Roundtable on Sustainable Palm Oil
Supply Chain Scope Extension Audit Report

Report no.: SCCS-ASA1-18502248
Assessment against RSPO Supply Chain Certification Systems 2011

Wilmar International Indonesia
PT Wilmar Nabati Indonesia
Gresik- East Java

Date of assessment : March 13, 2014

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1.0 SCOPE OF SUPPLY CHAIN ANNUAL SURVEILLANCE AUDIT

1.1 Executive Summary and Scope of Audit

PT Wilmar Nabati Indonesia is a foreign investment company under Wilmar International group, which is engaged in the processing of palm oil and its derivatives in the form of edible oil and non-edible oil (Oleochemical) products. As a refinery and fractionation mill, PT Wilmar Nabati Indonesia produces:

- **Edible oil products** such as Crude Palm Kernel Oil, Refined Palm Oil, Fatty Acid Distillate, Refined Palm Olein, Refined Palm Stearine, Crude Kernel Olein and Crude Kernel Stearin, most used for the food industry. The company produces cooking oil under the brand name Sania and Fortune.
- **Non Edible Oil product (Oleochemicals)** Fatty products such as Fatty acid, glycerine, soap methyl ester and Noodles are used in various industries and biodiesel is used as fuel.

The operations of PT Wilmar Nabati Indonesia were assessed against the RSPO Supply Chain Certification Systems (SCCS) document (November 2011). The scope of the Supply Chain Certification System assessment covers the implementation of the Mass Balance supply chain model for all edible oils and non-edible oils produced by PT Wilmar Nabati Indonesia. This is not a multi-site certification.

This audit was conducted for the purpose of scope extension of WINA certified product, the audit was carried out on March 13, 2014. The company asked for scope extension audit after its 1st surveillance audit finished on January 20, 2014 to cover all WINA products.

The previous certification scope only covered all derivative products from Palm Kernel Oil, due to increased demand from the buyer, the company decided to extend the scope including all derivatives of product from crude palm oil which are divided into several products groups as explained below:

A. **Group Product Edible Oil**:
   1. PK Crushing
   2. Refined & Fractinated products
   3. Refined Hydrogenaton product
   4. CPKO Fractination product

B. **Group product Oleochemical**
   5. Group of Fatty Acid product
   6. Group of Glycerin product
   7. Group of Soap Noodle product
   8. Group of Biodiesel product
   9. Group of Methyl Ester product
   10. Group of Fatty Alcohol product
   11. Group of Methyl Ester Sulfat product

   and a total of 1 non-conformity was found during this assessment.
1.2 Certification Details
The details of RSPO Supply Chain certification of PT Wilmar Nabati Indonesia are as per the table below.

**Table 1: RSPO Supply Chain Certification details of PT Wilmar Nabati Indonesia**

<table>
<thead>
<tr>
<th>RSPO Membership no.:</th>
<th>2-0017-05-000-00</th>
</tr>
</thead>
<tbody>
<tr>
<td>RSPO Supply Chain Certificate no.:</td>
<td>18502248 001</td>
</tr>
<tr>
<td>Date of RSPO Supply Chain certificate &amp; validity:</td>
<td>2013-02-01 to 2018-01-31</td>
</tr>
</tbody>
</table>

Refer to Appendix 1 for further details of the RSPO Supply Chain certificate.

1.3 Organisational Information / Contact Person

Contacts details of the company are as follows:

<table>
<thead>
<tr>
<th>Company Name:</th>
<th>PT Wilmar Nabati Indonesia</th>
</tr>
</thead>
<tbody>
<tr>
<td>Address:</td>
<td>Jl. Kapten Darmo Sugondo No. 56 Gresik Kelurahan Indro, Kecamatan Kebomas, Kabupaten Gresik, Jawa Timur 61124</td>
</tr>
<tr>
<td>Contact Person:</td>
<td>Zaki Mubarok</td>
</tr>
<tr>
<td>Telephone / Fax:</td>
<td>+62 – 031 3989101 / +62 - 031 3978922</td>
</tr>
<tr>
<td>Email:</td>
<td><a href="mailto:zaki.mubarok@wilmar.co.id">zaki.mubarok@wilmar.co.id</a></td>
</tr>
</tbody>
</table>

1.4 Actual production volumes and projected outputs.

**Table 2: Certified tonnages of products claimed or sold from PT Wilmar Nabