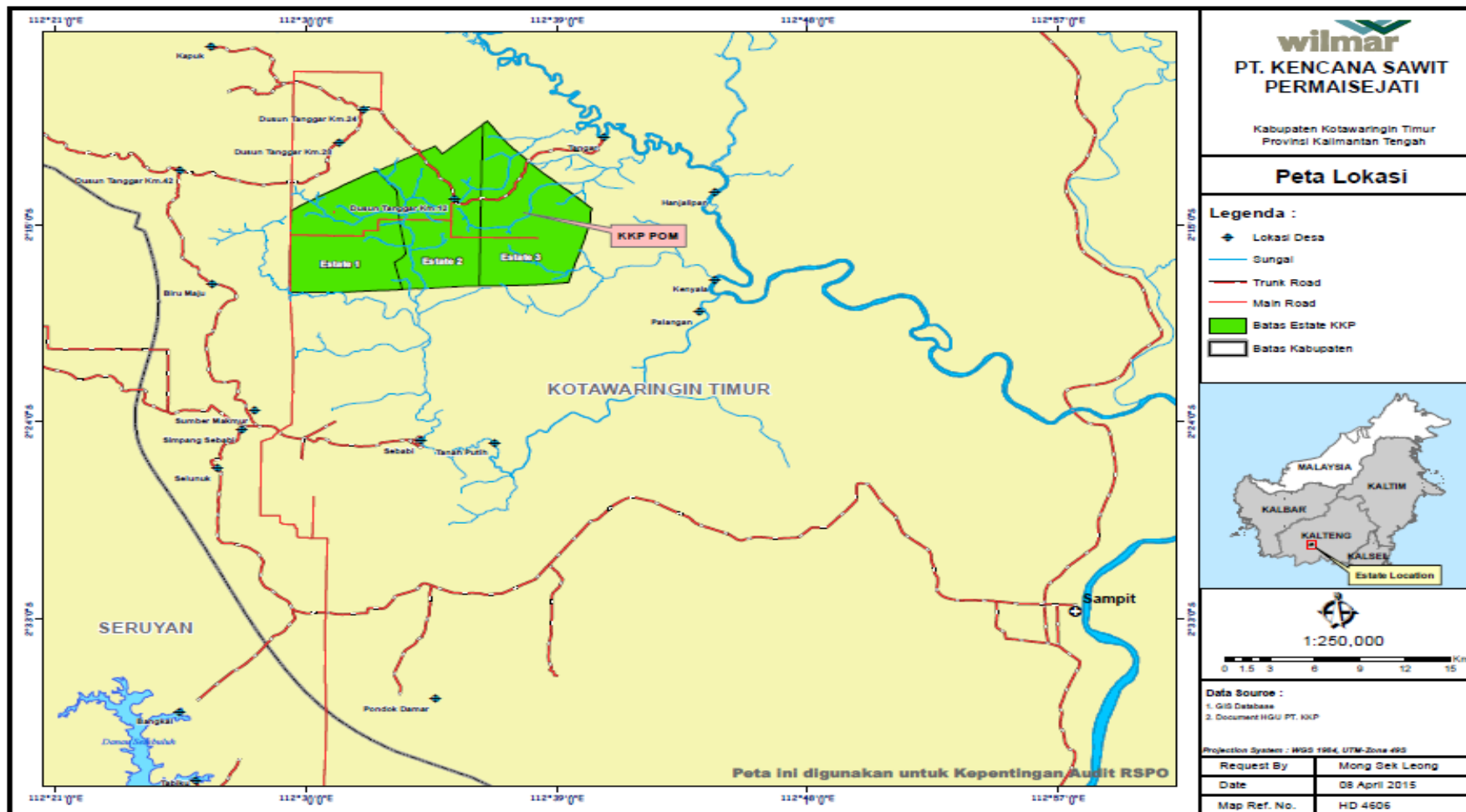
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Figure 1. Location Map of PT Karunia Kencana Permaisejati





**Abbreviations Used**

ASA	:	Annual Surveillance Assessment
AMDAL	:	<i>Analisis Manajemen Dampak Lingkungan</i>
BPJS TK	:	<i>Badan Penyelenggara Jaminan Sosial-Tenaga Kerja</i> (Social Security Agency-Employment)
BPJS KES	:	<i>Badan Penyelenggara Jaminan Sosial-Kesehatan</i> (Social Security Agency-Health)
BKSDA	:	<i>Badan Konservasi Sumber Daya Alam</i> (Natural Resources Conservation Agency)
BPN	:	<i>Badan Pertanahan Nasional</i>
BOD	:	Biological Oxygen Demand
CD	:	Community Development
CHE	:	Cholinesterase
CITES	:	Convention on International Trade in Endangered Species
CV	:	Comanditaire Venootschap
CKP	:	Central Kalimantan Project
CPO	:	Crude Palm Oil
CSPO	:	Certified Sustainable Palm Oil
CSR	:	Corporate Social Responsibility
<i>Disnakertrans</i>	:	<i>Dinas Tenaga Kerja dan Transmigrasi</i> (Labour Government Agency)
<i>DLH</i>	:	<i>Dinas Lingkungan Hidup</i>
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
IPM	:	Integrated Pest Management
IUP	:	<i>Izin Usaha Perkebunan</i> (Plantation Permit)
KER	:	Kernel Extraction Rate
KKPs	:	Karunia Kencana Permaisejati
LA	:	Land Application
LB3	:	Limbah Bahan Beracun dan Berbahaya
LUCA	:	Land Use Change Analysis
LKS	:	<i>Lembaga Kerja Sama</i> (Bipartite Board)
LSU	:	Leaf Sampling Unit
LTA	:	Lost Time Accident.
MAS	:	Maju Aneka Sawit
MM	:	Musim Mas
MoU	:	Memorandum of Understanding
MSDS	:	Material Safety Data Sheet
MSM	:	Mentaya Sawit Mas

NGO	:	Non Government Organization
OER	:	Oil Extarction Rate
OHS	:	Occupational Health and Safety
P2K3	:	<i>Panitia Pembina Keselamatan dan Kesehatan Kerja</i> (OHS Committee)
PGA	:	Personal General Affair
PIC	:	Person In Charged
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
PT	:	Perseroan Terbatas
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)
SSM	:	Sukajadi Sawit Mekar
SSU	:	Soil Sampling Unit
TPSA	:	<i>Tempat Pembuangan Sampah Akhir</i> (Final Waste Disposal Site)
WHO	:	World Health Organization
WTP	:	Water Treatment Plant
WWTP	:	Waste Water Treatment Plant

1.0	<b>SCOPE of the CERTIFICATION ASSESSMENT</b>		
1.1	<b>Assessment Standard Used</b>	<ul style="list-style-type: none"> <li>Indonesian National Interpretation Principle and Criteria RSPO 2013 for Indonesia July 2016, approved RSPO Governors 30 September 2016.</li> <li>RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 revised on 14 June 2017 (Module D for CPO Mill)</li> <li>RSPO Certification System for Principles and Criteria, 14 June 2017</li> </ul>	
1.2	<b>Organisation Information</b>		
1.2.1	Organisation name listed in the certificate	PT Karunia Kencana Permaisejati subsidiary of Wilmar International Ltd	
1.2.2	Contact person	Perpetua George	
1.2.3	Organisation address and site address	<p><b>Singapore office address:</b> 56 Neil Road Singapore Singapore 088 030</p> <p><b>Indonesian Liaison office:</b> Multivison Tower Lt. 15 Jl. Kuningan Mulya Blok B9, Kuningan, Jakarta 12980 - Indonesia</p>	
1.2.4	Telephone	(62-21) 2938- 0777 (Indonesia Office)	
1.2.5	Fax	(62-21) 2938 - 0115	
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	
1.3	<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 2 Estate ; KKP 3 Estate</li> </ul>	
1.3.2	Type of certificate	Single	
1.4	<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 Kotawaringin Timur, Kalimantan Tengah Province, Indonesia	2° 14' 27" S      112° 37' 48" E
1.4.2	Location of Certification Scope of Supply Base		
	<b>Name of Supply Base</b>	<b>Location</b>	<b>Coordinate</b>
			<b>Latitude</b> <b>Longitude</b>
	KKP 1 Estate	Village of Seibabi, Subdistrict of Telawang, District of Kotawaringin Timur, Kalimantan Tengah Province, Indonesia	2° 14' 25" S      112° 31' 6" E



	KKP 2 Estate	Village of Tangar, Subdistrict of Mentaya Hulu, District of Kotawaringin Timur, Kalimantan Tengah Province, Indonesia.	2° 15' 11" S	112° 35' 14" E	
	KKP 3 Estate	Village of Kenyala, Subdistrict of Telawang, District of Kotawaringin Timur, Kalimantan Tengah Province, Indonesia.	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		12,609.50 Ha		
	• Immature area		174.80 Ha		
	• Land Clearing		6.45 Ha		
	• Enclave		3,706.96 Ha		
	• Not plantable		1,577.61 Ha		
	• Mill		11.60 Ha		
	• Road, Housing complex		552.52 Ha		
	• HCV		1,010.31 Ha		
<b>1.6</b>	<b>Planting Year and Cycles</b>				
1.6.1	Age profile of planting year				
	<b>Planting Year</b>	<b>Hectarage (Ha)</b>			
		<b>KKP 1 Estate</b>	<b>KKP 2 Estate</b>	<b>KKP 3 Estate</b>	
		<b>Total</b>			
	2007	4,492.03	1,889.75	-	6,381.78
	2008	195.68	1,367.53	1,351.38	2,914.59
	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
	<b>Sub Total Mature</b>	<b>4,855.68</b>	<b>4,021.90</b>	<b>3,731.92</b>	<b>12,609.50</b>
	2016	10.19	-	48.21	58.40
	2017	46.55	-	52.59	99.14
	2018	17.26	-	-	17.26
	<b>Sub Total Immature</b>	<b>74.00</b>	<b>-</b>	<b>100.80</b>	<b>174.80</b>
	<b>TOTAL</b>	<b>4,929.68</b>	<b>4,021.90</b>	<b>3,832.72</b>	<b>12,784.30</b>
1.6.2	New Planting area after January 2010		-		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						
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel	
				Out put (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)
	KKP Mill	60	220,271.35	47,962.01	22.78	10,554.25	4.79
	<i>*Production data source from October 2017 - September 2018</i>						
1.7.2	Description of Certification Scope of Supply Base						
	Name of Estate	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/ year)	Supplied to Mill	
						FFB (tonnes/year)	%
	KKP 1 Estate	6,328.27	4,929.68	51,959.26	10.71	51,959.26	100
	KKP 2 Estate	6,398.30	4,021.90	86,961.11	21.62	86,961.11	100
	KKP 3 Estate	6,923.18	3,832.72	81,262.02	21.77	81,262.02	100
	<b>TOTAL</b>	<b>19,649.75</b>	<b>12,784.30</b>	<b>220,182.39</b>	<b>17.46</b>	<b>220,182.39</b>	<b>100</b>
	<i>*Production data source from October 2017 - September 2018</i>						
1.7.3	FFB description from other source						
	Name of sources/Organisation (RSPO certified / non-certified)	Type of Organisation	number of smallholders	Production Area (Ha)	Supplied to Mill		
					FFB (tonnes/year)		
	MSM 1 Estate (Certified associated grower)	Subsidiary of Wilmar International Ltd	-	3,265.27	88.96		
	<b>TOTAL</b>					88.96	
	<i>*Production data source from October 2017 - September 2018</i>						
1.7.4	Product categories			FFB, CPO, PK			
<b>1.8</b>	<b>Tonnage of Product</b>						
1.8.1	Past Annual Claim Certified Product			Last Year Projected Certified Volume 22 Dec 2017 – 21 Dec 2018 (MT)		Actual certified product 22 December 2017 to 30 September 2018 (MT)*	
	FFB Processed			331,758		187,880.90	
	CPO Production			74,645		40,466.99	
	Palm Kernel (PK) Production			14,929		8,988.20	
	<i>*The actual certified product produced recorded is start from December 22, 2017 since the mill achieved the certificate.</i>						
1.8.2	Product selling						
	Type of selling product			Actual selling product period 22 December 2017 to 30 September 2018 *			
	CSPO sold as RSPO certified product			36,278.64			
	CSPK sold as RSPO certified product			8,200.72			
	CSPO sold under other scheme			-			
	CSPK sold under other scheme			-			
	CSPO sold as conventional			3,944.88			
	CSPK sold as conventional			737.33			
	<i>*The actual certified product produced recorded is start from December 22, 2017 since the mill achieved the certificate.</i>						

1.8.3	Estimate of Certified FFB Claim							
	<b>Name of Estate(s)</b>	<b>Total Area (Ha)</b>	<b>Planted Area (Ha)</b>	<b>FFB (tonnes/year)</b>	<b>Yield (tonnes/ha/year)</b>			
	KKP 1 Estate	6,328.27	4,929.68	56,493	11			
	KKP 2 Estate	6,398.30	4,021.90	93,040	23			
	KKP 3 Estate	6,923.18	3,832.72	89,279	23			
	<b>Total</b>	<b>19,649.75</b>	<b>12,784.30</b>	<b>238,812</b>	<b>19</b>			
	<i>*Projected FFB production for December 2018 - December 2019</i>							
1.8.4	Estimate of Certified Palm Product Claim							
	<b>Name of Mill</b>	<b>Capacity (tonnes/ hour)</b>	<b>FFB Processed (tonnes/year)</b>	<b>CPO</b>		<b>Palm Kernel</b>		<b>Supply Chain Module</b>
				<b>Out put (tonnes)</b>	<b>Extraction (%)</b>	<b>Out put (tonnes)</b>	<b>Extraction (%)</b>	
	KKP Mill	60	238,812	57,315	24	11,941	5	IP
	<i>*Projected CSPO and CSPK production for December 2018 - December 2019</i>							
1.9	<b>Other Certifications</b>							
	ISCC			-				
	Others			-				
1.10	<b>Time Bound Plan</b>							
1.10.1	<b>Time Bound Plan for Other Management Units</b>							
	<b>Management Unit</b>		<b>Estate (Supply Base)</b>	<b>Time Bound Plan</b>	<b>Location</b>	<b>Status</b>		
	<b>MILL</b>	<b>Time Bound Plan</b>						
	Sapi (1 + 2)	2008	<ul style="list-style-type: none"> <li>Sapi 1 &amp; 2</li> <li>Kiabau</li> </ul>	2008	Sandakan, Sabah, Malaysia	Certified		
	Sabahmas	2008	<ul style="list-style-type: none"> <li>Sabahmas</li> </ul>	2008	Lahad Datu, Sabah, Malaysia	Certified		
	Reka Halus	2008	<ul style="list-style-type: none"> <li>Reka Halus</li> </ul>	2008	Sandakan, Sabah, Malaysia	Certified		
	Saremas 1	2008	<ul style="list-style-type: none"> <li>Saremas 1</li> <li>Saremas 2 (Div D)</li> <li>Suai</li> </ul>	2008	Miri Serawak, Malaysia	Certified		
	Saremas 2	2008	<ul style="list-style-type: none"> <li>Saremas 2 (exclude Div D)</li> <li>Kaminsky</li> <li>Segarmas</li> </ul>	2008	Miri Serawak, Malaysia	Certified		
	Terusan (1 + 2)	2009	<ul style="list-style-type: none"> <li>Terusan 1 &amp; 2</li> <li>Rumidi</li> </ul>	2009	Sandakan, Sabah, Malaysia	Certified		
	Ribubonus	2009	<ul style="list-style-type: none"> <li>Ribubonus</li> </ul>	2009	Sandakan, Sabah, Malaysia	Certified		
	PT Perkebunan Milano	2009	<ul style="list-style-type: none"> <li>Sei Daun</li> <li>Batang Saponggol</li> <li>Marbau</li> </ul>	2009	North Sumatra	Certified		
	PT Mustika Sembuluh 1	2009	<ul style="list-style-type: none"> <li>Mustika Sembuluh 1</li> <li>Mustika Sembuluh 2</li> <li>Kerry Sawit Indonesia 2</li> </ul>	2009	Central Kalimantan	Certified		

		<ul style="list-style-type: none"> <li>• Sarana Titian Permata 1</li> <li>• Sarana Titian Permata 2</li> <li>• Sarana Titian Permata 3</li> </ul>			
PT Mustika Sembuluh 2	2015	<ul style="list-style-type: none"> <li>• Mustika Sembuluh 3</li> <li>• Bumi Sawit Kencana 1</li> </ul>	2015	Central Kalimantan	Certified
PT Kencana Sawit Indonesia	2010	<ul style="list-style-type: none"> <li>• Kencana Sawit Indonesia</li> <li>• Koperasi Swamata</li> </ul>	2010	West Sumatra.	Certified
PT. Kerry Sawit Indonesia 1	2010	<ul style="list-style-type: none"> <li>• Kerry Sawit Indonesia 2</li> <li>• Kerry Sawit Indonesia 3</li> </ul>	2010	Central Kalimantan	Certified
PT. Kerry Sawit Indonesia 2	2015	<ul style="list-style-type: none"> <li>• Kerry Sawit Indonesia 1</li> <li>• Kerry Sawit Indonesia 2</li> <li>• Mustika Sembuluh 2</li> </ul>	2015	Central Kalimantan	Certified
PT. Tania Selatan	2010	<ul style="list-style-type: none"> <li>• Burnai Barat</li> <li>• Burnai Timur</li> </ul>	2010	South Sumatra	Certified
Sri Kamusan	2010	<ul style="list-style-type: none"> <li>• Hibumas 1</li> <li>• Hibumas 2</li> <li>• Sri Kamusan</li> <li>• Jebawang, Sekar Imej</li> <li>• Sapi Sugut</li> </ul>	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	2020	Sarana Titian Permata 1, Sarana Titian Permata 2	2020	Central Kalimantan	Main Assessment
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	2020	PT Sinarsiak Dianpermai Estate	2020	Riau	Stage 1
BBPOP (Benso)	2015	Benso, Benso Smallholder	2015	Ghana	Certified

Plantation)					
PT. Murini Sam Sam	2015	Murini Sam Sam Estate	2015	Riau	Certified
PT Bumi Pratama Khatulistiwa	2017	Bumi Pratama Khatulistiwa Estate	2017	West Kalimantan	Certified
		Buluh Cawang Estate	2020		Not Certified
PT Karunia Kencana Permaisejati	2017	PT. Karunia Kencana Permaisejati 1, PT. Karunia Kencana Permaisejati 2, PT. Karunia Kencana Permaisejati 3	2017	Central Kalimantan	Certified
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	2020	PT ANI Pahauman estate PT Pratama Procentindo	2020	West Kalimantan	-
PT. Agro Palindo Sakti 2	2020	PT. Agro Palindo Sakti estate, PT. Indo resin Putra Mandiri, PT. Daya Landak Plantation, PT. Putra Indotropical	2020	West Kalimantan	-
PT. Agroindo Indah Perkasa 2	2017	PT Agroindo Indah Perkasa Estate	2023	Bangko – Jambi	NPP Audit in 2010
PT. Musi Banyuasin Indah	2020	PT MBI Sei Jarum estate PT MBI Sei Selabu estate	2020	South Sumatera	-
1.10.2	<b>Progress of Associated Smallholders and Out growers for Certifiable Standard</b>				
	There is no associated smallholders under PT KKPs				

2.0	<b>ASSESSMENT PROCESS</b>
2.1	<b>Assessment Team</b>
ASA-1	<p>1. <b>Sandra Purba (Lead Auditor)</b>. Graduated from Forestry Faculty Bachelor Degree, majored in Forest Product Technology. Have experience working in industrial forest company, mining and oil palm plantations company for 6 (six) years as EHS and Sustainability Assistant. Has been certified as General OHS Expert, attend and passed the several trainings of management system (OHS, environment and quality management), has been attend the training of waste management, GHG vericator and validator training, and conflict resolution and mapping training. Have been successfully passed the Indonesian Sustainable Palm Oil (ISPO) Lead Auditor training course, RSPO lead auditor training course and auditor of RSPO Next, SCCS LAT and SA8000. Involve in many audit activities of similar scheme (ISPO and MSPO) since April 2013 covering the Legal Aspect, Environmental aspect, Social Aspect, Health and Safety Aspect, conservation and Worker Welfare. During this audit, he verified legal, customary or user rights, environment, conservation and GHG aspect.</p> <p>2. <b>Arif Faisal Simatupang (Auditor)</b>. Bachelor of Agriculture, from Department of Agriculture Agronomy, Faculty of Agriculture, University of Gadjah Mada. He has successfully completed an RSPO endorsed P&amp;C Lead Auditor Training, RSPO SCCS endorsed Lead Auditor Training, Indonesian Sustainable Palm Oil (ISPO) Lead Auditor Training, Management System Certification ISO 9001-2008 Lead Auditor Training, Environmental Management System ISO 14001 Lead Auditor Training, ISO 17021 and ISO 17065 Awareness Training, Management of High Conservation Value (HCV) Training, Social Accountability SA 8000 Training. He has four years of working experience as a Field Assistant on oil palm Plantation Company in Indonesia. Since 2014, he works as an auditor of RSPO and ISPO in the aspects of legal, social, best management practices of mill and estate, OHS, employment, and environmental. In this audit he is responsible for assessing the aspects of SCCS, commitment to transparency, worker welfare and social community aspect.</p> <p>3. <b>Yudhi Yuniarto Tallutondok (Auditor)</b>. Indonesian citizen, Bachelor of Fisheries, Padjadjaran University. Experience of working over three years since 2013 as plantation operations staff in private palm oil plantation companies in Indonesia. Training have been followed including Auditor of Indonesian Sustainable Palm Oil (ISPO), Lead Auditor of Roundtable on Sustainable Palm Oil (RSPO) P&amp;C, RSPO SCCS endorsed Lead Auditor Training, Lead Auditor of ISO 9001:2015, ISO 14001:2015, ISO 22000:2009, ISO 19011:2011, SA 8000 training, Basic Management Development Program Agronomy, Fire Anticipation on Land and Forest, Potential Mapping and Conflict Resolution in Production Forests, Awareness ISO 17021 and ISO 17065. Has participated in audit activities for ISPO and RSPO scheme since 2017 for agronomy, OHS, labor and social aspects. In this audit activity he supprot to assess OHS and worker welfare. During this audit, he verify long term plan, Best Management Practice and OHS aspect.</p> <p>4. <b>Sofyan Hadi Lubis</b>. Master's Program in Environmental and Natural Resource Management, Institute Pertanian Bogor (IPB) and Bachelor of Social Economic Agriculture, Gadjah Mada University (UGM). Has been involved as a researcher at the Research Centre of Forestry and Climate Change and Cooperation IPB-ETH Zurich Swiss-NUS Singapore regarding carbon stock analysis. The training has been followed, among other climate change mitigation and adaptation for agricultural productivity in Southeast Asia, Asian Carbon Update and Network and Climate Change Mitigation and Adaptation for Agricultural Productivity, Environmental Impact Assessment (EIA), Lead Auditor ISPO (Indonesian Sustainable Palm Oil), IHT-RSPO, ISO 9001, HCV, ISO 14001, Calculation of Greenhouse Gases (GHG), ISCC Plantation Audit and Land Use Assessment, Green Industry and ISCC EU and Plus Basic Training. Furthermore, he also worked as a staff environmental consulting firm and currently working as an auditor in the certification body (PT Mutuagung Lestari). He has conducted audits for ISPO scheme, RSPO and ISCC in palm oil plantations as an auditor.</p>
2.2	<b>Assessment Methodology, Assessment Process and Locations of Assessment</b>
2.2.1	<b>Figure of person days to implement assessment</b>
ASA-1	<p>Number of auditors for <b>ASA-1</b>: 3 auditor          Number of days for <b>ASA-1</b> at site: 4 days          Number of working days for <b>ASA-1</b> at site: 12 Working days</p>

2.2.2	<b>Assessment Process</b>
ASA-1	<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 <i>Indonesian Nasional Interpretasi Prinsip dan Kriteria RSPO 2013 Untuk Indonesia Juli 2016</i>, approved RSPO Governors 30 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 revised on 14 June 2017 (Module D / 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) <i>interview</i>, aiming to obtain more detailed information and cross check the information; and (3) field observation, aiming to observe directly the sufficiency of implementation on site.</p> <p>Some opportunities for improvement of the results <b>ASA-1</b> delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase (<b>ASA-2</b>).</p> <p>Improvement of findings from main assessment findings were observed by auditors at this <b>ASA-1</b> assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of <b>ASA-1</b>.</p> <p>The assessment program please find Appendix 2</p>
2.2.3	<b>Locations of Assessment</b>
ASA-1	<p><b>KKP1 Estate</b></p> <ul style="list-style-type: none"> <li>- <b>HGU Pole No. KKPS 117 (Block 001) and KKPS 119 (Block 001)</b>. Observation of aspect of land demarcation and maintenance of HGU pole.</li> <li>- <b>HGU dispute with PT Sukajadi Sawit Mekar (Musim Mas Group) Block 014 and 026</b>. Observation of land / HGU with PT Sukajadi Sawit Mekar (Musim Mas Group), land demarcation of two parties.</li> <li>- <b>Pest Treatment by trunk Injection, Block 111</b>. Observation and interview related to safe working practices, OHS and worker welfare aspects.</li> <li>- <b>Circle Manual Weeding / Racking, Block 035</b>. Observation and interview related to safe working practices, OHS and worker welfare aspects.</li> <li>- <b>Peat Management: Weirs, Water Level Meter, Water Table Meter (piezometer), Subsidence Stake. Block 92 and 100</b>. Observation of water management on peat soil by installing weirs, water table monitoring by piezometer, and peat subsidence by subsidence stake.</li> <li>- <b>Chemical storage</b>. Observation and interview related to chemicals handling, OSH and waste handling.</li> <li>- <b>Hazardous scheduled waste storage</b>. Observation and interview related to OSH and waste management.</li> <li>- <b>Workshop and fuel tank</b>. Observation related to OHS, workers welfare and waste handling.</li> <li>- <b>Fire-fighting facility</b>. Observation related to emergency preparedness.</li> <li>- <b>Clinic</b>. Observation and interview related to workers health services, workplace accident handling and infectious waste management.</li> <li>- <b>Workers line-site of Division 1 C12</b>. Observation related to workers facility, domestic waste management and complaint/grievance handling.</li> <li>- <b>Crèche</b>. Observation and interview related to workers welfare, OSH and facility.</li> </ul> <p><b>KKP2 Estate</b></p> <ul style="list-style-type: none"> <li>- <b>Boundary pole BPN 11</b>. Ground check for legal operational boundary.</li> <li>- <b>Boundary pole BPN 12</b>. Ground check for legal operational boundary.</li> <li>- <b>Boundary pole BPN 13</b>. Ground check for legal operational boundary.</li> <li>- <b>Water Level Monitoring Block 065</b>. Observation for peat soil and water management.</li> <li>- <b>Peat Subsidence Monitoring Block 066</b>. Observation for peat subsidence.</li> <li>- <b>Pest and Disease Census, Block 071</b>. Observation and interview related to employment aspects, OHS implementation (medical check up, PPE), and workers' knowledge about work procedure.</li> <li>- <b>Harvesting Activity, Block 078</b>. Observation and interview related to employment aspects, OHS implementation, and workers' knowledge about work procedure.</li> </ul>



- **Manual Upkeep Activity (Racking), Block 077.** Observation and interview related to employment aspects, OHS implementation (medical check up, PPE), and workers' knowledge about work procedure.
- **Chemical storage.** Observation and interview related to chemicals handling, OSH and waste handling.
- **Fertilizer storage.** Observation and interview related to chemicals handling, OSH and waste handling.
- **Hazardous scheduled waste storage.** Observation and interview related to OSH and waste management.
- **Workshop and fuel tank.** Observation related to OHS, workers welfare and waste handling.
- **Fire-fighting facility.** Observation related to emergency preparedness.
- **Workers line-site of Division 2.** Observation related to workers facility, domestic waste management and complaint/grievance handling.
- **Crèche of Division 2.** Observation and interview related to workers welfare, OSH and facility.
- **Landfill, Block of J27 Division 1A.** Observation related to domestic waste management.

#### KKP3 Estate

- **Boundary pole BPN 34.** Ground check for legal operational boundary.
- **Boundary pole BPN 38.** Ground check for legal operational boundary.
- **Harvesting Activity, Block 137.** Observation and interview related to employment aspects, OHS implementation, and workers' knowledge about work procedure.
- **Manual Upkeep Activity (Racking), Block 484.** Observation and interview related to employment aspects, OHS implementation (medical check up, PPE), and workers' knowledge about work procedure
- **Manuring activities, Block 053,** Interviews with the foreman and workers about labor, technique of manuring, wages, PPE, aspects of OHS, insurance, trainings of worker, health checks, socialization of labor unions, gender committees, complaints of worker, Socialization of protected flora and fauna, working hours and others.
- **Trunk Injection, Block 052,** Interviews with the foreman and workers about labor, technique of injection, wages, PPE, aspects of OHS, insurance, trainings of worker, health checks, socialization of labor unions, gender committees, complaints of worker, Socialization of protected flora and fauna, working hours and others.
- **Agrochemical Storage.** Observation and interview related to agrochemical storage condition, management of hazardous and toxic material, safe working practices, OHS and worker welfare aspects.
- **Hazardous Waste Storage.** Observation and interview related to hazardous waste storage condition, management of hazardous waste, safe working practices, OHS and worker welfare aspects.
- **Workshop.** Observation and interview related to safe working practices, OHS and worker welfare aspects.
- **Firefighting facility.** Observation, interview and simulation related to firefighting facility.
- **Generator Station.** Observation and interview related to generator station condition, management of hazardous waste, safe working practices, OHS and worker welfare aspects.
- **Clinic.** Observation and interview related to management of hazardous waste, OHS and worker welfare aspects.
- **Land Application, Block 117.** Observation and interview related to POME management, safe working practices, OHS and worker welfare aspects.
- **EFB Application, Block 146.** Observation and interview related to EFB management, safe working practices, OHS and worker welfare aspects.
- **Landfill Area, Block O10.** Observation and interview related to domestic waste management.
- **HCV Area, Block 133.** Observation for HCV management.

#### KKP POM

- **Security Post and Weighbridge.** Observation and interview related FFB receiving, recording in accordance with SCCS requirements.
- **Grading Area.** Observation of grading mechanism and interview of related personnel in charge (Grading Foreman and their staff), understanding about sortation procedure, worker welfare and OHS implementation (medical checkup, PPE).
- **Process Station,** Observations and interviews with operators regarding the fulfillment of Operator License, periodic health checks, PPE provision, HIRAC socialization, wage payment, Labor Insurance membership.
- **Boiler Station,** Observations and interviews with operators regarding the fulfillment of Operator License, periodic health checks, PPE provision, HIRAC socialization, wage payment, Labor Insurance membership.



- **Engine Room Station**, Observations and interviews with operators regarding the fulfillment of Operator License, periodic health checks, PPE provision, HIRAC socialization, wage payment, Labor Insurance membership.
- **Workshop**. Observation and interview with the welder related to license, worker welfare and OHS implementation (medical checkup, PPE).
- **Hydrant No 3**. Simulate fire fighting when an emergency occurs.
- **Chemical Storage**. Observation and interview related to chemical storage condition, management of hazardous and toxic material, safe working practices, and OHS and worker welfare aspects.
- **Hazardous Waste Storage**. Observation and interview related to hazardous waste storage condition, management of hazardous waste, safe working practices, OHS and worker welfare aspects.
- **Fiber and Shell Storage**. Observation and interview related to solid waste management.
- **WTP Station**. Observation related to water management.
- **WWTP**. Observation related to waste water management.
- **Nut and Kernel Station**. Observation and interview related to safe working practices, OHS and worker welfare aspects.

**Stakeholders**

- **Government Agencies**. Environmental Agency of Kotawaringin Timur Regency, National Land Agency of Kotawaringin Timur Regency, Manpower and Transmigration Agency of Kotawaringin Timur Regency, and Plantation Agency of Kotawaringin Timur Regency.
- **Local Community**. Village Government staff, Traditional Leader, Sub village Leader, and Community Leader.
- **Internal Stakeholder**. Bipartite organization and Gender Committee of KKP POM, KKP1, KKP2, KKP3.
- **Local Contractor**. FFB transportation (PT Sabindo).
- **Workers** : FFB Application: 1 Foremen and 10 applicator), Land Application Area (1 Foremen and 1 applicator), Operator chemical spraying of KKP1, KKP2 and KKP3 : 19 applicator and 3 foreman, Manuring workers 12 workers, Harvester as much as 7 workers, Store-keeper : 5 workers, Workshop personnel : 7 workers, Crèche officer : 4 workers, Firefighters :11 workers.

<b>2.3</b>	<b>Stakeholder Consultation and Stakeholders Contacted</b>
<b>2.3.1</b>	<b>Summary of stakeholder consultation process.</b>
<b>ASA-1</b>	<p>Summary of stakeholder consultation process</p> <p>Consultation of stakeholders for PT Karunia Kencana Permaisejati – Wilmar International Ltd was held by:</p> <ul style="list-style-type: none"> <li>- Public consultation meeting with government of Kotawaringin Timur District conducted by visits and interview on 02<sup>th</sup> October 2018</li> <li>- Public consultation meeting with local stakeholder conducted by visits and interview on 02<sup>th</sup> October 2018</li> <li>- Public consultation meeting with internal stakeholder on 01<sup>th</sup> October 2018</li> <li>- Public consultation meeting with local contractor on 01<sup>th</sup> October 2018</li> <li>- Announcement at Mutucertification Website on 17 September 2018</li> </ul> <p>Numbers of input from stakeholders were clarified by PT Karunia Kencana Permaisejati – Wilmar International Ltd</p>
<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 ( <b>ASA-2</b> ) will be determined 8-12 months after this license of <b>ASA-1</b> issued ( <i>October -2018</i> ).

**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) Nonconformities were assigned against Major Compliance Indicator; zero (0) nonconformity were assigned against Minor Compliance Indicators; and zero (0) nonconformance against supply chain requirement for CPO mill and four (4) opportunity(s) for improvement were identified.

Further explanation of the non-conformities raised and corrective actions taken by the company are provided in section 3.5. The company has already prepared and implemented the corrective actions that had been reviewed and accepted by Auditors in form of documentation evidences e.g. (*document record/photographic/etc*).

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 Revised June 2017 (Module D / E for CPO Mill).

Therefore MUTUAGUNG LESTARI Recommends RSPO Certification of compliance is continued.

Ref Std.	VERIFICATION RESULT of MUTU-Certification	
<b>PRINCIPLE #1 COMMITMENT TO TRANSPARENCY</b>		
<b>1.1</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>A list of information that can be accessed by the public is contained in the procedure of “Providing Information to Stakeholders (Transparency)” (No. SOP47 / PR / 6 / 0516), among others environmental document, the 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.</p> <p>Based on the procedure, the list will updated every 6 month if there is a revision or change of stakeholders. 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 The company for information request.</p>	
<b>1.1.2</b>	<p>Record of information is stored in the information book on each management unit. In the book shows that there is no incoming information request, but proposals or invitation to attend a meeting held by stakeholders. However the The company has submitted mandatory reports regularly to the related agencies such as employment report, environment management report, and plantation development report.</p> <p>The company has procedure for communication with stakeholder, written on SOP of Communication Implementation Mechanism and Community Consultation (SOP 35 / PR / 1 / 0614 dated May 05 / 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.</p>	

Appointment of communications and consultation officers in accordance with the field of work, position, and level of authority.

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**  
The company has list of document that can be accessed publicly. The public documents, such as environmental document, The 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.

The company has submitted mandatory reports regularly to the related agencies such as employment report, environment management report, and plantation development report. These documents also can be accessed by public through the mechanism which has determined by the Certificate Holder.

Status: Comply

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

**1.3.1**  
The company has Company's Code of Conduct (No. 003/DIR-KP/IV/2016 dated 20 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 Certificate Holder's operations, either for personal gain or for any purpose other than that intended by the Certificate Holder. Based on document review and interview with workers in Estates and Mill, as well as local contractor, known that the code of conduct has been socialized annually, they understood about this policy.

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**  
Evidence of compliance with applicable laws and regulations can be demonstrated by companies, such as:

**Legal Aspect**

- The company has HGU and IUP documents as a fulfillment of Law 39 / 2014 concerning plantations, Law No. 5 / 1960 on agrarian principal laws and PP No. 40 / 1996. Can be shown evidence of land use reporting to BPN on September 17 / 2018.
- Related to the progress of conversion of status function area of PT KPPS area of 13.100 Ha, currently is in the progress of issuing of decree by related institution. Regarding to the area of 2.030 ha, which will be exchanged currently is postponed due to Presidential Instruction no.: 8 year of 2018. This will be remain **OFI**.

**OHS and Welfare Social Workers Aspect**

- The company has P2K3 structure and P2K3 report in accordance with Minister of Labor Regulation No. 4 / 1987
- The company has boiler operators, welders and heavy equipment operators certified in accordance with the regulations.
- The company has implemented the wage provisions in accordance with the Central Kalimantan Governor Regulation No. 40 / 2017 concerning the district sectorial minimum wages (UMSK) of Central Kalimantan province and PP 78 / 2015, the minimum wage stipulated for all subsidiaries of CKP.
- In addition, the company has registered all of its employees as BPJS TK and KES participants, payment of dues is carried out regularly every month.

**Environmental Aspect**

- The company already has an AMDAL document approved by Bapedalda Kab. Kotawaringin Timur dated June 28, 2008 (Decree No. 69. Commission - AMDAL. Kotimisingin / VI / 2008 / Bappedalda). Total study area are 19,649.75 Ha and palm oil factory capacity are 90 tEFB / Hours.
- The company already has license from Bupati of Kotawaringin Timur Distrit to utilize Palm Oil Mil Effluence (POME) on the land area (land application) with Decree No. 660 / 198 / EK.SDA – BLH / IV/ 2016, dated April 29, 2016. The license period are 5 years.
- The company already has license of Hazardous Waste Storage from Bupati of Kotawaringin Timur District (Decree No. 660/356/BLH-Ek.SDA/VIII/2014, dated August 06, 2014). The license period are 5 year and located in KKP1 estate, KKP2 estate, KKP3 estate and KKP POM.
- The company has conducted periodic noise testing, the last was in March 2018. Test results in the Engine Room area 97 dBA, Boiler area 91 dBA, Kernel Station 90 dBA, Worksop Room 72 dBA, and factory office area 59 dBA, housing area 47 dBA, and factory area 52 dBA. To anticipate the impact of noise on workers, the factory management has provided personal protective equipment (earplugs and earmuffs).

**2.1.2, 2.1.3, 2.1.4**

The company has identified and registered all national and regional legislation requirements that are relevant to the operations of the plantation and the factory, observed the law register for the update period May 1, 2018 and will be updated again according to the SOP on November 1, 2018 (every 6 months). The law register informs the types of regulations (Act, Presidential rules, Presidential Decree, Ministerial Decree, Presidential Instruction, Ministerial Decree, SK *Bapedda* and Governor / Regent rules), articles that oblige to comply, evaluation results (fulfilled / not fulfilled), person in charge and management. Details of register: regulations relating to the environment are 69 regulations, 68 regulations relating to plantations, relating to OSH consist of 58 regulations, and related to employment are 52 regulations.

According to the list, the latest regulation updated such as:

- Regulation no. 05/2018 concerning the opening and management of plantation land without burning
- Regulation of agrarian no. 7 of 2017 concerning arrangements and procedure for determining HGU.
- Permenaker No. 5/2018 concerning K3 in the work environment

The latest updated, evaluation and review was conducted on 28 May 2018 attended by 27 people.

In the SOP of the company regarding to identification of legal rules and requirements no. SOP08 / CKP / (3) / 0416 the validity date of April 1, 2016 explained that the legal officer is responsible for making a list of rules and regulations, identifying and updating as well as conduct the semester compliance audit (2x in a year), compile a regulatory compliance program. The estate manager is responsible for ensuring all regulatory compliance & responsibility for its implementation.

**Status: Comply**

**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**

For all the total area cultivated by PT KKPS covering an area of **19,649.754 Ha**, already has land use title namely HGU certificate no.: 32 was issued by the Head of BPN of Kotawaringin Timur Regency on October 24, 2005, located in the villages of Tangar and Palangan, Sub district of Mentaya Hulu and Kota Besi, Kotawaringin Timur Regency, Central Kalimantan, area of 19,649.754 Ha. The certificate is based on the HGU Decree from the Head of BPN No. 65 / HGU / BPN / 2005 dated June 2, 2005 concerning Provision of HGU for 35 years.

There is a land plot map No. 003/2003 dated August 6, 2003 covering an area of 17,031.754 Ha issued by the Central BPN and land parcel map number 1 of 1 dated January 18, 2005 with an area of 2,618 Ha issued by the Land Affairs Office of the Central Kalimantan Province Land Agency.

Plantation Business Permit based on the Decree of East Kotawaringin Regent No. 525.26 / 128 / Ek.SDA / 2017 dated March 3, 2017 which explains the granting of a business license with an area of 19,649.754 Ha with a mill processing capacity of 90 tons / hour.

**2.2.2**

The location of all HGU boundaries is indicated in a map of scale 1: 75000, the total number of HGU poles is 130, issued on September 20, 2018.

Based on field observations to BPN poles no.:11, 12 and 13 (KKP2), HGU poles no.: 117 and 119 (KKP1) and numbers 34 and 38 (KKP3), it was seen that the poles were maintained and the location was in accordance with the coordinate. There is no over planting on the specified HGU. In accordance with the SOP for the installation and maintenance of the HGU boundaries no. : 001 / SOP / GIS / 2018 dated May 1, 2018, the company has monitored every 6 months, the corrective action to reported poles which are lost or damaged no later than 3 months. Can be shown the monitoring report of the benchmark for the three estates for Semester 1 year 2018.

**2.2.3, 2.2.4, 2.2.5, 2.2.6**

There are no significant and open land conflicts. Based on the hectare statement, there were an area of 3,706.96 has which identified as arable area, which is an area within the HGU that has not willing to compensated (enclave), the area which in the process of measurement for compensation, the area that in the process of inventory to be negotiated and the area overlapped by village road. Can be shown a map indicating the location of the enclave with a scale of 1: 80000, the map also informs the name of the party (community) who owns the enclave area (24 parties).

There was areas that overlap with other plantation permits, covering an area of:

- Covering ± 271.95 Ha with PT SSM, according to the map scale of 1: 15000 published on September 11, 2015
- Covering ± 18.94 Ha with PT MAS according to the 1: 10000 scale map on September 11, 2015.

The company together with PT SSM and PT MAS had a meeting to discuss the area, the last meeting was held on 28 September 2018 represented by PT MM (representative of PT MAS and PT SSM) and by the Wilmar group (representative of PT KKPS), which explained that the three plantations agreed to issue a memorandum of understanding stating that each party agreed to solve the problem and commit to not interfere each other until the HGU period ended.

The company has a policy related to the conflict settlement which describes that all conflict and grievance regarding to the land shall be settled through negotiation process, open and clear (transparent).

Wilmar is committed to being responsible for conflict resolution, including involving RSPO Grievance Panel, respecting customary and individual rights; and ensuring that the agreed resolution process can be carried out freely, prioritized and informed (FPIC) by those involved. This policy are publicly accessible through company web and displayed in the information and notice board in respective unit.

Wilmar remains clearly and seriously committed not to act using violence.

**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's HGU area consists of areas owned individually (private property) by the community and traditional rights (Tangar Village). The area where the community has not yet been willing to be compensated is determined to be an enclave area by the company.

There is an area of traditional rights in the Tangar Village that is included in the HGU and is designated as HCV area, showed the consultation report for Agreement on Management of Sacred Stone (Batu Ecak Cultural Sites) as HCV 6, April 24, 2014 with the community of Kenya Village. During stakeholder consultation in the Village of Kenya, mentioned that the representative of the community agreed that the area would be managed jointly by PT KKP and the community, it could be shown the traditional rights management MoU document as HCV 6. The document was signed by the parties, namely: Tangar Village Chief, Chairperson of the Tangar Village Representative Body, PT KKP Representative and witnesses. Enclosed Minutes on 4 July 2014, Attendance List of Participants and Photographs.

The company is currently still in the compensation process for enclave areas, in 2018 there is compensation for the community on behalf of Mr. RYT, there is evidence in the form of minutes of the negotiation process between company representatives and owners and accompanied by the local government, minutes of price negotiations, calculations and



growing crop surveys, price agreements, land measurements and participatory mapping and accompanied by the village head, and payment on 19 July 2018.

Interviews with landowners have been carried out by the auditor to ensure that FPIC has been running during the compensation process, for example with a land owner from Kenyala Village 4 people, stated that the company has openly negotiated and is accompanied by the local government, there is no coercion in the negotiation process, was proven that until now there were still land owners who were not willing to be compensated and the area became an enclave area (in HGU).

The company has SOP no: SOP46 / PR / 1/0218 FPIC SOP dated 8 Feb 2018 which explains that land disputes and land compensation are settled by consensus deliberations and disputed locations observed jointly by the land owner and attended by witnesses.

**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**

The company has documents on the long-term plan contained in the Financial Projection period of 2015 to 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, FFB production).
- Crop and Estate Cost.
- 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 can be adjusted based on field condition, financial condition or another reason.

**3.1.2**

There is no plan of replanting for the next five years due to the requirements written on the SOP of agronomy, stated that the oil palm economic age is 25 years. Meanwhile, the oldest oil palm is 11 years old.

**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**

The company has documents related to procedures for oil palm cultivation and palm oil processing listed in SOP-IK Technical of Oil Palm Cultivation (starting from planting up to transportation of FFB) and Standard Operating Procedures in POM (starting from FFB acceptance up to processing FFB). The results of interviews with the management known that each operational staff has 1 bundle of procedures as a reference in conducting work. Procedures are also available in each estate / mill office.

Field observation results and interviews with employees at KKP POM grading station known that workers can explain their duties and responsibilities, employees can also explain the criteria of ripe fruit and provide good grading example. Employees are also known to have received socialization related to the Code of conduct and have understood the purpose and objectives.

Based on a field visit and interviews with the harvesters in the Block 078 Division 2 KKP 2 Estate, and Block 137 Division 1 KKP 3 Estate, the harvesting process has complied with procedures that issued by the company. The harvesters can explain well on harvesting correct procedures. Particularly relevant to the criteria for ripeness. Harvesters and pickers also explained about payments mechanism and obligation to use personal protective equipment (PPE) according to the HIRAC. Besides that, all workers have attended socialization of company policies, list of animal protected by the laws and conservation area.

**4.1.2, 4.1.3**

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:

- **KKP 1 Estate**  
Agronomic Internal Audit was held on September 25, 2018 by 2 internal auditors with the initials MS. The audit was carried out by assessing 3 aspects, namely agronomic recommendations, agronomic management and harvest quality. The audit was also carried out based on a block sample of 12 blocks. Based on the results of the audit known that there are 1 findings related to broken footbridge harvest on Blocks 027, 050, 051 and 115. The company has in this case made repairs by replacing the broken footbridge harvest.
- **KKP 2 Estate**  
Agronomic Internal Audit was held on September 26, 2018 by 2 internal auditors with the initials MS. The audit was carried out by assessing 3 aspects, namely agronomic recommendations, agronomic management and harvest quality. The audit was also carried out based on a block sample of 8 blocks. Based on the results of the audit known that there are 1 findings related to broken footbridge harvest on Blocks 138. The company has in this case made repairs by replacing the broken footbridge harvest.
- **KKP 3 Estate**  
Agronomic Internal Audit was held on September 27, 2018 by 2 internal auditors with the initials MS. The audit was carried out by assessing 3 aspects, namely agronomic recommendations, agronomic management and harvest quality. The audit was also carried out based on a block sample of 8 blocks. Based on the audit results known that there are 2 findings related to broken footbridge harvest at Block 020, 126, 027, and non-standard pruning quality in Block 127. Companies in this case have made improvements by replacing broken footbridge harvest and pruning services.

The results of interviews with the management known that up to the audit activities carried out the management has made improvements to the findings of internal audit.

**4.1.4**

Based on FFB receiving data in the Mill, the The company did not received FFB from outgrowers. KKP POM only received FFB from KKP 1 Estate, KKP 2 Estate, and KKP 3 Estate.

	<b>Status: Comply</b>	
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<b>4.2</b>	<b>Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.</b>
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<b>4.2.1, 4.2.2</b>	
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The company known to have a procedure related to the management of planting fertility listed. This procedure discusses the procedure of fertilizing application in breeding, fertilizing of nuts, inorganic fertilization in IU, fertilization of bare length, taking of LSU and SSU, control of fertilizer quality, compost fertilization, ash, land application in MU, and quality control.

At the time of the audit activity the company shows documents related to the fertilization program of 2018 for each management unit. The document describes fertilizer progress and fertilizer use per ton of FFB. The result of interview with the management known that the The company has implemented the fertilization program in 2018 well according to the recommendation by EMU Laboratory Wilmar based on the analysis of leaf and soil, in this case the company shows fertilization monitoring period of January – August 2018 for example KKP 1 Estate has applied 1,728.60 tons of NPK 13 Fertilizer, KKP 2 Estate has applied 439.25 tons of Dolomite Fertilizer and KKP 3 Estate have applied 12.60 tons of NPK 12 Fertilizer.

Based on of interviews with the management known that each day, division report the realization of work on the previous day including activities of fertilization to Estate Offices, while for the summary will be made by each division admin every month to be used as a monthly evaluation by the Estate Manager.

#### **4.2.3**

The company has procedures for leaf analysis (SA14/EMU/0/0117) which are carried out annually and soil analysis (SA12/EMU/2/0916) conducted every 5 - 15 years. Leaf and soil sampling is conducted by EMU Laboratory Wilmar and Param Agricultural Soil Surveys (M) SDN.BHD. At the time of the audit activity, the The company can show the procedures to the auditor and can explain it well.

The sampling of soil for KKP 1 Estate, KKP 2 Estate and KKP 3 Estate was conducted on 2007. The sampling of leaves for KKP 1 Estate, KKP 2 Estate and KKP 3 Estate was conducted on January, 2017. Leaf sampling based on representation of cropping years and soil type in 1 division. Leaf sampling is only done 10% of the 1 block sample area. Parameters analyzed on soil sampling are moisture content, texture, pH, base saturation, organic C, N-total, C/N ratio, available P, cation exchange capacity (CEC), Ca, Mg, K and Na. All parameters analyzed later on to be used as a base of annual fertilizer recommendation calculation by the EMU Laboratory Wilmar Agronomist.

The results of interviews with research staff known that soil and leaf analysis results were used as the basis for determining fertilizer recommendations. In this case the company may show a sample of fertilizer recommendations for each estate.

#### **4.2.4**

Biomass recycling such as: EFB application as organic fertilizer, POME application as organic fertilizer, and use of Fiber and Shell as a Boiler fuel.

The company can be demonstrated all EFB application documents as organic fertilizer. For example, from January to September 2018 the total application was 39,717.28 tons. Based on field observations in Blok 146 KKP3 Estate, it is known that EFB was applied with a dose of 300 kg / tree, and there was no indications of pollution and fire in the field due to the EFB application in the field.

The company can be demonstrated all POME application documents for organic fertilizer. For example, from January to August 2018, the total application was 170,373 m3. Based on field observations on Block 117 (O.35) KKP3 Estate, it is known that POME was applied in license areas (O.35) and there was no indication of environmental pollution due to the POME application in the field.

The company can be demonstrated all documents used Fiber as boiler fuel. For example, from January to August 2018, the total used of Fiber was 29,310.19 tons. Based on field observations, Fiber is stored in special storage before being used as boiler fuel and was no indication of pollution and fire due to Fiber used.

The company can be demonstrated all documents used Shell as boiler fuel. For example, the period January to August 2018 total used of Shells 8,648.80 tons. Based on field observations, Shell is stored in a special storage before being used as boiler fuel and was no indication of pollution and fire due to Shell used.

At the time of the ASA1 assessment there was no replanting activity, so there was no used of the remaining oil palm trees from Replanting.

Interview with DLH Kotawaringin Timur District and representatives of the village community are known that the company has applied / used the waste well, and there is no negative issue related to the applied / used of waste.

**Status: Comply**

#### 4.3

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

##### 4.3.1

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. KKP. 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>
		Enrichment	-	-	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

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

The company represents a 2018 Budget document that one of the points in it describes in relation to a road maintenance plan that includes re-road hardening, insertion of road hardening and mechanical / manual road repairs.

The result of interview with the management known that in 2017 the company does not do the road hardening. This is with consideration of road conditions are still conducive so it only requires mechanical and manual road service. The results of a field observation on Main Road 137/138 KKP 3 Estate known that the road hardening is being done to spot damaged roads.

**4.3.4, 4.3.5**

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 company shows documents related to the monitoring of water level for the period of Semester 1 of 2018. In monitoring it is found that there are 8 water levels installed in KKP 1 Estate, 1 water level installed in KKP 2 Estate and 2 water levels installed in KKP 3 Estate. The observations show that the company can maintain the surface water level at 65 cm. The results of field observation in Block 065 of KKP 2 Estate, and Block 100 of KKP 1 Estate known that the company maintains an average water level of 57 cm.

The company also monitors the peat subsidence by using subsidence pole. The company has installed subsidence poles in each peat area in each plantation, for example in KKP 1 Estate there are 6 poles, KKP 2 Estate there are 3 poles and KKP 3 Estate there are 3 poles. Based on interviews with management revealed that monitoring of subsidence poles was conducted once a year and recorded in monitoring so that it could be compared to the level of decline from the previous year. The results of field visits at Block 92 KKP 1 Estate revealed that the subsidence of peat in 2018 was 0.5 cm and was recorded in monitoring.

At the time of the audit, the company does not have a replanting plan. Based on verification of 2018 hectare statement document revealed that the oldest planting year in PT KKP was in 2007, which meant that the age of oil palm was the oldest at 11 years, while based on the Agronomy Guidelines and SOP for Oil Palm Plantations in section 9, it was stated that age the oil palm plant that will be replanted is if it has been more than 25 years. Based on the above, the company has not carried out drainability assessment.

**4.3.6**

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 )

Based on field visit in Block 146 KKP 3 Estate, known that the company had carried out an EFB application for sandy areas in accordance with the stipulated recommendation of 35 MT / Ha

**Status: Comply**

**4.4**

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

**4.4.1**

Water management plans for plantations have been explained in:

- SOP No. 21 / EHS / 0/0409, April 2014 concerning Watershed Management
- SOP No. 20 / EHS / 0/0409 April 2009 concerning Riparian Management
- HCV documents and monitoring and management plan
- Environmental management and monitoring plan.

From the procedure, obtained information that the water management plan is carried out by analysing surfacewater quality and groundwater quality.

The company has conducted water management in accordance with the procedures, as follows:

- Conduct surfacewater quality analysis in 5 location.
  - KKP 1.4, Block SAP 152: TSS: 163 mg/l, TDS: 9 mg/l, BOD5: 17 mg/l, DO: 3 mg/l, NO<sub>2</sub>-N: <0.004 mg/l, COD: 52 mg/l, NO<sub>3</sub>-N: 0.1 mg/l, pH: 6, Fecal Coliform 3100 MPN/100 ml, Total Coliform 4300 MPN/100 ml.
  - KKP 2.2, Block SAP 150: TSS: 409 mg/l, TDS: 10 mg/l, BOD5: 22 mg/l, DO: 2 mg/l, NO<sub>2</sub>-N: <0.004 mg/l, COD: 63 mg/l, NO<sub>3</sub>-N: <0.05 mg/l, pH: 7, Fecal Coliform 1200 MPN/100 ml, Total Coliform 1500 MPN/100 ml.
  - KKP 2.3, Block SAP 063: TSS: 57 mg/l, TDS: 18 mg/l, BOD5: 4 mg/l, DO: 6 mg/l, NO<sub>2</sub>-N: <0.004 mg/l, COD: 13 mg/l, NO<sub>3</sub>-N: 0.08 mg/l, pH: 6, Fecal Coliform 3100 MPN/100 ml, Total Coliform 4300 MPN/100 ml.
  - KKP 3.1, Block SAP 169: TSS: 15 mg/l, TDS: 26 mg/l, BOD5: 20 mg/l, DO: 4 mg/l, NO<sub>2</sub>-N: <0.004 mg/l, COD: 85 mg/l, NO<sub>3</sub>-N: <0.05 mg/l, pH: 7, Fecal Coliform 7000 MPN/100 ml, Total Coliform 4300 MPN/100 ml.
  - KKP 3.5, Block SAP 061: TSS: 18 mg/l, TDS: 8 mg/l, BOD5: 4 mg/l, DO: 5 mg/l, NO<sub>2</sub>-N: <0.004 mg/l, COD: 15 mg/l, NO<sub>3</sub>-N: <0.05 mg/l, pH: 6, Fecal Coliform 3100 MPN/100 ml, Total Coliform 4300 MPN/100 ml.

From the analysis results, there are parameters not in line with government regulation (PP 81/2001), such as: TSS, BOD<sub>5</sub>, COD, and Total Coliform. The company has conducted an evaluation regarding this matter which is documented in the RKL / RPL implementation report for the 1 semester of 2018. Parameters not in line with government regulation are influenced by the upstream water flow that has been contaminated by gold mining activities and other domestic activities.

The company has supervised every activity sourced from the plantation and factory, such as not fertilizing during the rainy season, not fertilizing the riparian, managing POME in the WWTP pond, not removing POME in the water courses but applied to the soil (Land Application), monitoring the land application area, as well as dispose of domestic waste in the land fill area. The results of field visits did not find indications of pollution to the environment caused by plantation and factory activities.

- Conduct groundwater quality analysis in 3 location, as follows:
  - Land application area: BOD<sub>5</sub>: 3 mg/l, DO: 5 mg/l, Oil&Grease: <1.8 mg/l, Nitrat: 3 mg/l, Cd: <0.002 mg/l, pH: 7, Zn: 0.6, SO<sub>4</sub>: <0.03 mg/l, Cu: 0.02 mg/l, Pb: <0.004 mg/l, NH<sub>3</sub>-N: <0.01 mg/l, and Cl: 89 mg/l.
  - Control land area: BOD<sub>5</sub>: 5 mg/l, DO: 4 mg/l, Oil&Grease: <1.8 mg/l, Nitrat: 4 mg/l, Cd: <0.002 mg/l, pH: 6, Zn: 0.4, SO<sub>4</sub>: 8 mg/l, Cu: 0.01 mg/l, Pb: <0.004 mg/l, NH<sub>3</sub>-N: 1 mg/l, and Cl: 24 mg/l.
  - Housing wells: BOD<sub>5</sub>: 25 mg/l, DO: 0.5 mg/l, Oil&Grease: <1.8 mg/l, Nitrat: 0.05 mg/l, Cd: <0.002 mg/l, pH: 7, Zn: 0.3, SO<sub>4</sub>: <0.3 mg/l, Cu: 0.06 mg/l, Pb: <0.004 mg/l, NH<sub>3</sub>-N: 0.8 mg/l, and Cl: 21 mg/l.

During interview to company' representative told that there is no fertilizing during the rainy season and no fertilizing to the riparian area, during field visit observed that POME are managed in the WWTP pond and applied to the soil (Land Application), all domestic waste were dispose to the landfill area. There is no found any indications of pollution to the environment caused by plantation and factory activities.

#### 4.4.2

The company can be demonstrated a river map with a scale of 1: 100,000, dated on October 11, 2017 (Map Ref No. HD-7366). From the map, obtained information that there is a large river (*Mentaya River*) that is far outside the HGU. The water from the Mentaya river then flows into the *Lais river*, *Saka river* and *Kenyala river*, and then flows into the KKP1 estate, KKP2 estate, and KKP3 estate in the form of a small water flow.

The company has protection of watercourses including riparian, this is evidenced from document study and field visits, such as: making watershed management procedures (SOP No. 21 / EHS / 0/0409, April 2014), riparian management procedures (SOP No. 20 / EHS / 0/0409 April 2009), establishes water courses including riparian management plans for HCV and RKI-RPL documents, does not carry out chemical applications on riparian, plant erosion prevention plants, install conservation signboard, and conducts monthly monitoring and socialization to employees and village communities.

#### 4.4.3

POME is managed in the WWTP pond, then tested periodically. The company can be demonstrated all test POME results, for example January to August as follows:

- January 2018: pH: 7.86, BOD<sub>5</sub>: 397 mg/l, COD: 397 mg/l.
- February 2018: pH: 8.70, BOD<sub>5</sub>: 254 mg/l, COD: 768 mg/l.
- March 2018: pH: 8.40, BOD<sub>5</sub>: 177 mg/l, COD: 536 mg/l.

- April 2018: pH: 7.60, BOD5: 922 mg/l, COD: 2711 mg/l.
- May 2018: pH: 7.70, BOD5: 1121 mg/l, COD: 2802 mg/l.
- June 2018: pH: 7.40, BOD5: 962 mg/l, COD: 2914 mg/l.
- July 2018: pH: 8.50, BOD5: 559 mg/l, COD: 1399 mg/l.
- August 2018: pH: 7.60, BOD5: 578 mg/l, COD: 1446 mg/l.

All test results are still in accordance with the regulations (KepmenLH 28/2003).

The POME is then flowed to land which has been licensed by Regent of Kotawaringin Timur Regency to utilize POME on the land area (land application) through Decree No. 660 / 198 / EK.SDA – BLH / IV/ 2016, dated April 29, 2016. Based on field visits in WWTP ponds and land application areas as well as interviews with officers and community representatives, it was known that there were no environmental pollution issues caused by POME processing activities in the WWTP pond and land applications. Officers are aware regarding to safe work practices.

#### 4.4.4

The company can be demonstrated records of water use at palm oil mill, for example from January to September 2018, total water used is 5.02 m3 / tFFB. Water usage does not exceed the budget set by the company 5.85 m3 / tFFB (water use <budget).

**Status: Comply**

#### 4.5

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

##### 4.5.1

The company has an integrated pest monitoring and control program listed in the budget of 2018. The budget is in accordance with the procedures listed in the integrated pest control procedures for the once month leaf eater caterpillar census, *Oryctes rhinoceros* every two weeks, the rat pest is done once a month and monitoring the barn owl box once a month.

Based on interviews with research staff, part of the other IPM plan is not spraying soft ferns, as soft ferns are a habitat for leaf eater caterpillar predators, in addition to saving pesticide use. The application of biological control agents such as *Tyto alba* and beneficial plants is also part of reducing pesticide use.

Based on the results of leaf eater caterpillar census period of September 2018 in each unit, known that the pest attack rate exceeds the threshold of 5 caterpillars/frond, for example for the KKP 1 Estate on Block 011 with an attack rate of 5.3 caterpillars/frond, KKP 2 Estate in Block 076 with attack rates of 12 caterpillars/frond, and KKP 3 Estate on Block 066 with an attack rate of 8.3 caterpillars/frond.

The company in this case shows the recommendation documents for controlling palm oil leaf pests in CKP (Central Kalimantan Project) plantations by the CKP and Sumatra EMU Laboratory Team in September 2018. In this document are explained causes of leaf eater caterpillar pest attack outbreaks Palm, leaf eater caterpillar pest attack condition map, and control recommendations for each unit. From the document it was concluded that the control was carried out using chemicals (insecticides) by injection method.

The company shows documents related to pest control for the 2018 period for each unit as follows:

- KKP 1 Estate  
Caterpillar control with an injection system was carried out on September 13, 2018 in Blok 011 using 7.98 Kg asephate and 23.94 liters of water. The injection is carried out for 798 principal (5.86 Ha) using 4 workers.
- KKP 2 Estate  
Caterpillar control with injection system was carried out on September 14, 2018 in Block 076 using asephate material 1.44 kg and 43.20 liters of water. The injection is carried out for 144 principal (2.06 Ha) using 2 workers.
- KKP 3 Estate  
Caterpillar control with injection system was carried out on September 26, 2018 in Block 066 using 22.73 Kg asephate and 68.19 liters of water. Injection is carried out for 2,273 staples (17.09 Ha) using 12 workers.



Based on field visit in Block 052 KKP 3 Estate revealed that the company had applied insecticides with asphate active ingredients at a dose of 30 cc / tree to control caterpillar leaf eater.

**4.5.2**

The company shows some documents related to employee training records for example Pest and Disease Training which was held on July 25, 2018 in meeting room of KKP 1 Estate office and August 25, 2018 in meeting room of KKP 3 Estate office. The training was attended by 117 employees. Training materials, documentation and attendance lists are available at the time of the audit activity.

Based on interview with foreman and pesticide applicators of KKP 3 Estate known that the interviewee were able to explained and demonstrate several technical skills such as PPE used, spraying techniques and prohibited application areas such as HCV and riparian areas which marked with redcross on palm trunks or yellow-red poles.

**Status: Comply**

**4.6**

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

**4.6.1, 4.6.2**

The company has guidance on the use of pesticides listed in the following documents:

- MSDS (Material Safety Data Sheet) for each type of agrochemical material (Pesticide) which describes material storage and handling instructions, handling in case of accident (first aid effort), Hazards identification, action on spills and leaks, PPE, physical properties and chemistry, reactivity and stability, toxicological information, ecological information, waste disposal and transport.
- SOP (Agronomic manual) chapter 6 on paraquat weeding has not been used and based on the document of the use of pesticide active ingredients since 2011 is not used.
- Policies related to the use of pesticides, especially written in the Policy Wilmar (No Deforestation, No Peat And No Exploitation) released on December 5, 2013, stated that: "the use of pesticides categorized by the world health agencies (WHO) 1A or 1B as set forth in the Stockholm or Rotterdam conventions shall not be used unless under certain circumstances or emergency conditions. Paraquat use is forbidden".

At the time of the audit activity, the company may show documents relating to the pesticide toxicity record (LD50) for each management unit. In the document documented product name used, active ingredient, LD50, percentage of active ingredient, total application, total active ingredient, production FFB and pesticide unit / kg, hectare application and pesticide unit / Hectares. The document also inform the rotation/number of application.

The results of interviews with research staff found that the company attempted to replace the pesticides used periodically to avoid the emergence of resistance. The company is also known to use pesticides that have been registered.

Based on interview with foreman and pesticide applicators of KKP 3 Estate, known that the interviewee were able to explained and demonstrate several technical skills such as PPE used, spraying techniques and prohibited application areas such as HCV and riparian areas which marked with red cross on palm trunks or yellow-red poles. The pesticides applicator able to demonstrate the specific target of pesticide and the appropriate dosage.

**4.6.3**

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**

The company present the documents relating to the policy of reducing the use of herbicide with the active ingredients of paraquat such as :

- SOP (Agronomic manual) chapter 6 on paraquat weeding has not been used and based on the document of the use of pesticide active ingredients since 2011 is not used.
- Policies related to the use of pesticides, especially written in the Policy Wilmar (No Deforestation, No Peat And No Exploitation) released on December 5, 2013, stated that: "the use of pesticides categorized by the world health agencies (WHO) 1A or 1B as set forth in the Stockholm or Rotterdam conventions shall not be used unless under certain circumstances or emergency conditions. Paraquat use is forbidden "

At the time of the audit activity, the company can show documents related to the use of paraquat period of 2011 to 2015, from the document known that the company no longer uses pesticides with the active ingredients of paraquat since 2011.

Based on field observations in the KKP 1 Estate, KKP 2 Estate and KKP 3 Estate chemical warehouse, available pesticide stocks are in accordance with those in the document. There are no pesticides with the active ingredients of paraquat or other pesticides included in WHO 1A and 1B.

**4.6.5**

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 against 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.

At the time of the audit activity, the company present documents related to the realization and program of employee training in 2018 which includes the use and handling of pesticides while working.

Based on interview with foreman and pesticide applicators of KKP 3 Estate, known that workers have used PPE with rubber gloves, googles, shoes, apron and masks (according to the risk and hazard assessment). The types of PPE have been in accordance with the recommendations listed in Glisat MSDS (glyphosate) and Tiara (Metyl metsulfuron). Pesticide applicator have been given training related to working safe, pesticide applicator able to demonstrate if any of poisoning, can explained that routine health checks are conducted every 6 months and they has been trained in the use of appropriate PPE and aware related to importance of maintaining health in their work. The workers also has been aware of the PPE replacement procedure, namely if the PPE damaged then should be reported to the foreman and the damaged one replace to the new one. The replacement process are reported to the assistant to get approval, the process of replacing PPE is 2 days.

Field observation results in the KKP 1 Estate, KKP 2 Estate and KKP 3 Estate Chemicals Warehouse are known that MSDS (Material Safety Data Sheet) is available for each pesticide used. The chemical warehouse officer can explain well in terms of MSDS and its usefulness.

**4.6.6**

The company can be demonstrated the procedure for managing pesticides including pesticide containers (SOP No. 22 / EHS / (4) / 0816, dated 15 August 2016.

The company has carried out the management of pesticides, including their containers according to procedures, this is evidenced from:

- Field visit to pesticide storage warehouses in KKP1, KKP2, KKP3, and KKP POM, it is known that pesticides are stored with best practices and there was no indication of pollution.
- Field visit to schedule waste storage in KKP1 Estate, KKP2 Estate, and KKP3 Estate is known that pesticide containers has been handed over to the licensed collector on September 27, 2018.
- Field visit to housing KKP2 Estate - Division 2, KKP1 Estate - Division 1 and KKP3 Estate – Landfill area, there was no indication that pesticide containers is reused for other purposes including for flower pots and trash bins.



Interview with agrochemical storage officers in KKP1, KKP2, KKP3 estate, it is known that pesticide containers is stored in licensed Hazardous Waste Storage.

**4.6.7**

The application of pesticides in the field has been through proven methods to minimize the risks and negative impacts as safe guidance in selecting pesticides, storing pesticides, and using pesticides for example: the selected pesticide formula must be in accordance with the intruder's remains because a pesticide formula will only be effective against one particular type of pest.

At the time of the audit activity, the company may present documents related to the training program and implementation in 2018 for employees which includes a program on the use and handling of pesticides while working.

Based on interview with foreman and pesticide applicators of KKP 3 Estate known that pesticide applicator have been given training of safe use of pesticide, pesticide applicator can explain the action when poisoning, pesticide applicator also explained that routine health checks are conducted every 6 months and pesticide applicators have been trained in the use of good and proper PPE so they have realized the importance of maintaining health in their work.

Results of field observation at KKP 1 Estate, KKP 2 Estate and KKP 3 Estate known that certificate holders have a special place for mixing pesticides, PPE storage, work tools and bathing after spraying. The same thing is expressed when the auditor conducted an interview with pesticide applicators in the field. Employees can explain well the procedure before spraying up to go home.

Each pesticide applicators bring lunch from home. In this case the company has a strategy to minimize the risks and negative impacts for example, providing clean water in large quantities to rinse and store food far from the spray location.

**4.6.8**

Results of interviews with management and community leaders around, known that the company does not do the application of pesticides by air.

**4.6.9**

Unit management has conducted pesticide handling trainings such as chemical weeding training (including MSDS, first aid training and pesticide mixing) on August 24<sup>th</sup> 2018 located in meeting room of KKP 3 Estate. This training attended by 14 pesticide applicator and supervisor.

**4.6.10**

The company can be demonstrated evidence of the socialization of pesticide handling, including its container to workers, for example: KKP1: March 6, 2018, KKP2: March 15, 2018, KKP3: March 12, 2018, and POM KKP: March 19, 2018.

Interview with pesticide storage operator of KKP1, KKP2, KKP3 estate, Hazardous Waste Storage operator KKP1, KKP2, KKP3, it was known that they understand handle to pesticide waste.

Interviewing with householder in KKP1, KKP2, KKP3 estate, it was known that they cannot use pesticides waste including pesticides containers in domestic activities.

**4.6.11, 4.6.12**

Medical surveillance for sprayers and other personnel involve in chemical activity are conducted every 6 months to check the CHE level and physical condition, for example for period 1st semester of 2018, medical check are done by company clinic. Based on random observation to spraying activity sighted that there is no indication of chemical exposure to spraying operator either irritation/itches on skin or respiratory disorder, there are no complaints from employees related to this matter. The employee spraying has been use the appropriate PPE as well as adequate training related to safe work has

been provided to employees.

Observed the company's policy related to sexual harassment which approved by Production Head on September 2010, stated that Wilmar International are strives to create a conducive working environment characterized by equality and mutual respect. There are no women who are pregnant or breastfeeding involved in chemicals activities. The estates has mechanism for early detection been done through routine inspection once every 3 months by paramedics and through H1 (menstrual leave) monitoring and also by medical surveillance per semester.

**Status: Comply**

**4.7**

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

**4.7.1**

The company's commitment of OHS are stipulated in OHS policy endorsed on Sept 2010 by the top management, written in Bahasa, stated that the Wilmar Plantation Internasional are committed to comply with all applicable Occupational Safety and Health regulations, implement and maintain a Safety Management System, established and communicate the safe working practices and safety regulations to employees, contractors, clients and visitors, demonstrate and build awareness through adequate periodical training. Communication to workers and other relevant parties are done through roll-call, safety induction and by displaying in notice board in respective units.

The annual OHS plan/program has been set by the personal in charge (OHS committee secretary), as well as its implementation has been monitored per monthly, three monthly and yearly, for e.g the latest OHS patrol in KKP 1 Estate, KKP 2 Estate, KKP 3 Estate and KKP POM are held on September 2018

**4.7.2**

The company has conduct risk assessments for each operational activity in estates and mill, the results are reported in the document of "*Identifikasi Aspek/Bahaya K3 Dampak/Resiko K3*". These results include identification of potential / actual OSH hazards, initial risk level, types of existing controls and advanced risk control (E, S, Eng, Adm, and PPE). Updates and reviews are made annually and if there is an accident, including to set further specified plans and prevention. The latest HIRARC and review are done in 25 Jan 2018 for estate (KKP 1 Estate, KKP 2 Estate and KKP 3 Estate) and mill. During field visit observed that the prevention plans and control measures have been applied to employees and equipment, such as observation in spraying activities sighted that the engineering controls are made on tractors and trailer's connections to prevent employees standing on the connection and putting a warning ban on all tractors. 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 has provided training related to safety aspect to all employees in accordance with its activities, including training for employees exposed to noise and chemicals. Based on field visits, known that workers have used personal protective equipment in accordance with risk identification and considering the precaution in the product label, 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 shows a Certificate Issuance Process Notification Document for lifting equipment operators issued by PT Kautsar Inti Prima under number 355 / SP / KIP / X / 2018 dated October 2, 2018. The letter explains that there are 35 employees of PT Karunia Kencana Permaisejati (KKP POM and Estate) whose license is still in process at the RI Ministry of Manpower and Transmigration. Based on the above, the company has the opportunity to ensure and follow up related to the process of issuing the certificate. **OFI**

The company has a training plan for 2 employees of the KKP POM in Engine Room section for the OHS Diesel Motor license. Based on document verification explain that the training will be planned in February 2019. Based on the above,

the company has the opportunity to ensure that the training program is carried out in accordance with a predetermined schedule. **OFI**

**4.7.4**

The company has OHS committee secretary for estate units and mill on behalf of Sultan Yahya who has participated in the Guidance for Supervision of Occupational Safety and Health with registration number 44784 / PK3 / AJ / 62/2017 / PO dated October 27, 2017. The Company shows the Decree of the Minister of Manpower of the Republic of Indonesia with number KEP.8792 / NAKER-BINWASK3 / XI / 2017 concerning the appointment of general occupational safety and health experts on behalf of Sultan Yahya from PT Karunia Kencana Permaisejati dated November 24, 2017 and is valid for 3 years, November 23, 2020.

OHS committee meetings are conducted regularly every month to discuss OHS program and occupational accidents. According the national regulation, OSH implementation are reported routinely to related institutions every 3 months, the latest report submitted is for period of third quarter of 2018.

**4.7.5**

The company has SOP Emergency Response Action, on the document No. SOP/KKPsPOM-EHS -009 dated 25 March 2013, covering emergency of fires, chemical spills, accidents/incidents, earthquakes, and riots. Written in Indonesian and socialized to employees through notice boards in the estates office and mill. All the precaution and emergency plan which has been written in the procedure has been implemented well by the mill and estates, including evacuation route installed in each buildings, fire fighter facility provided as well as safety induction to visitor.

Foreman of each activities/station are defined as first aider, training done routinely every year by company' paramedics. For example, training on September 13 - 15, 2018 at Sampit was attended by as many as 15 foreman and in KKP POM conducted on June 30, 2018 attended by 12 worker. During field observations sighted that first aid kit is available in work place and also been placed at strategic locations. Interview to the random first aider are done, and it was found that they are able to demonstrate the first aid steps if any accident occurred.

**4.7.6, 4.7.7**

Employee health checks especially for high risk-related activity such as chemicals, dust and noise have been done routinely to detect work-caused illness. The latest are held in 2 - 4 May 2018 by Company Clinic. The action plan has been set and done regarding the un-normal result (CHE increase and hearing loss) by sent to further check (specialist) and work place mutation. Based on result, there is no work-caused illness that need to be claimed in insurance.

All employees have been registered in the insurance program namely BPJS (accident insurance, pension insurance, deathly insurance), monthly fee payment receipt shown to the auditor to prove its membership validity, for example observed the payment receipt period August 2018 (KKP POM as many as 22 workers, KKP 1 Estate 799 workers, KKP 2 Estate 675 workers and KKP 3 Estate as many as 706 workers). Sighted an accident insurance claim, for e.g. related to accident occurred in January 19, 2018, the payment has been done to the worker on May 30, 2018.

LTA are monitored daily and reported by monthly/yearly to EHS Region. During 2018 (Jan to August 2018), as much as 193 minor accident occurred in PT KKP (223 days of lost time).

	<b>Status: Comply</b>	<b>OFI</b>
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**4.8 All staff, workers, smallholders and contractors are appropriately trained.**

**4.8.1, 4.8.2.**

The company shows employee training programs for the 2018 period such as: Training of accident investigation and PPE, First Aid box training, MSDS Training, Training of OHS Electric Operator, Electrical & Instrument Training, Earth Liquid circuit Breaker, Temporary power supply and daily checklist, Training on handling Toxic and hazardous materials and Waste Toxic and hazardous materials, Training management of organic and inorganic waste, Training of accident

investigation and PPE, Training on impact aspect of HSE, Socialization of gender committee, Training of soil and leaf analysis.

Training records for employees of company period of 2018 such as: manual fertilization application training, storage training and management of hazardous and toxic materials, pest and disease training, and Spraying Training.

Based on interview with workers such as warehouse officer, harvester and spraying team known that workers has been given training by company related their job description.

**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 already has SEIA document approved by Bapedalda Kotawaringin Timur District dated June 28, 2008 (Decree No. 69. Commission - AMDAL. Kotimingin / VI / 2008 / Bappedalda). Total study area are 19,649.75 Ha and palm oil factory capacity are 90 tEFB / Hours. SEIA assessments have involved affected parties such as Kenyala villagers

**5.1.2**

The types of impacts that are managed according to the SEIA document are as follows: (1) Micro climate, (2) Water Quality, (3) Air quality, (4) Soil erosion, (5) Fire potential, (6) Natural vegetation, (7) Wildlife, (8) Water biota, (9) Job opportunities, (10) Community income, (11) Public attitudes and perceptions, (12) Social processes, (13) Community cultural values and norms, (14) Public health disorders.

All environmental management plans have been implemented, for example:

- For the types of impacts of water flow quality, the mitigation such as: managing POME in WWTP ponds and applying wastewater to the soil.
- For this type of impact the public attitudes and perceptions, the mitigation such as: recruitment of workers from the local community, providing CSR assistance, etc.

**5.1.3**

The types of impacts that are monitoring according to the SEIA document are as follows: (1) Micro climate, (2) Water Quality, (3) Air quality, (4) Soil erosion, (5) Fire potential, (6) Natural vegetation, (7) Wildlife, (8) Water biota, (9) Job opportunities, (10) Community income, (11) Public attitudes and perceptions, (12) Social processes, (13) Community cultural values and norms, (14) Public health disorders.

All environmental monitoring plans have been implemented, for example:

- Conduct POME quality analysis periodically. It has been explained in the **indicator 4.4.3**
- Conduct surfacewater quality analysis in 5 location. It has been explained in the **indicator 4.4.1**
- Conduct groundwater quality analysis in 3 location. It has been explained in the **indicator 4.4.1**
- Conduct emission quality analysis. It has been explained in the **indicator 5.6.2**
- Wild-life monitoring. It has been explained in the **Criteria 5.2**
- Monitoring of land fire. Based on the September 2018 monitoring report and the field visit, no land fires were found, the company had installed signboard of burning bun on several point area.
- Monitoring the attitudes and perceptions of the village community. Monitoring was carried out with a questionnaire forms which was asked to representatives of the village communities. Information from the community will be taken into consideration in the management and monitoring plan for the next.

Results of environment monitoring documented in RKL/RPL report. From the document and filed visits, did not find indications of pollution to the environment caused by plantation and factory activities.

<b>Status: Comply</b>	
<b>5.2</b>	
<b>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</b>	
<b>5.2.1</b>	
<p>HCV assessment compiled by Malaysia Environmental Consultant Sdn. Bhd. In 2008. The area of HCV assessment study was 19,650.1 Ha. HCV assessment includes the identification of rare, threatened, or endangered (RTE) species.</p> <ul style="list-style-type: none"> <li>- Plant species identified such as: <i>Belangian, Ulin, Kruwing, Kempas, etc.</i></li> <li>- RTE species identified such as: <i>Orang Utan, Proboscis monkey, Tomistoma schelgelid, etc.</i></li> </ul> <p>HCV assessment also includes the identification of HCV area with total area <b>1,010.31 Ha</b>. HCV assessment involved relevant stakeholders, stakeholder consultation was held on July 16, 2008.</p>	
<b>5.2.2</b>	
<p>Rare, threatened, or endangered (RTE) species and HCV area has been explained in <b>indicator 5.2.1</b>. The company can be demonstrated management and monitoring plan RTE species including HCV area. The management and monitoring plan for RTE species and HCV areas has been implemented, such as:</p> <ul style="list-style-type: none"> <li>- Survey of Plant and RTE species every 3 months # last conducted in Sept 2018.</li> <li>- Survey of Orang Utan every 3 months # last conducted in August 2018.</li> <li>- Socialization RTE species and HCV area to employees every 6 months # last conducted in Jul 2018</li> <li>- Socialization RTE species and HCV area to community once a year # last conducted in Sept 2018.</li> <li>- Signboard RTE species and HCV area maintenance once a year # last conducted in Sept 2018.</li> <li>- Riparian boundaries maintenance every 3 months # last conducted in Sept 2018.</li> </ul> <p>The results of the management and monitoring of RTE species and HCV areas are then documented in the Annual HCV Survey document # last document is Annual Survey HCV period of 2017.</p>	
<b>5.2.3</b>	
<p>Socialization RTE species and HCV area to employees every 6 months # last conducted in July 2018 and socialization RTE species and HCV area to community once a year # last conducted in Sept 2018. Based on the Annual HCV Survey period of 2017, there was no evidence of activities of capture, harm, collect and kill the species. Based on interview with workers and representatives of Kenyala village communities, they has been known RTE species information including how to protect the species. Results of interview obtained information that no activities of capture, harm, collect and kill the species.</p>	
<b>5.2.4, 5.2.5</b>	
<p>Monitoring HCV area and RTE species lastly carried out in September 2018. Monitoring results were documented in the quarterly monitoring report and then recapitulated in the Annual HCV Survey 2018 report. The report is then updated and included in the next management plan.</p> <p>Based on document review of the Annual HCV Survey 2018 document and interviews with representatives of Kenyala village communities, it is known that there are disruptions (land clearing by village communities) of HCV areas in KKP2 and KKP3 locations. Related to this, the company has identified and mapped the disruptions area including socialization and making agreements with the community not to land clearing on the HCV area. The company can be demonstrated a plan to resolve the disruption to the HCV area. Ensure and determine the time frame for follow-up to the completion of disturbances the HCV area. <b>OFI</b></p>	
<b>Status: Comply</b>	
<b>OFI</b>	

**5.3**

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

**5.3.1**

Sources, types and plans for waste management are documented in the SOP for waste management and hazardous waste management. For example:

- EFB, Fiber, Shell, hazardous Waste, Domestic Waste, etc → sourced from the factory.
- Pesticides containers, used oil and domestic waste, etc → sourced from the plantation / estate.

**5.3.2**

The company can be demonstrated evidence of pesticides container management, such as:

- Delivery note of chemical containers for the third quarter of 2018 to PT Maju Asri Jaya Utama # last delivery on September 27, 2018.
- Manifest chemical containers (Manifest number: KLH / 710000005729U).
- Logbook chemical containers for the third quarter of 2018.
- Handover of chemical containers report for third quarter of 2018 to Environment Agency District dated September 01, 2018.

The company also can be demonstrated evidence of cooperation with third parties in the management of hazardous waste chemical containers.

Interview with hazardous waste storage officers and interview with Environment Agency of Kotawaringin Timur District, it is known that hazardous management is carried out in accordance with procedures.

**5.3.3**

Waste management plan explained in:

- SOP use of solid waste (SOP / KKPSPOM-EHS-032)
- SOP use of POME (SOP 14 / EHS / (1) / 1114)
- SOP Management of hazardous material & hazardous waste (SOP22 / EHS / (2) / 0711)
- SOP domestic waste (SOP 16 / EHS (1) / 0911) Sept 2011

The company can be demonstrated evidence that the waste management plan has been implemented, as follows:

- Solid waste management (EFB, Fiber, Shell). It has been explained in the **indicator 4.2.4**
- Management of waste water (POME). It has been explained in the **indicator 4.4.3**
- Management of hazardous waste. It has been explained in the **indicators 4.4.6, 5.3.2**
- Management of domestic waste. Domestic waste is temporarily placed in temporary trash bins that are available in front of workers houses, then domestic waste is sent to landfill areas periodically.

Based on field visit to Block O10, it was known that the organic waste was well managed and there were no environmental pollution indicators. Based on field visit in Block O10 and housing complex were known that there were no indications of waste management using fire.

**Status: Comply**

**5.4**

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

The company can be demonstrated use of renewable energy documents (Fiber and Shell) for the period January to September 2018. Total FFB processed 183,556 MT, fiber usage 29,310 MT, and shell usage 8,648 MT. Total renewable energy usage of 1.64 MT / tFFB. For example:

- **July 2018:** FFB processed 24,595 MT, fiber usage 3,915 MT, shell usage 1,089 MT, and total renewable energy usage 0.203 MT / tFFB.
- **August 2018:** Processed FFB 19,604 MT, fiber usage 3,087 MT, shell usage 1,078 MT, and total renewable energy usage 0.212 MT / tFFB.



- **September 2018:** FFB is processed 15,575 MT, 2,508 MT fiber usage, and shell usage was 675 MT, and total renewable energy usage 0.204 MT / tFFB.

The company can be demonstrated renewable energy efficiency (kwh) documents for the period January to September 2018. Total kWh Turbine 33,514. kWh Turbine per FFB 1.64. For example:

- **June 2017:** FFB processed 24,595 MT, kWh Turbine 177,108. kWh Turbine per FFB 21.53
- **July 2017:** FFB processed 12,555 MT, kWh Turbine 260,835. kWh Turbine per FFB 20.77
- **August 2017:** FFB processed 12,628 MT, kWh Turbine 257,921. kWh Turbine per FFB 20.42

**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 has a zero burning policy signed by Goh Ing Sing (Group Plantation Head) and Jeremy Goon (CSR Head Group), which was updated in September 2010. The Zero burning policy is also documented in the Agronomy Guidelines and the procedures of Palm Oil Plantation.

Based on field observations, there were no indications of burning at the time of previous land clearing. At present to avoid burning land, sign boards have been installed in several area points, for example in HCV / conservation areas.

There are no smallholder schemes in KKPS

**Status: Comply**

**5.6**

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

**5.6.1**

GHG emission sources are explained in:

- GHG emission identification document (procedure 01 / SOP 55 / EHS / (0) / 0915, Sept 2015
- Mill Processing GHG document
- GHG Calculation from the Plantation and Factory using RSPO Palm GHG calculator.

Source of emissions at the factory → FFB transportation, mill process, and wastewater (POME).

Source of emissions in the Plantation → Land conversion, use of fuel, use of chemicals (fertilizer), and use of chemicals (pesticides).

**5.6.2**

Sources of GHG emissions are explained in **the indicator 5.6.1**

The GHG emission mitigation plan is explained in the GHG emission identification document (procedure 01 / SOP 55 / EHS / (0) / 0915, Sept 2015 and Mill Processing GHG document.

GHG emission mitigation plan has been implemented, such as:

- Manage POME in WWTP and applied it as organic fertilizer in oil palm soils. Total POME applied to the land (LA) 170,373 m3.
- Use fibers and shells as boiler fuel. It has been described in **the indicator 4.2.4**
- Use of EFB as organic fertilizer on soil. It has been described in **the indicator 4.2.4**
- Regular maintenance of emissions engines
- Fertilizers and pesticides applied to land in line with the recommendations by agronomic team.
- Protect vegetation in HCV areas
- Conduct emissions quality analysis in Generator and Boiler Machine, as follows:



- **Generator No. 1:** NO<sub>2</sub>: 731 mg/Nm<sup>3</sup>, CO: 493 mg/Nm<sup>3</sup>, particulate: 69 mg/Nm<sup>3</sup>, SO<sub>2</sub>: 151 mg/Nm<sup>3</sup>. Test results are still in line with government regulations (Permen LH 13 year of 2009)
- **Generator No. 2:** NO<sub>2</sub>: 673 mg/Nm<sup>3</sup>, CO: 376 mg/Nm<sup>3</sup>, particulate: 73 mg/Nm<sup>3</sup>, SO<sub>2</sub>: 134 mg/Nm<sup>3</sup>. (Permen LH 13 year of 2009)
- **Boiler No. 1:** NO<sub>2</sub>: 66 mg/Nm<sup>3</sup>, CO: 311 mg/Nm<sup>3</sup>, particulate: 195 mg/Nm<sup>3</sup>, SO<sub>2</sub>: 6 mg/Nm<sup>3</sup>, HCL 2 mg/m<sup>3</sup>, CL<sub>2</sub>: <0.05 mg/m<sup>3</sup>, NH<sub>3</sub>: 0.2 mg/m<sup>3</sup>, opasitas <20 %. (Permen LH 07 year of 2007)

**5.6.3**

KKP POM conduct GHG calculation and its monitoring using RSPO palm GHG calculator V3.0.1 for its supply base KKP1 Estate, KKP2 Estate and KKP3 Estate. Summary of GHG emission for KKP POM for 2017 periods are listed as follows include LUC emissions:

Emissions per product	tCO <sub>2</sub> e/tProduct
CPO	1.36
PK	1.36

Production	t/yr
FFB processed	181486.29
CPO produced	405228.71
PK produced	8376.52

Extraction	%
OER	22.33
KER	4.62

Land use	Ha
Planted area	20405.56
Planted on peat	153.90
Conservation (forested)	0
Conservation (non-forested)	1725.53

**Summary of field emission and Sinks**

Description	Own plantation		Group plantation		3 <sup>rd</sup> party	
	tCO <sub>2</sub> e	tCO <sub>2</sub> e/tFFB	tCO <sub>2</sub> e	tCO <sub>2</sub> e/tFFB	tCO <sub>2</sub> e	tCO <sub>2</sub> e/tFFB
Land conversion	62680.32	0.33	105.95	7.12	0	0
CO <sub>2</sub> emission from fertilizer	8455.07	0.05	22.94	0.08	0	0
NO <sub>2</sub> emissions	11995.04	0.06	22.94	0.08	0	0
Fuel consumption	2865.92	0.01	2.52	0.01	0	0
Peat oxidation	27729.62	0.14	87.35	0.01	0	0
Sinks	0	0	0	0	0	0
Crop sequestration	-84982.12	-0.44	-129.36	-0.47	0	0
Sequestration in Conservation area	28982.12	-0.44	-139.36	-9.36	0	0
Total	28743.85	0.15	94.62	0.32	0	0

**Summary of Mill Emissions and Credits**

Emissions	tCO <sub>2</sub> e	tCO <sub>2</sub> e/tFFB
POME	37043.61	0.2
Fuel Consumption	673.56	0

Grid Electricity Utilisation	0	0
Credits	-	-
Export of Grid Electricity to Housing & Grid	0	0
Sales of PKS	0	0
Sales of EFB	0	0
Total	30797.85	0.18

POME Treatment

Emissions	%
Divert to compost	0
Divert to anaerobic digestion	100

POME Diverted to Anaerobic Digestion

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

Data inputs and the use of RSPO PalmGHG Calculator (including the version number) have been verified with the final summary of the net GHG emissions: Eec (own plantation) → 0.15 tCO<sub>2</sub>e/tFFB and Ep (Mill) → 0.18 tCO<sub>2</sub>e/tFFB

**Status: Comply**

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

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

**6.1.1**  
The 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. Based on the results of interviews with the Village Head of Kenyala and Tangar, it is known that the SIA has been prepared in a participatory manner, and all existing social impacts have been identified by the certificate holder.

**6.1.2**  
The Social Impact Assessment was done with the participation of surrounding community and the workers. The result of this assessment is socialized through focus group discussion. Focus group discussion is held in village of Biru Maju, Sebabi, Tangar, Hanjalipan, Kenyala and also to the workers of estate and mill. Stakeholders has chance to give their opinion related to social impact assessment in this activity. The company has recorded the respondent list participated in this assessment. Based on interview with Village Head of Kenyala, the assessment was done with the participation of surrounding community.

**6.1.3**  
The 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. The company also has Social Monitoring and Management Plan of 2016 – 2019. 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**

The Social Management and Monitoring Plan 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 the review document.

**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 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**

The company has had SOP of Communication and Consultation (SOP35/PR/1/0614 dated 5 May 2015) that explained 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.

**6.2.2**

The officer who was appointed to communicate was described in SOP of Appointment of Communications and Consultation Officer with the Community (SOP 44/PR/6/1116 dated 18 November 2016). Appointment of communication and consultation in accordance with the field of work, position, and level of authority, for example public relation (PR) Staff responsible to conduct communication on surrounding community. Based on interviews with representatives of Kenya Villages, it is known that they know who is responsible for communication and consultation to stakeholders.

**6.2.3**

The company has the newest list of stakeholder, consist of statutory bodies, leader community, smallholders, contractors, worker organizations, government agencies, and NGOs, etc. The communication, including incoming letter and response is documented in a log book. The company responds to all incoming letter not later than 14 days after the letter was received, in accordance with the procedure.

**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 from External. These document as guidance in related of complaint and grievance receive from external and internal (workers), as well as protection of whist blower. 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. Based on interview with worker in Estate and Mill, as well as Village Head of Kenya and local contractor, they have understood about this procedure.

**6.3.2.**

The company has the record of all the incoming complaint. Based on document review and stakeholders consultation, known that there is no significant complaint and grievance from stakeholders, but related on home repair problems which has been followed up in 14 working days.

**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 company's HGU area consists of areas owned individually (private property) by the community and traditional rights (Tangar Village). Procedure for identification, calculation and compensation for loss of legal rights and traditional rights contained in SOP Technical Guidance for Land Management / Land Acquisition No. SOP 29 / BM / (0) 0409 Effective date April 13, 2009 concerning the stages of land acquisition.

The company has SOP no. SOP46 / PR / 1/0218 FPIC SOP dated 8 Feb 2018 which explains that land disputes and land compensation are settled by consensus deliberations and disputed locations observed jointly by the land owner and attended by witnesses . The stages consist of: identifying customary lands, involving community institutions, providing information (socialization / posters / brochures), guaranteeing voluntary approval and prior to operational activities carried out, conflict resolution, negotiation and finalization of written agreements (known to the government, notary and participatory).

**6.4.3**

There is an area of traditional rights in the Tangar Village that is included in the HGU and is designated as HCV area, showed the consultation report for Agreement on Management of Sacred Stone (Batu Ecak Cultural Sites) as HCV 6, April 24, 2014 with the community of Kenya Village. During stakeholder consultation in the Village of Kenya, mentioned that the representative of the community agreed that the area would be managed jointly by PT KKP and the community, it could be shown the traditional rights management MoU document as HCV 6. The document was signed by the parties, namely: Tangar Village Chief, Chairperson of the Tangar Village Representative Body, PT KKP Representative and witnesses. Enclosed Minutes on 4 July 2014, Attendance List of Participants and Photographs.

The company is currently still in the compensation process for enclave areas, in 2018 there is compensation for the community on behalf of Mr. RYT, there is evidence in the form of minutes of the negotiation process between company representatives and owners and accompanied by the local government, minutes of price negotiations, calculations and growing crop surveys, price agreements, land measurements and participatory mapping and accompanied by the village head, and payment on 19 July 2018. Interviews with landowners have been carried out by the auditor to ensure that FPIC has been running during the compensation process, for example with a land owner from Kenya Village 4 people, stated that the company has openly negotiated and is accompanied by the local government, there is no coercion in the negotiation process, was proven that until now there were still land owners who were not willing to be compensated and the area became an enclave area (in HGU).

**Status: Comply**

**6.5**

**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.**

**6.5.1**

The company has set wages standards in accordance with applicable regulations, namely in the Inter Office Memo General Manager no.: 006 / GM / IOM-SEC / XII-2017 dated December 13, 2018 stating that in accordance with the Central Kalimantan Governor Regulation No. 40 of 2017 concerning sectorial minimum wages of Central Kalimantan regency (UMSK) and PP No. 78/2015.

The auditor has verified employee wage reports in all units (KKP1, 2, 3 and POM KKP), payments have been made in

accordance with applicable regulations.  
 There is a mechanism for determining the piece rate for the Central Kalimantan region, the mechanism regulates the wage basis for activities of: manuring, weeding, FFB platforms, FFB harvesting, FFB loading, FFB transport, pest and disease, pruning frond and boundary & survey. This mechanism explains the unit of output per activity (ton or ha), the rupiah rate, expected output (production) and average earnings.  
 Based on interviews with management representatives stated that the system has been set for each employee who works paid base on a piece rate, if within one month based on the work does not meet to get wages in accordance with the minimum wage, adjustments will be made based on consideration of the working days per month and the number of hours worked per day, so that wage payments remain in accordance with the minimum wage provisions.  
 The company considered to implement these system immediately and make payment of payroll adjustment for the period of January-September 2018 according to the predetermined schedule. **OFI**

**6.5.2, 6.5.3, 6.5.4**

The company has a company regulation document for the period 2018-2020, which has been approved by the Head of Disnakertrans of Kotawaringin Timur, the document explains relating to labor, for example: employment relationships (appointment of permanent employees, time and work days, overtime work, training and development and organizational recognition), leave and work permit, wages, employee welfare and social security, official travel, employee mutations, layoffs and employee complaints. Interview are done to bipartite board and random workers, they convey that during preparation it has been communicated and consulted, the copies are given to the union board to be socialized to workers. Based on field observations to workers line-sites in KKP1, KKP2 and KKP3, it was seen that the company had provided adequate housing and employee facilities, consisting of: housing for religious facilities, sports facilities, clean water facilities, lighting facilities, facilities for providing basic materials, facilities of domestic waste management, crèche facilities, school buildings, school buses and security facilities.

There were no complaints conveyed by employees during the observation and interview related to the facilities and infrastructure provided by the company.

**Status: Comply**

**OFI**

**6.6**

**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.**

**6.6.1, 6.6.2**

The company provides freedom to associate with employees as stated in the Human Rights policy. Based on interviews with employees, the company gives freedom to all employees to associate and gather. There are no migrant employees at PT KKPS.

The company has formed a Bipartite LKS which is recorded in the Disnakertrans No.: SK 560.565 / 454 / KEP / HI-KESJA / IX / 2018 on September 6, 2018, valid for 3 years. The management structure consists of representatives of employers and representatives of workers. Confirmed to the Bipartite board and workers during interview, stated that the election of workers representative is based on workers vote.

The company has recorded all the meetings that have been conducted, based on interviews with the management of the Bipartite LKS stating that bipartite meetings are conducted regularly every month. The last meeting was held on 28 September 2018 with a total of 18 participants. There are no labor issues in the 2017/2018 period.

**Status: Comply**

**6.7**

**Children are not employed or exploited.**

**6.7.1**

Field observations and documents verification on the employment master list in the respective estates and mill are known that they have no underage workers in accordance with the regulations and company policies. The company has a child labor policy approved by the CSR Group Head and Group Head in September 2010, which explains that Wilmar will not

employ children who are included in the definition of the provisions of the ILO conventions, will comply with all child labor laws and regulations in effect. The company's recruitment SOP states that employee recruitment must meet the requirements of at least 18 years.

**Status: Comply**

**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.**

**6.8.1, 6.8.2**

There were no indications of discrimination in terms of employment opportunities and career advancement, it was seen that in all plantation operations both female and male employees received the fair and same treatment. The company has a policy on equal opportunities in September 2010 signed by Group Plantation Head and CSR Head Group, which explains that Wilmar supports the principles of justice and aims to treat everyone with respect, free from discrimination that violates the law and ethics.

The policy has been socialized to employees and other stakeholders by displaying on information boards and socialization on morning roll-call.

**6.8.3**

Based on field observations and interviews with employees, mentioned that there was no acts of discrimination against employees based on gender, ethnicity, religion, local origin, community and political organizations that were followed, this was also in accordance with interviews with women's committees and Bipartite LKS in each unit.

The company has established procedures for the recruitment of employee documents number SOP56 / HRD / (0) / 0810 dated 1 August 2010, this is to ensure that the process carried out is based on provisions without discrimination.

Verification on employee master list sighted that there is no new recruitment during financial year of 2017-2018.

**Status: Comply**

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

**6.9.1, 6.9.2, 6.9.3**

The company has a policy on the prohibition of sexual harassment and protection of women's reproductive rights, policies have been socialized during morning muster activities and through notifications on information boards in estates and mill. The company has formed a women's committee as evidence of the implementation of the policy. There is a prohibition on female workers who are pregnant / breastfeeding to work in fields related to chemicals and other heavy work, pregnancy detection is carried out every semester to coincide with a health check. In addition, the company allowed the female employees to take leave for 2 days during menstruation (according to paramedic recommendation) and rights for maternity and breastfeeding leave for 3 months and gives permission to leave work to breastfeed while working.

The results of interviews with female employees, for example in the PPE storage station and crèche officer, stated that the company had provided a forum to report abuse and violence. There were no cases reported to the committee in accordance with the results of interviews with auditors with women workers and women's committees in KKP1, KKP2 and KKP3 estate.

Stated during interview that every report and complaint could be submitted to the chairman of the gender committee to be discussed and verified, if at the level of the committee chairman could not be completed it would be followed by involving the supervisor (division manager / estate manager), according to the detailed in the document SOP42 / HRD / (1) / 1117 issued November 1, 2017. Also explained related to respecting anonymity and protecting the whistle-blower as well as facilitate and assist through legal channels if necessary. The settlement process in the SOP is explained at the latest 1 week and submission to the relevant no later than 3 days after completion.

**Status: Comply**

**6.10**



<b>Growers and mills deal fairly and transparently with smallholders and other local businesses.</b>	
<b>6.10.1, 6.10.2, 6.10.3 &amp; 6.10.4</b>	
<p>The company did not receive and process the FFB from other sources (external FFB) or smallholder, however has a collaboration with a local contractor in terms of transporting the FFB, namely PT Sabindo. Based on the review of work agreement documents and interviews with representatives of the contractor, it is known that the work agreement has explained the pricing of each work unit. The parties have understood the provisions of the contract, and the contract has been made fairly, transparently and legally. Payment of work has been done in a timely manner, in accordance with the provisions in the contract.</p>	
	<b>Status: Comply</b>
<b>6.11</b>	
<b>Growers and millers contribute to local sustainable development wherever appropriate.</b>	
<b>6.11.1, 6.11.2</b>	
<p>The CSR / CD programs in 2018 were formulated specifically for each village bordering the company namely Kenya and Tangar villages, the preparation was carried out in participatory way, sighted the result of consultation was followed by the Head of Village, the Head of BPD, community leaders and youth leaders. The program consists of aspects of education such as scholarships, in the health sector such as assistance in procuring medical equipment in village health centres, religious institutions such as donations for religious, artistic and cultural holidays such as traditional salvation / tiwah rituals, funds for donations based on proposals from villages, infrastructure for example road maintenance and repairs, assistance in the construction of facilities and infrastructure for worship and village facilities and the procurement of solar power plants, and training and firefighting equipment assistance. For Kenya Village in 2018, there were 14 CD activities and Tangar village with 10 activities.</p> <p>The realization report up to September 2018 can be shown for all PT KKPS, there are 51 types of activities in the form of donations, equipment assistance, funding allowances, training, material assistance to Kenya and Tangar Villages.</p> <p>Until the ASA 1 audit, the progress of smallholder farmers was still in the stage of measuring and identifying prospective land in Kenya Village covering an area of approximately 600 hectares, which had been measured and plotting an area of 100.11 ha.</p> <p>The company has provided resources in the process, namely the Community Development department.</p>	
	<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>	
<p>There are no indications of forced labor and trafficking, it is seen that all employees who work are employees of permanent daily paid and monthly paid. There are no migrant or inter-regional workers. All employees recruited directly by company and contractors who work with the company.</p> <p>The company has established procedures for the recruitment of document number employees SOP56 / HRD / (0) / 0810 dated 1 August 2010, this is to ensure that the process carried out is in accordance with regulations. Based on field observations and interviews with employees and document review on the employee list, it was seen that in general employees came from surrounding and outside villages (voluntary application), this was also in accordance with interviews with women's committees and Bipartite organization in each unit. It was stated that there was no contract substitution between the time of recruitment and after work. No threat to the workers family, no finance penalty and the workers free to resign at any time.</p>	
	<b>Status: Comply</b>
<b>6.13</b>	
<b>Growers and millers respect human rights</b>	
<p>The company have policies to protect human rights, especially workers. The human rights of workers include freedom of association, no forced labor, no child labor, and decent working conditions. Socialization is carried out during the roll-call</p>	

and through notifications on information boards in the estate and mill. Based on the results of interviews with bipartite organization members, there were no issues related to violations of workers' human rights.

Status: Comply

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

**7.1**

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

**7.1.1, 7.1.2, 7.1.3**

The company did not develop new plantations outside the area of 19,650 Ha, so there was no new environment document. The environment document owned by the company are SEIA in 2000. It has been explained at **indicator 5.1.1**. The RKL/RPL document owned by the company are RKL/RPL in 2000. It has been explained at **indicator 5.1.2**.

There are no smallholder schemes in KKPS

Status: Comply

**7.2**

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

**7.2.1, 7.2.2**

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**

Land Clearing was carried out in July 2006. HCV assessment was carried out in 2008 covering an area of 19,650.1 Ha. This has been explained at **indicator 5.2.1**.

Based on document review and interviews with management representatives of PT KKP, it was known that the company had sent LUCA documents to RSPO which were responded to in November 2015 with the results of Need Clarification. The company then sends the 2nd LUCA document to RSPO which is responded in March 2017 with the results of the Pass. From the document, there were information that there were 314 Ha of areas that had to be remediated and 58 Ha compensated.

The company has sent *Concept Note* documents to RSPO on October 2018, however, until the last audit was conducted, the company has not been can be demonstrated evidence that the *Concept Note* document for remediation and compensation has been approved by the RSPO. Based on this explanation, it is found **NCR 2018.01 with Major category**.

**7.3.2**

Land Clearing was carried out in July 2006. HCV assessment was carried out in 2008 covering an area of 19,650.1 Ha. This has been explained at **indicator 5.2.1**.

Based on document review and interviews with management representatives of PT KKP, it was known that the company had sent LUCA documents to RSPO which were responded to in November 2017 with the results of Need Clarification. The company then sends the 2nd LUCA document to RSPO which is responded in March 2017 with the results of the Pass. From the document, there were information that there were 314 Ha of areas that had to be remediated and 58 Ha compensated.

**7.3.3**

Land Clearing was carried out in July 2006. HCV assessment was carried out in 2008 covering an area of 19,650.1 Ha. This has been explained at **indicator 5.2.1**.

**7.3.4; 7.3.5**

The company did not develop new plantations outside the area of 19,650 Ha, so there was no new HCV document. The HCV including management and monitoring plan document owned by the company are HCV and management and monitoring plan document in 2000. It has been explained at **indicator 5.2.1, 5.1.2, 5.1.3**

The company has conducted HCV monitoring periodically which is then documented in the Annual HCV Survey 2017 report. The results of monitoring have been explained in the **indicator 5.2.4 and 5.2.5**.

<b>Major 7.3.1</b>	<b>Status: NCR 2018.01 with Major category</b>
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**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 KKPs. 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. **(it has been explained in the indicator 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 KKPs Estate). **(it has been explained in the indicator 4.3.6).**

	<b>Status: Comply</b>
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**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. The documentation consists of Statement Letter releases rights and interests on growing land and cropping, Statement of No Dispute, Minutes of Coordinate measurement, Minutes of Land Acquisition Price, Recapitulation of amends / Compensation signed by landowners, village teams and the companies.

Based on interviews with Village Head of Kenyala, it was explained that land compensation activities were conducted in a deliberation witnessed by the village representative team and jointly measured the area. The community has the right not to sell the land to the companies.

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

**7.6.1-7.6.6**  
 There is no new planting after 1 Jan 2010, according to the planted year, latest planting are done in 2009.  
 The company's HGU area consists of areas owned individually (private property) by the community and traditional rights (Tangar Village). Procedure for identification, calculation and compensation for loss of legal rights and traditional rights contained in SOP Technical Guidance for Land Management / Land Acquisition No. SOP 29 / BM / (0) 0409 Effective date April 13, 2009 concerning the stages of land acquisition.

The company has SOP no. SOP46 / PR / 1/0218 FPIC SOP dated 8 Feb 2018 which explains that land disputes and land compensation are settled by consensus deliberations and disputed locations observed jointly by the land owner and attended by witnesses . The stages consist of: identifying customary lands, involving community institutions, providing information (socialization / posters / brochures), guaranteeing voluntary approval and prior to operational activities carried out, conflict resolution, negotiation and finalization of written agreements (known to the government, notary and participatory).

The area of traditional rights in the Tangar Village that is included in the HGU and is designated as HCV area has been agreed by the representative of the community would be managed jointly by PT KKP and the community, it could be shown the traditional rights management MoU document as HCV 6. The document was signed by the parties, namely: Tangar Village Chief, Chairperson of the Tangar Village Representative Body, PT KKP Representative and witnesses. Enclosed Minutes on 4 July 2014, Attendance List of Participants and Photographs.

**Status: Comply**

**7.7**  
**Use of fire in the preparation of new plantings is avoided other than in specific situations, as identified in the ASEAN guidelines or other regional best practice.**

**7.7.1, 7.7.2**  
 The zero burning policy and its implementation have been explained in **indicator 5.5.1, 5.5.2**  
 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.

**Status: Comply**

**7.8**  
**New plantation developments are designed to minimise net greenhouse gas emissions.**

**7.8.1, 7.8.2**  
 The company can be demonstrated evidence that the land clearing was carried out before 2010 (there was no new development after 2010), so the company was not liable to conduct HCS assessments.

Related to the calculation of GHG emissions has been explained in the **indicator 5.6.3**

**Status: Comply**

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

**8.1**  
**Growers and millers regularly monitor and review their activities and develop and implement action plans that allow demonstrable continuous improvement in key operations.**

The implementation of continuous improvement in several aspects such as:

**Agronomy aspect**

- The company has not used paraquat since 2016.

- 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.

**Social Aspect**

The company already has SIA documents, Social Management and Monitoring Plan, the review of the plan, as well as mitigation in the form of CSR programs carried out in a participatory manner.

**Environment Aspect**

Conduct surfacewater quality analysis periodically, Conduct groundwater quality analysis periodically, conduct POME quality analysis periodically, conduct emissions quality analysis in Generator and Boiler Machine periodically, calculating GHG emission periodically, etc.

**Internal audit**

The company has conduct internal audit of RSPO on 20 August 2018, which aims to ensure the implementation of the RSPO, as well as related regulations.

	<b>Status: Comply</b>	
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3.2 Summary of Assessment Report of Supply Chain Requirement

3.2.1. General chain of custody requirements for the supply chain

Clause	Requirement																				
5.1	<b>Applicability of the general chain of custody requirements for the supply chain</b>																				
5.1.1	<p>The General Chain of Custody requirements of the RSPO Supply Chain Standard shall apply to any organization throughout the supply chain that takes legal ownership and physically handles RSPO Certified Sustainable oil palm products at a location under the control of the organization including outsourced contractors. After the end product manufacturer, there is no further requirement for certification.</p> <p>Yes, all physically handling from FFB to CPO/PK are legally owned by the Mill, there is no activity shared to third party.</p>																				
	<b>Status: Comply</b>																				
5.1.2	<p>Traders and distributors require a license obtained from RSPO Secretariat to sell RSPO certified product but do not themselves require certification. When selling RSPO certified products, a licensed trader and/or distributor shall pass on the certification number of the product manufacturer and the applicable supply chain model.</p> <p>The Mill was not trader or distributors. The Mill only sell its product.</p>																				
	<b>Status: Comply</b>																				
5.1.3	<p>Either the operator at site level or its parent company seeking certification shall be a member of the RSPO and shall register on the RSPO IT platform.</p> <p>Yes the Mill has been registered as member of RSPO under Wilmar International Plantation and registered on RSPO IT Platform under PT Karunia Kencana Permaisejati :</p>																				
	<p><b>License</b></p> <table border="0"> <tr> <td>Sub License ID</td> <td>CB61781</td> </tr> <tr> <td>Member Name</td> <td>PT. Karunia Kencana Permaisejati</td> </tr> <tr> <td>Member ID</td> <td>RSPO_PO1000004150</td> </tr> <tr> <td>RSPO Membership Number</td> <td>2-0017-05-000-00 (Wilmar International Limited)</td> </tr> <tr> <td>Issued On</td> <td>07/01/2018</td> </tr> <tr> <td>Issued By</td> <td>PT Mutuagung Lestari</td> </tr> <tr> <td>Start Date</td> <td>22/12/2017</td> </tr> <tr> <td>End Date</td> <td>21/12/2018</td> </tr> <tr> <td>Group size</td> <td>0</td> </tr> <tr> <td>Total Certified Area (Ha)</td> <td>19649.75</td> </tr> </table>	Sub License ID	CB61781	Member Name	PT. Karunia Kencana Permaisejati	Member ID	RSPO_PO1000004150	RSPO Membership Number	2-0017-05-000-00 (Wilmar International Limited)	Issued On	07/01/2018	Issued By	PT Mutuagung Lestari	Start Date	22/12/2017	End Date	21/12/2018	Group size	0	Total Certified Area (Ha)	19649.75
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Group size	0																				
Total Certified Area (Ha)	19649.75																				
	<b>Status: Comply</b>																				
5.1.4	<p>Processing aids do not need to be included within an organization's scope of certification.</p> <p>The Mill did not used processing aids.</p>																				
	<b>Status: Comply</b>																				
5.2	<b>Supply chain model</b>																				



<b>5.2.1</b>	
The site can only use the same supply chain model as its supplier or go to a less strict system. Declassification/downgrading can only be done in the following order: Identity Preserved -> Segregated -> Mass Balance.	
During the license period of 22 December 2017 to 30 September 2018, the Mill only received and processed FFB from certified sources, and certified product sales and claimed as RSPO is as IP model.	
	<b>Status: Comply</b>
<b>5.2.2</b>	
The site can use one (1) or a combination of supply chain models as audited and certified by the CB.	
The Mill are implementing the Modul D (IP), during the license all products are claimed as IP.	
	<b>Status: Comply</b>
<b>5.3</b>	<b>Documented procedures</b>
<b>5.3.1</b>	
The site shall have written procedures and/or work instructions or equivalent to ensure the implementation of all elements of the applicable supply chain model specified.	
The Mill have written procedures to ensure the implementation of all the elements of SCCS, that has been refers to RSPO SCCS System and Standard of November 2017, as well as has been defined the PIC of each aspect.	
Those procedures are :	
<ul style="list-style-type: none"> <li>• SOP of FFB receiving (No. SOP/KKPsPOM-LOG-003 Rev 3 dated 21 August 2018), describes that security and weighbridge Staff must verify the source/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.</li> <li>• SOP of external FFB receiving (No. SOP/KKPsPOM-LOG-006 Rev 0 dated 1 September 2016), describes that the FFB receiving from external refers to SOP of FFB receiving (No. SOP/KKPsPOM-LOG-003 Rev 3 dated 21 August 2018) above.</li> <li>• SOP of Traceability and Mass Balance (No. SOP / KKPsPOM-LOG-002 Rev 1 dated 21 August 2018, describes : <ul style="list-style-type: none"> <li>- Method of input of mass balance data</li> <li>- Traceability report method in real time / continuous accounting period</li> <li>- Document retention period for two years</li> <li>- Method for reporting to rspo it - platform</li> </ul> </li> </ul>	
The PIC defined :	
<ul style="list-style-type: none"> <li>- The Security Officer is responsible for recording all FFB expeditions, CPO and PK dispatches</li> <li>- 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.</li> <li>- Logistic officer responsibility for calculated all CSPO/Non-CSPO product, dispatch and reported CSPO/ Non-CSPO product, CSPO / Non-CSPO dispatch report and traceability.</li> <li>- Sortation officer is responsible for grading the FFB and making reports</li> <li>- Head clerk responsibility to control FFB Received, CSPO / Non-CSPO dispatch and traceability report.</li> <li>- Mill head responsibility to guarantee all FFB processing until final product must be carried out according to the procedure.</li> </ul>	
<ul style="list-style-type: none"> <li>• SOP of CPO and PK Shipping (No. KKPsPOM-LOG-001 SOP Rev 4 dated 21 August 2018 ) describes the tank inspection related to CPO tank washing, and the minimum information of the products as required from SCCS standard.</li> </ul>	

- SOP of Production Increase Information (No. SOP/KKPsPOM-MR-005 Rev 2 dated 21 August 2018) explaining that if there is an excess production of the amount already certified then Management Representative is obliged to inform the Certification Body.
- SOP of Weighbridge operating (No. WIP/POM/SOP/01/2017).
- SOP Internal Audit, Correction, and Corrective Action (No. SOP 63/CKP/(5)/0718 Rev 5 dated 7 July 2018). The internal audit of SCCS carry out annually by trained internal auditor.
- SOP of handling grievance from stakeholder (No. 95/CKP/(1)/0718 Rev 1 dated 7 July 2018), in the procedure it is explained that complaints from stakeholders will be followed up as soon as possible by the relevant leadership, and the results of the complaint handling are written and taken into consideration for internal audit as a matter of consideration for continuous improvement.
- SOP of Training (No. SOP/KKPsPOM-MR-014 dated 1 September 2016), that shall conducted annually.
- SOP of management review (No. SOP 97/CKP/(1)/0718 Rev 1 dated 7 July 2018. The procedure has refer to RSPO SCCS system and standard of 2017.

Based on interview and observation to weighbridge station, sighted that the personnel key has been aware and understood regarding to SCCS element requirements.

**Status: Comply**

**5.3.2**

**The site shall have a written procedure to conduct annual internal audit**

Procedure to conduct annual internal audit of SCCS written on of SOP Internal Audit, Correction, and Corrective Action (No. SOP 63/CKP/(5)/0718 Rev 5 dated 7 July 2018). The internal audit of SCCS carry out annually by trained internal auditor. The latest internal audit are conducted in 20 August 2018, the Mill shows records that five non-conformity has been followed up and comply.

**Status: Comply**

**5.4 Purchasing and goods in**

**5.4.1**

**The receiving site shall ensure that purchases of RSPO certified oil palm products are in compliance and the following minimum information for RSPO certified products is made available by the supplier**

The mill not purchased any of certified product from outsider, since its only processed FFB convert to CPO and PK.

**Status: Comply**

**5.4.2**

**The site shall have a mechanism in place for handling non-conforming oil palm products and/or documents**

The mill not purchased any of certified product from outsider. Mechanism for handling of non-conforming oil palm product is written in document of SOP of handling grievance from stakeholder (No. 95/CKP/(1)/0718 Rev 1 dated 7 July 2018), in the procedure it is explained that complaints from stakeholders will be followed up as soon as possible by the relevant leadership, and the results of the complaint handling are written and taken into consideration for internal audit as a matter of consideration for continuous improvement..

**Status: Comply**

**5.5 Outsourcing activities**

**5.5.1**

**In cases where an operation seeking or holding certification outsources activities to independent third parties (e.g. subcontractors for storage, transport or other outsourced activities), the operation seeking or holding certification shall ensure that the independent third party complies with the requirements of the RSPO Supply Chain Certification Standard. A CPO mill and independent mill cannot outsource processing activities like refining or crushing.**

There is no physical handling of the products handed over to third parties, the whole process convert from FFB into CSPO /

CSPK are conducted by Mill. The transportation of products to the bulking were conducted by the buyer.	
	<b>Status: Comply</b>
<p>5.5.2</p> <p>Sites which include outsourcing within the scope of their RSPO Supply Chain certificate shall ensure the following:</p> <ol style="list-style-type: none"> <li>The site has legal ownership of all input material to be included in outsourced processes;</li> <li>The site has an agreement or contract covering the outsourced process with each contractor through a signed and enforceable agreement with the contractor. The onus is on the site to ensure that certification bodies (CBs) have access to the outsourcing contractor or operation if an audit is deemed necessary.</li> <li>The site has a documented control system with explicit procedures for the outsourced process which is communicated to the relevant contractor.</li> <li>d) The site seeking or holding certification shall furthermore ensure (e.g. through contractual arrangements) that independent third parties engaged provide relevant access for duly accredited CBs to their respective operations, systems, and any and all information, when this is announced in advance</li> </ol>	
There is no physical handling of the products handed over to third parties, the whole process convert from FFB into CSPO / CSPK are conducted by Mill. The transportation of products to the bulking were conducted by the buyer.	
	<b>Status: Comply</b>
<p>5.5.3</p> <p>The site shall record the names and contact details of all contractors used for the processing or physical handling of RSPO certified oil palm products.</p>	
There is no physical handling of the products handed over to third parties, the whole process convert from FFB into CSPO / CSPK are conducted by Mill. The transportation of products to the bulking were conducted by the buyer.	
	<b>Status: Comply</b>
<p>5.5.4</p> <p>The site shall at its next audit inform its CB of the names and contact details of any new contractor used for the processing or physical handling of RSPO certified oil palm products</p>	
There is no physical handling of the products handed over to third parties, the whole process convert from FFB into CSPO / CSPK are conducted by Mill. The transportation of products to the bulking were conducted by the buyer.	
	<b>Status: Comply</b>
<b>5.6</b>	<b>Sales and goods out</b>
<p>5.6.1</p> <p>The supplying site shall ensure that the following minimum information for RSPO certified products is made available in document form: The name and address of the buyer</p>	
Based on document review, shown that the documentation of sales has ensure the minimum information of certified products, for example document of Delivery Order, includes informations of DO No. 5452180581 dated 26 September 2018, in accordance with contract No. 5431100754 dated 7 September 2018, amount 200 MT of CSPO/RSPO IP from PT Karunia Kencana Permai Sejati to buyer PT Wilmar Nabati Indonesia at Jl. HM. Arsyad KM. 20, Bapanggang Raya Village, Mentawa Baru Sub District, Kotawaringin Timur Regency, Central Kalimantan Province. The document also has informs the certificate number of KKP POM and SC model applied (MUTU-RSPO/105 – IP).	
	<b>Status: Comply</b>
<b>5.7</b>	<b>Registration of transactions</b>
<p>5.7.1</p> <p>Supply chain actors who:</p> <ul style="list-style-type: none"> <li>are mills, traders, crushers and refineries; and</li> </ul>	

- take legal ownership and/or physically handle RSPO Certified Sustainable oil palm products that are available in the yield scheme of the RSPO IT Platform (Figure 2 and 3, refer Annex 1) shall register their transaction in the RSPO IT platform and confirm upon receipt where applicable

All the transaction has been registered in the RSPO IT Platform. During the license period of 22 December 2017 to 30 September 2018, known as much as 11 transactions of CSPO and 8 transactions of CSPK has been confirmed through RSPO IT Platform. Total sold of CSPO amount of 36,278.64 MT and CSPK amount of 8,200.72 MT.

**Status: Comply**

5.7.2

The involved supply chain actors mentioned in 5.7.1 shall do the following actions in the RSPO IT Platform:

- Shipping Announcement / Announcement: When RSPO certified volume is sold as certified, the volumes of products that are in the yield scheme (Figure 2 and 3, refer Annex 1) shall be registered as a Shipping Announcement / Announcement in the RSPO IT Platform. The declaration time to do Shipping announcement / Announcement is based on members' own standard operating procedures.
- Trace: When RSPO certified volumes are sold as RSPO certified to actors in the supply chain beyond the refinery, the volume shall be traced at least annually. Tracing triggers the generation of a trace document with a unique traceability number. Tracing can be done in a consolidated way at least annually.
- Remove: RSPO certified volumes sold under other scheme or as conventional, or in case of underproduction, loss or damage shall be removed.
- Confirm: Acknowledge the purchase of RSPO certified volume by confirming Shipping Announcements / Announcements.

The mill correctly has perform all requirement in the RSPO IT Platform:

- Announcement and shipping confirm: all transaction has been announced to RSPO IT Platform and confirmed shipped. During the license period of 22 December 2017 to 30 September 2018, known as much as 11 transactions of CSPO and 8 transactions of CSPK has been confirmed through RSPO IT Platform. Total sold of CSPO amount of 36,278.64 MT and CSPK amount of 8,200.72 MT.
- Trace: all the certified product sold can be traced, all transaction report has been observed by the auditor before the assessment, for e.g: transaction No. TR-201120f5-08e3, announced on 08 September 2018, product of CSPK IP, amount of 1,192 MT, has been confirmed shipped to PT Wilmar Nabati Indonesia, member ID RSPO\_PO1000000493
- Remove: During the license period of 22 December 2017 to 30 September 2018, there is 737.33 MT of CSPK sold as conventional, and has been removed from certified stock on RSPO IT Platform on 3 October 2018.

**Status: Comply**

5.8

**Training**

5.8.1

The organization shall have a training plan on RSPO Supply Chain Standards requirements, which is subject to on-going review and is supported by records of the training provided to staff

The SCCS training plan mentioned in SOP of Training (No. SOP/KKPsPOM-MR-014 dated 1 September 2016), that shall conducted annually.

**Status: Comply**

5.8.2

Appropriate training shall be provided by the organization for personnel carrying out the tasks critical to the effective implementation of the supply chain certification standard requirements. Training shall be specific and relevant to the task(s) performed

The latest training conducted on 6 September 2018, attended by PIC of each SCCS aspects. During the audit, they shows the understanding of SCCS requirement and critical point, for example security and weighbridge were able to demonstrate how to verify the FFB from certified source.

	<b>Status: Comply</b>
<b>5.9</b>	<b>Record keeping</b>
5.9.1	The organization shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of these RSPO Supply Chain Certification Standard requirements
	All the record are kept in KKP POM in the manner of accurate, up to date and accessible. The random sampling are done during the audit.
	<b>Status: Comply</b>
5.9.2	Retention times for all records and reports shall be a minimum of two (2) years and shall comply with legal and regulatory requirements and be able to confirm the certified status of raw materials or products held in stock
	In the traceability procedure (No. SOP/KKPsPOM-LOG-006 Rev 01 dated 21 August 2018) mentioned that the retention time of record keeping of supply chain documents is minimum two (2) years.
	<b>Status: Comply</b>
5.9.3	The organization shall be able to provide the estimate volume of palm oil / palm kernel oil content (separate categories) in the RSPO certified oil palm product and keep an up to date record of the volume purchased (input) and claimed (output) over a period of twelve (12) months.
	The record of FFB received and CSPO and CSPK delivery are kept during the first date of license on 22 December 2017 to 30 September 2018, random check are conducted by auditors.
	The mill has set the projection of products for next 12 month that is 74,925 MT of CSPO and 15,840 MT of CSPK.
	<b>Status: Comply</b>
<b>5.10</b>	<b>Conversion factors</b>
5.10.1	Where applicable a conversion rate shall be applied to provide a reliable estimate for the amount of certified output available from the associated inputs. Organizations may determine and set their own conversion rates which shall be based upon past experience, documented and applied consistently. Guidance on conversion rates is published on the RSPO website ( <a href="http://www.rspo.org">www.rspo.org</a> ); RSPO Rules for Physical Transition of Oleochemicals and its Derivatives. This is relevant for derivatives of Palm Oil and Palm Kernel Oil, as used in the oleochemical and personal care industries
	Not applicable, since the audit are conducted in palm oil mill the Palm Oil Mill that only convert FFB to CPO/PK.
	<b>Status: Comply</b>
5.10.2	Conversion rates shall be periodically updated to ensure accuracy against actual performance or industry average if appropriate.
	Not applicable, since the audit are conducted in palm oil mill the Palm Oil Mill that only convert FFB to CPO/PK.
	<b>Status: Comply</b>
<b>5.11</b>	<b>Claims</b>
5.11.1	The site shall only make claims regarding the use of or support of RSPO certified oil palm products that are in compliance with the RSPO Rules on Market Communications and Claims.
	All communication to customers is in accordance with RSPO Rules on Market Communications and Claims

	<b>Status: Comply</b>
<b>5.12</b>	<b>Complaints</b>
<b>5.12.1</b>	
The organization shall have in place and maintain documented procedures for collecting and resolving stakeholder complaints.	
Mechanism for handling of complaints from stakeholder is written in document of SOP of handling grievance from stakeholder (No. 95/CKP/(1)/0718 Rev 1 dated 7 July 2018), in the procedure it is explained that complaints from stakeholders will be followed up as soon as possible by the relevant leadership, and the results of the complaint handling are written and taken into consideration for internal audit as a matter of consideration for continuous improvement.	
During the license period, there were two complaint from buyer at 3 March 2018 and 01 May 2018 related the quality (moisture) of CSPO. The certificate holder has followed up the complaint by improving the quality of CSPO in less than 7 days.	
	<b>Status: Comply</b>
<b>5.13</b>	<b>Management review</b>
<b>5.13.1</b>	
The organization is required to hold management reviews annually at planned intervals, appropriate to the scale and nature of the activities undertaken	
The management review planned annually as stated at SOP of management review (No. SOP 97/CKP/(1)/0718 Rev 1 dated 7 July 2018. The procedure has refer to RSPO SCCS system and standard of 2017, that management review shall consider the aspects of :	
<ul style="list-style-type: none"> <li>• Results of SCCS internal audits.</li> <li>• Customer feedback.</li> <li>• Status of preventive and corrective actions.</li> <li>• Follow-up actions from management reviews.</li> <li>• All changes that could affect the management system, and</li> <li>• Recommendations for improvement.</li> </ul>	
	<b>Status: Comply</b>
<b>5.13.2</b>	
The input to management review shall include information on:	
<ul style="list-style-type: none"> <li>• Results of internal audits covering RSPO Supply Chain Certification Standard.</li> <li>• Customer feedback.</li> <li>• Status of preventive and corrective actions.</li> <li>• Follow-up actions from management reviews.</li> <li>• Changes that could affect the management system.</li> <li>• Recommendations for improvement.</li> </ul>	
The management review has been conducted annually. The last management review conducted on 6 September 2018. Based on the Management Review Report, known that the review has consider information on the previous management review, customer feedback (complaint of buyer at 3 March 2018 and 01 May 2018), result of internal and external audits, status of preventive and corrective actions, other changes to management system and recommendation for improvement.	
	<b>Status: Comply</b>
<b>5.13.3</b>	
The output from the management review shall include any decisions and actions related to:	
<ul style="list-style-type: none"> <li>• Improvement of the effectiveness of the management system and its processes.</li> <li>• Resource needs.</li> </ul>	
In the Report of Management Review has been included decisions and actions plan to improve of management system and resources need, includes item of activities, the PIC, and time limit to be conducted.	
	<b>Status: Comply</b>



3.2.2. Module D – CPO Mills: Identity Preserved Requirements

Clause	Requirement																				
D1	Definition																				
<p><b>D.1.1</b>  A mill is deemed to be Identity Preserved (IP) if the FFB used by the mill are sourced from plantation/ estates that are certified against the RSPO Principles and Criteria (RSPO P&amp;C), or against the Group Certification scheme. 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. If a mill process certified and uncertified FFB without physically separating them, then only Module E is applicable.</p> <p>KKP POM apply SCCS with Model of Identity Preserved (IP). Based on interviews with security, weighbridge officers and verification documents of FFB reception on license period (22 December 2017 to 30 September 2018), known that, it is known that the FFB received were only from the owned certified plantation, namely KKP 1 Estate, KKP 2 Estate, and KKP 3 Estate.</p>																					
	Status: Comply																				
D.2	Explanation																				
<p><b>D.2.1</b>  The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the certification body (CB) in the public summary of the P&amp;C certification report. For an independent mill, the estimated tonnage of CPO and PK products must be recorded in the RSPO IT platform, supply chain certificate and public summary audit report. This figure represents the total volume of certified oil palm product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced shall then be recorded in each subsequent annual surveillance report</p> <p>The projection of certified products were describes in the certificate of initial audits, the actual production verified on ASA-1, as well as the projection for the next license, can be seen in the following table:</p> <table border="1" data-bbox="371 1241 1247 1703"> <thead> <tr> <th></th> <th>Products Estimated (22 Dec 2017 – 21 Dec 2018)</th> <th>Actual Production (22 Dec 2017 – 30 Sep 2018)</th> </tr> </thead> <tbody> <tr> <td>FFB</td> <td>331,758</td> <td>187,880</td> </tr> <tr> <td>CPO</td> <td>74,645</td> <td>40,466</td> </tr> <tr> <td>PK</td> <td>14,929</td> <td>8,988</td> </tr> </tbody> </table> <table border="1" data-bbox="544 1507 1075 1703"> <thead> <tr> <th colspan="2">Projection for next 12 month of license (22 Dec 2018 – 21 Dec 2019)</th> </tr> </thead> <tbody> <tr> <td>FFB</td> <td>238,812</td> </tr> <tr> <td>CPO</td> <td>57,315</td> </tr> <tr> <td>PK</td> <td>11,941</td> </tr> </tbody> </table>			Products Estimated (22 Dec 2017 – 21 Dec 2018)	Actual Production (22 Dec 2017 – 30 Sep 2018)	FFB	331,758	187,880	CPO	74,645	40,466	PK	14,929	8,988	Projection for next 12 month of license (22 Dec 2018 – 21 Dec 2019)		FFB	238,812	CPO	57,315	PK	11,941
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FFB	238,812																				
CPO	57,315																				
PK	11,941																				
	Status: Comply																				
<p><b>D.2.2</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).</p> <p>The mill has been registered as member of RSPO under Wilmar International Plantation and registered on RSPO IT Platform under PT Karunia Kencana Permaisejati :</p>																					

**License**

Sub License ID	CB61781
Member Name	PT. Karunia Kencana Permaisejati
Member ID	RSPO_PO1000004150
RSPO Membership Number	2-0017-05-000-00 (Wilmar International Limited)
Issued On	07/01/2018
Issued By	PT Mutuagung Lestari
Start Date	22/12/2017
End Date	21/12/2018
Group size	0
Total Certified Area (Ha)	19,649.75

During the license period of 22 December 2017 to 30 September 2018, known as much as 11 transactions of CSPO and 8 transactions of CSPK has been confirmed through RSPO IT Platform. Total sold of CSPO amount of 32,788 MT and CSPK amount of 7,445 MT.

**Status: Comply**

**D.3 Documented procedures**

**D.3.1**

**The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall**

- a. Complete and up to date procedures covering the implementation of all the elements in these requirements;**
- b. The role 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's procedures for the implementation of this standard.**

The Mill have written procedures to ensure the implementation of all the elements of SCCS, that has been refers to RSPO SCCS System and Standard of November 2017, as well as has been defined the PIC of each aspect.

Those procedures are :

- SOP of FFB receiving (No. SOP/KKPsPOM-LOG-003 Rev 3 dated 21 August 2018), describes that security and weighbridge Staff must verify the source/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.
- SOP of external FFB receiving (No. SOP/KKPsPOM-LOG-006 Rev 0 dated 1 September 2016), describes that the FFB receiving from external refers to SOP of FFB receiving (No. SOP/KKPsPOM-LOG-003 Rev 3 dated 21 August 2018) above.
- SOP of Traceability and Mass Balance (No. SOP / KKPsPOM-LOG-002 Rev 1 dated 21 August 2018, describes :
  - method of input of mass balance data
  - traceability report method in real time / continuous accounting period
  - document retention period for two years
  - method for reporting to RSPO IT - Platform

The PIC defined :

- The Security Officer is responsible for recording all FFB expeditions, CPO and PK dispatches
- 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.

- Logistic officer responsibility for calculated all CSPO/Non-CSPO product, dispatch and reported CSPO/ Non-CSPO product, CSPO / Non-CSPO dispatch report and traceability.
  - Sortation officer is responsible for grading the FFB and making reports
  - Head clerk responsibility to control FFB Received, CSPO / Non-CSPO dispatch and traceability report.
  - Mill head responsibility to guarantee all FFB processing until final product must be carried out according to the procedure.
- SOP of CPO and PK Shipping (No. KKPSPOM-LOG-001 SOP Rev 4 dated 21 August 2018) describes the tank inspection related to CPO tank washing, and the minimum information of the products as required from SCCS standard.
  - SOP of Production Increase Information (No. SOP/KKPSPOM-MR-005 Rev 2 dated 21 August 2018) explaining that if there is an excess production of the amount already certified then Management Representative is obliged to inform the Certification Body.
  - SOP of Weighbridge operating (No. WIP/POM/SOP/01/2017).
  - SOP Internal Audit, Correction, and Corrective Action (No. SOP 63/CKP/(5)/0718 Rev 5 dated 7 July 2018). The internal audit of SCCS carry out annually by trained internal auditor.
  - SOP of handling grievance from stakeholder (No. 95/CKP/(1)/0718 Rev 1 dated 7 July 2018), in the procedure it is explained that complaints from stakeholders will be followed up as soon as possible by the relevant leadership, and the results of the complaint handling are written and taken into consideration for internal audit as a matter of consideration for continuous improvement.
  - SOP of Training (No. SOP/KKPSPOM-MR-014 dated 1 September 2016), that shall conducted annually.
  - SOP of management review (No. SOP 97/CKP/(1)/0718 Rev 1 dated 7 July 2018). The procedure has refer to RSPO SCCS system and standart of 2017.

Based on interview and observation to weighbridge station, sighted that the personnel key has been aware and understood regarding to SCCS element requirements.

**Status: Comply**

**D.3.2**

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

The Mill has had SOP of FFB receiving (No. SOP/KKPSPOM-LOG-003 Rev 3 dated 21 August 2018), describes that security and weighbridge Staff must verify the source/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.

The Mill also has had SOP of external FFB receiving (No. SOP/KKPSPOM-LOG-006 Rev 0 dated 1 September 2016), describes that the FFB receiving from external refers to SOP of FFB receiving (No. SOP/KKPSPOM-LOG-003 Rev 3 dated 21 August 2018) above.

**Status: Comply**

**D.4**

**Purchasing and goods in**

**D.4.1**

**The site shall verify and document the tonnage and sources of certified FFBs received.**

During the license license period of 22 December 2017 to 30 September 2018, there is no non certified FFB received and processed in KKP POM. In the following table describes the total FFB received by Mill:

Period	FFB Received
22-31 December'17	4,226.93
January'18	16,079.55

February'18	18,237.54	
March'18	23,771.64	
April'18	22,714.77	
May'18	23,735.40	
June'18	19,803.47	
July'18	24,415.92	
August'18	19,603.50	
September'18	15,292.18	
<b>Total License</b>	<b>187,880.90</b>	

**Status: Comply**
**D.4.2**
**The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.**

Observed there is no over-production of certified volume during the license of ASA-1 (22 Dec 2017 – 30 Sep 2018) :

	Previous Projection (22 Dec 2017 – 21 Dec 2018)	Actual Production (22 Dec 2017 – 30 Sep 2018)
FFB	331,758	187,880
CPO	74,645	40,466
PK	14,929	8,988

However, the Mill has SOP of Production Increase Information (No. SOP/KKPsPOM-MR-005 Rev 02 dated 21 August 2018), that describes 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**
**The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a real-time basis.**

Records and calculating of certified FFB received and processed as well as the certified CPO/PK sold has been carry out in real time basis, the table below informs the calculation between 22 December 2017 up to 30 September 2018:

Month	FFB			CPO produce	CSPO Sales			
	RSPO Certified	Non Certified	Total		CSPO Sales	Sold as conventional	Total Sales	STOCK
22-31 December'17	4,226.93	-	4,226.93	965.62	-	377.23	377.23	588.39
January'18	16,079.55	-	16,079.55	3,688.47	1,397.17	2,500.00	3,897.17	379.68
February'18	18,237.54	-	18,237.54	4,211.40	2,721.63	1,067.65	3,789.28	801.81
March'18	23,771.64	-	23,771.64	5,093.48	4,809.64	-	4,809.64	1,085.65
April'18	22,714.77	-	22,714.77	4,807.65	4,815.56	-	4,815.56	1,077.74

May'18	23,735.40	-	23,735.40	4,890.77	4,941.10	-	4,941.10	1,027.41
June'18	19,803.47	-	19,803.47	4,311.25	3,318.60	-	3,318.60	2,020.05
July'18	24,415.92	-	24,415.92	5,177.04	6,493.57	-	6,493.57	703.52
August'18	19,603.50	-	19,603.50	4,087.37	4,432.65	-	4,432.65	358.24
30 September'18	15,292.18	-	15,292.18	3,233.96	3,348.72	-	3,348.72	243.47
<b>Total License</b>	<b>187,880.90</b>	<b>-</b>	<b>187,880.90</b>	<b>40,466.99</b>	<b>36,278.64</b>	<b>3,944.88</b>	<b>40,223.52</b>	<b>243.47</b>

PK

Month	PK produce	CSPK Sales			
		CSPK Sales	Sold as conventional	Total Sales	STOCK
22-31 December'17	188.51	-	84.35	84.35	104.17
January'18	736.71	150.00	652.98	802.98	37.90
February'18	946.58	902.02	-	902.02	82.46
March'18	1,139.03	1,150.46	-	1,150.46	71.03
April'18	1,092.02	999.23	-	999.23	163.82
May'18	1,113.31	1,235.84	-	1,235.84	41.29
June'18	900.07	831.23	-	831.23	110.14
July'18	1,200.61	1,166.49	-	1,166.49	144.25
August'18	935.40	1,036.64	-	1,036.64	43.01
30 September'18	735.95	728.81	-	728.81	50.15
<b>Total License</b>	<b>8,988.20</b>	<b>8,200.72</b>	<b>737.33</b>	<b>8,938.05</b>	<b>50.15</b>

Total volume of CSPO sold as RSPO amount of **36,278.64** MT and CSPK amount of **8,200.72** MT, all product are sold to PT. Wilmar Nabati Indonesia – Sampit, and PT. Sinar Alam Permai – Kumai.

**Status: Comply**

**D.6 Processing**

**D.6.1**

**The site shall assure and verify through documented procedures and record keeping that the RSPO certified oil palm product is kept separated from non-certified oil palm product including during transport and storage to strive for 100% separation.**

Based on document review and observation on security and weighbridge Staff, Mill has ensure that all products were 100% separated and not contaminated, the Mill only received and processed FFB from certified sources, the transport of product are responsibility of the buyer.

**Status: Comply**

3.3 Conformity Checklist of Certificate and Trademark Use

1.	<b>Evidence of permission or approval certificate and trademark from Certification Body which submitted by Client</b>	<b>X or√</b>
ASA-1	KPP POM and its supply bases did not use trademark in the product or any of its activity	√
	<b>Status: Comply</b>	
2.	<b>Implementation of certificate and trademark used by Client comply with size and type (shape) against Guideline of trademark Use</b>	<b>X or√</b>
ASA-1	KPP POM and its supply bases did not use trademark in the product or any of its activity	√
	<b>Status: Comply</b>	
3.	<b>Implementation of Certificate and Trademark is not used on product</b>	<b>X or√</b>
ASA-1	KPP POM and its supply bases did not use trademark in the product or any of its activity	√
	<b>Status: Comply</b>	
4.	<b>Controlling of Certificate and Trademark, including withdrawing inappropriate trademark.</b>	<b>X or√</b>
ASA-1	KPP POM and its supply bases did not use trademark in the product or any of its activity	√
	<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 July 2018.

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 continue 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 ST2

NCR No.	: 2017.01	Issued by	: Yohanes Hardian								
Date Issued	: 26 October 2017	Time Limit	: Before Certificate Issue								
NC Grade	: Major	Date of Closing	: November 9, 2017								
Standard Ref. & Requirement	<p>5.2.1 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.</p>										
<p><b>Non-Conformance Description &amp; Evidence observed</b> (filled by auditor):</p> <p>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></p>											
<p><b>Root Cause Analysis</b> (filled by organization audited):</p> <p>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.</p>											
<p><b>Correction</b> (filled by organization audited):</p> <ol style="list-style-type: none"> <li>Making details of HCV category values in PT KKP based on MEC identification studies, ranging from type, location and area of HCV.</li> <li>Detailed information on HCV category values are set forth in documents known and approved by the Management of PT KKP.</li> </ol>											
<p><b>Corrective Action</b> (filled by organization audited):</p> <p>Availability of detailed information on HCV category values, extent and location in PT KKP is a document approved by PT KKP Management.</p>											
<p><b>Assessor Evaluation and Conclusion</b> (filled by auditor):</p> <p><b>Verify November 9, 2017</b></p> <p>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 :</p> <table border="0"> <tr> <td>KKP 1 Estate</td> <td>118.34 ha</td> </tr> <tr> <td>KKP 2 Estate</td> <td>335,76 ha</td> </tr> <tr> <td>KKP 3 Estate</td> <td>556.21 ha</td> </tr> <tr> <td>Total</td> <td>1010.31 ha</td> </tr> </table> <p>Thus the Non conformity has been comply</p>				KKP 1 Estate	118.34 ha	KKP 2 Estate	335,76 ha	KKP 3 Estate	556.21 ha	Total	1010.31 ha
KKP 1 Estate	118.34 ha										
KKP 2 Estate	335,76 ha										
KKP 3 Estate	556.21 ha										
Total	1010.31 ha										
Verified by	: Yohanes Hardian										

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

<b>NCR No.</b>	: 2018.01	<b>Issued by</b>	: Sofyan Hadi Lubis
<b>Date Issued</b>	: 04 October 2018	<b>Time Limit</b>	: 03 January 2019
<b>NC Grade</b>	: Major	<b>Date of Closing</b>	: December 18, 2018
<b>Standard Ref. &amp; Requirement</b>	7.3.1 There shall be evidence that no new plantings have replaced primary forest, or any area required to maintain or enhance one or more High Conservation Values (HCVs), since November 2005. New plantings shall be planned and managed to best ensure the HCVs identified are maintained and/or enhanced (see Criterion 5.2).		
<b>Evidence observed &amp; Non-Conformance Description</b> (filled by auditor):  Based on document review and interviews with management representatives of PT KKP, it was known that the company had sent LUCA documents to RSPO which were responded to in November 2017 with the results of Need Clarification. The company then sends the 2nd LUCA document to RSPO which is responded in March 2017 with the results of the Pass. From the document, there were information that there were 314 Ha of areas that had to be remediated and 58 Ha compensated.  The company has sent Concept Note documents to RSPO October 2018, however, until the last audit was conducted, the company has not been can be demonstrated evidence that the Concept Note document for remediation and compensation has been approved by the RSPO.			
<b>Root Cause Analysis</b> (filled by organization audited): During the RaCP project process, the company has not estimated the adequacy time to loo for third parties and has not estimated the potential obstacles that arise in the preparation of the Concept Note up to the Concept Note approved by RSPO.			
<b>Correction</b> (filled by organization audited): <ul style="list-style-type: none"> <li>- Sending progress RaCP document to RSPO on October 2018.</li> <li>- Accelerating the process of cooperation with third parties in order to the implement the Concept Note immediately and sent again to the RSPO</li> </ul>			
<b>Corrective Action</b> (filled by organization audited): Continuing and monitoring the cooperation process related to the implementation of remediation and compensation with third parties and continuously communicating with the RSPO.			
<b>Assessor Evaluation and Conclusion</b> (filled by auditor): <b>Auditor verification, December 18, 2018</b> The company can be demonstrated evidence that the Concept Note for remediation and compensation has received a response from the RSPO on October 23, 2018. The RSPO stated that the document has been received and be able obtain agreement with the Compensation partners soon. At present, implementation progress has been in discussion and drafting agreement with compensation partners Currently, its pending approval from management and legality verification.  Based on this evidence, it was concluded that NC was closed with observation.			
<b>Verified by</b>	: Sofyan Hadi Lubis		



3.5.3. Opportunity for Improvement

No	Ref. Std.	Description
1	Major 2.1.1	Monitoring the process publishing of Decree ( <i>Surat Keputusan</i> ) related to release of the HPK area by the relevant agencies in a part of the area in PT KKPS
2	Major 4.7.3	<ul style="list-style-type: none"> <li>• The company has the opportunity to ensure and follow up related to the process of issuing the certificate</li> <li>• The company has the opportunity to ensure that the training program is carried out in accordance with a predetermined schedule.</li> </ul>
3	Minor 5.2.4	Ensure and determine the time frame for follow-up to the completion of disturbances the HCV area.
4	Major 6.5.1	The company considered to implement these system immediately and make payment of payroll adjustment for the period of January-September 2018 according to the predetermined schedule.

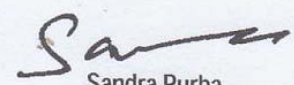
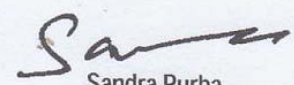
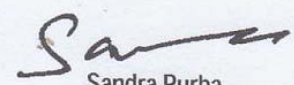
3.5.4. Noteworthy Positive Components

No	Ref. Std.	Description
1	-	The company has determined all employees to be permanent employees (Permanent Daily Workers and Monthly Employees).
2	-	Adequate employee facilities
3	-	Water treatment facility (clean water) for employees (available for each emplacement).
4	-	Implementation of sustainability standards in oil palm plantations and personnel who are competent

3.6 Summary of Arising Issues from Public and Auditor Verification

Public Issues (Institution/ NGO/Community)	Auditor Verification
<p><b>Environmental Agency of Kotawaringin Timur District</b>  <i>Note: The auditor team has attempted to contact the Agency, but no PIC can be found for questioning.</i></p>	-
<p><b>National Land Agency of Kotawaringin Timur Regency</b>  <i>Note: The auditor team has attempted to contact the Agency, but no PIC can be found for questioning.</i></p>	-
<p><b>Manpower and Transmigration Agency of Kotawaringin Timur Regency</b>  <i>Note: The auditor team has attempted to contact the Agency, but no PIC can be found for questioning.</i></p>	-
<p><b>Plantation Agency of Kotawaringin Timur Regency</b></p> <ul style="list-style-type: none"> <li>- Compulsory report have been submitted for regular basis</li> <li>- During 2017-2018 there is no landfire incident, or issues for land conflict with communities.</li> <li>- The CH has conduct CSR program with participatory manner.</li> </ul>	The company shows compliance related these aspects, describes in criteria 2.1, 2.2, 6.11
<p><b>Local Contractor of FFB Transport – PT Sabindo</b></p> <ul style="list-style-type: none"> <li>- The making of agreement is done in a participatory manner. The Contractor understands the provisions in agreement such as volume, price, duration, payment method, aspect of OHS and environment. Dispute settlement methods available.</li> <li>- Payment has been made on time in accordance with the provisions in the agreement. No obstacles related to cooperation with the CH, because the CH is open to consulting related work issues.</li> </ul>	The company shows compliance related these aspects, describes in criteria 6.10 and 6.11.
<p><b>Local Community including previous land owner</b>  Respondent: Village Government staff, Traditional Leader, Sub village Leader, and Community Leader.</p> <ul style="list-style-type: none"> <li>- HCV area in KKP3 is opened by the community. The area opened is their right that has not been compensated by company.</li> <li>- Villagers benefit from CSR programs, but need to be improved.</li> <li>- Until now there is no issues related to environmental aspects due to plantation and factory activities.</li> <li>- Until now there is no issues related to land fires.</li> <li>- During the consultation to the previous land owner in Mentaya Village stated that the process of land</li> </ul>	<ul style="list-style-type: none"> <li>- The company has identified and mapped the disturbance area including socialization and making agreements with the community not to land clearing on the HCV area. The company can be demonstrated a plan to resolve the disruption to the HCV area. Ensure and determine the time frame for follow-up to the completion of disturbances the HCV area. <b>OFI No. 3</b> → it has been explained in <b>the indicator 5.2.4</b></li> <li>- CSR implementation has been explained in <b>the indicator 6.1.3, 6.11.1</b></li> </ul>

Public Issues (Institution/ NGO/Community)	Auditor Verification
<p>acquisition conducted by the CH has been through FPIC process.</p>	<ul style="list-style-type: none"> <li>- No issue related environment. It has been explained in <b>the indicator 4.4.1; 4.4.2; 4.4.3; 4.6.6; 4.6.10; 5.1.2; 5.1.3; 5.3.2; 5.3.3; and 5.6.2.</b></li> <li>- No issue related land fire. It has been explained in <b>the indicator 5.5.1; 5.5.2.</b></li> </ul>
<p><b>Bipartite organization and Gender Committee of KKP POM, KKP1, KKP2, KKP3.</b>            Board of gender committee (6 person)            Representative of workers on bipartite organization (5 person)</p> <ul style="list-style-type: none"> <li>- The company has been facilitate the activity and programs of gender committee</li> <li>- There is no report and issue related to sexual harassment and violence submitted to committee</li> <li>- No issue related to workers welfare, bipartite meeting are held once a month to discuss any issue or complaint and grievance from workers</li> <li>- The rules and regulation related to workers has been implemented by the company</li> </ul>	<ul style="list-style-type: none"> <li>- No issue related workers facilities. It has been explained in <b>the indicator 6.5.3</b></li> <li>- No issue related sexual harassment and violence. It has been explained in <b>the Criteria 6.9</b></li> <li>- No issue related workers welfare. It has been explained in <b>the Criteria 6.5</b></li> <li>- Rules and regulation related to workers has been implemented by the company. it has been explained in <b>the indicator 2.1.1</b></li> </ul>

4.0	CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY		
4.1	Formal Sign-off of Assessment Findings		
<p>Hereunder sign by management representative from inspected company to acknowledge a field assessment and agree for all content explained in this assessment report, included of non-compliance findings.</p> <p>Signed on behalf of:</p> <table border="0" data-bbox="454 735 1282 976"><tr><td data-bbox="454 735 779 976"><p>PT Karunia Kendana Permaisejati Group Estate manager</p><p><u>Enckus Kusmana</u> Thursday, 18 December 2018</p></td><td data-bbox="990 735 1282 976"><p>Mutuagung Lestari Lead Auditor</p><p><u>Sandra Purba</u> Thursday, 18 December 2018</p></td></tr></table>		<p>PT Karunia Kendana Permaisejati Group Estate manager</p>  <p><u>Enckus Kusmana</u> Thursday, 18 December 2018</p>	<p>Mutuagung Lestari Lead Auditor</p>  <p><u>Sandra Purba</u> Thursday, 18 December 2018</p>
<p>PT Karunia Kendana Permaisejati Group Estate manager</p>  <p><u>Enckus Kusmana</u> Thursday, 18 December 2018</p>	<p>Mutuagung Lestari Lead Auditor</p>  <p><u>Sandra Purba</u> Thursday, 18 December 2018</p>		

**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	<b>Environmental Agency of Kotawaringin Timur District</b>	Kotawaringin Timur District	-	interview	02 <sup>th</sup> October 2018		✓
2	<b>National Land Agency of Kotawaringin Timur District</b>	Kotawaringin Timur District	-	interview	02 <sup>th</sup> October 2018		✓
3	<b>Manpower and Transmigration Agency of Kotawaringin Timur District</b>	Kotawaringin Timur District	-	interview	02 <sup>th</sup> October 2018		✓
4	<b>Plantation Agency of Kotawaringin Timur District</b>	Kotawaringin Timur District	-	interview	02 <sup>th</sup> October 2018	✓	
5	<b>Local Contractor of FFB Transport – PT Sabindo</b>	Kotawaringin Timur District	-	interview	02 <sup>th</sup> October 2018	✓	
6	<b>Local Community</b> Respondent: Village Government staff, Traditional Leader, Sub village Leader, and Community Leader.	Kotawaringin Timur District	-	interview	02 <sup>th</sup> October 2018	✓	
7	<b>Bipartite organization and Gender Committee of KKP POM, KKP1, KKP2, KKP3.</b> Respondent: Board of gender committee (6 person) Representative of workers on bipartite organization (5 person)	Kotawaringin Timur District	-	interview	24 October 2017	✓	
8	<b>NGO (WWF, Sawitc Watch, Wahli)</b>	-	-	Quisioner by emal	25 September 2017		✓
9	<b>KKP3</b> - EFB Application: 1 Foremen and 10 applicator) - Land Application Area (1 Foremen and 1 applicator) - Operator chemical spraying of KKP1, KKP2 and KKP3 : 19 applicator and 3 foreman - Manuring workers 12	Village of Kenyala, Subdistrict of Telawang, Kotawaringin Timur District,		Direct interview	02 Oct 2018	✓	

	workers - Harvester as much as 7 workers - Store-keeper : 5 workers - Workshop personnel : 7 workers - Crèche officer : 4 workers - Firefighters :11 workers						
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Appendix 2. Assessment Program

DATE	1 – 5 October 2018	
PROGRAM	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
<b>Monday, 1 Oct 2018</b>		
07.30 – 08.55 09.30 – 12.00	<b>Jakarta → Sampit</b> <b>Sampit → PT. Karunia Kencana Permaisejati</b>	<b>Team Auditor</b>
12.00 – 14.00	<b>Break</b>	<b>Team Auditor</b>
14.00 – 15.00	✓ <b>Opening Meeting (KKP POM and Supply Base)</b> <i>Auditor Team Speech (Introduction, Audit Objective, Audit Scope, Audit Plan Discussion, Determine of Audit Sample, Transparency and Confidentiality Clarification)</i>	<b>Team Auditor</b>
15.00 – 17.00	✓ <b>Field observation to KKP POM :</b> <ul style="list-style-type: none"> <li>• <i>Supply Chain verification (FFB Receiving, Weighbridge, Despatch CPO &amp; PK)</i></li> <li>• <i>FFB sorting, FFB processing, workers and OHS aspect</i></li> <li>• <i>Occupational Health &amp; Safety Aspect (Inspection to Chemical Storage, Hazardous Waste Storage, Fire Control Simulation)</i></li> <li>• <i>POME Pond, empty bunch area, land application)</i></li> </ul>	<b>AFS</b> <b>YYT</b> <b>SP/ SHL</b>
	<b>Stakeholder Consultation to Labour Union, Gender Committee and Local Contractor</b>	<b>SP</b>
<b>Tuesday, 2 Oct 2018</b>		
08.00 – 12.00	✓ <b>Public Consultation with Government in Kotawaringin Timur.</b>	<b>AFS</b>
	✓ <b>Field Observation KKP 2 Estate</b> <ul style="list-style-type: none"> <li>• <i>Implementation of Agronomy Aspect (Harvesting &amp; Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application)</i></li> <li>• <i>Implementation of Environmental and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management)</i></li> <li>• <i>Implementation of Occupational Health &amp; Safety Aspect</i></li> <li>• <i>Implementation of Employment Procedure and Mechanism Aspect</i></li> <li>• <i>HCV/conservation area and Implementation of Legal Aspect (Land Ownership, Legal Boundaries);</i></li> <li>• <i>Observation of Workers Facilities (Housing, School, Worship Place).</i></li> </ul>	<b>YYT</b> <b>SP</b> <b>YYT</b> <b>SP/ SHL</b>
12.00 – 14.00	<b>Break</b>	<b>Team Auditor</b>
14.00 – 17.00	✓ <b>Stakeholder Consultation to Nearest Village and Community Leader</b>	<b>AFS/ SHL</b>
	✓ <b>Documents Review</b> <ul style="list-style-type: none"> <li>• <i>Review of previous (Initial assessment) findings</i></li> </ul>	<b>Team Auditor</b>

	<ul style="list-style-type: none"> <li>• Verification of Basic Information Mill and Estate</li> <li>• Confirmation of Time Bound Plan</li> <li>• Review of Partial Certification</li> </ul>	
<b>Wednesday, 3 Oct 2018</b>		
08.00 – 12.00	<ul style="list-style-type: none"> <li>✓ <b>Field Observation KKP 1 Estate</b> <ul style="list-style-type: none"> <li>• Implementation of Agronomy Aspect (Harvesting &amp; Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application)</li> <li>• Implementation of Environmental and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management)</li> <li>• Implementation of Occupational Health &amp; Safety Aspect</li> <li>• Implementation of Employment Procedure and Mechanism Aspect</li> <li>• HCV/conservation area and Implementation of Legal Aspect (Land Ownership, Legal Boundaries);</li> <li>• Observation of Workers Facilities (Housing, School, Worship Place).</li> </ul> </li> <li>✓ <b>Field Observation KKP 3 Estate</b> <ul style="list-style-type: none"> <li>• Implementation of Agronomy Aspect (Harvesting &amp; Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application)</li> <li>• Implementation of Environmental and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management)</li> <li>• Implementation of Occupational Health &amp; Safety Aspect</li> <li>• Implementation of Employment Procedure and Mechanism Aspect</li> <li>• HCV/conservation area and Implementation of Legal Aspect (Land Ownership, Legal Boundaries);</li> <li>• Observation of Workers Facilities (Housing, School, Worship Place).</li> </ul> </li> </ul>	<p>AFS</p> <p>SP</p> <p>AFS</p> <p>SP</p> <p>YYT</p> <p>YYT/ SHL</p> <p>YYT</p> <p>YYT/ SHL</p>
12.00 – 14.00	<b>Break</b>	<b>Team Auditor</b>
14.00 – 17.00	<ul style="list-style-type: none"> <li>✓ <b>Continuoung field visit (if any)</b></li> <li>✓ <b>Documents Review</b> <ul style="list-style-type: none"> <li>• Review of previous (Initial assessment) findings</li> <li>• Verification of Basic Information Mill and Estate</li> <li>• Confirmation of Time Bound Plan</li> <li>• Review of Partial Certification</li> </ul> </li> </ul>	<b>Team Auditor</b>
<b>Thursday, 4 Oct 2018</b>		
08.0 – 11.00	<ul style="list-style-type: none"> <li>✓ Verification of stakeholder consultation result and field visit.</li> <li>✓ Document review and completing audit checklist.</li> </ul>	<b>Team Auditor</b>
12.00 – 14.00	<b>Break</b>	<b>Team Auditor</b>
14.00 – 17.00	<ul style="list-style-type: none"> <li>✓ Internal discussion by auditor team preparing for Closing Meeting</li> <li>✓ <b>Closing Meeting:</b></li> </ul>	<b>Team Auditor</b>

	<ul style="list-style-type: none"> <li>• Presentation of audit findings (Noteworthy Positive Component, Non Conformities, OFI, Timeline of CAR's, Conclusion)/</li> <li>• Comments, Responses and Questions</li> </ul>	
<b>Friday, 5 Oct 2018</b>		
07.00 – 09.30 12.30 – 13.55	<b>PT. Karunia Kencana Permaisejati → Sampit Sampit → Jakarta</b>	<b>Team Auditor</b>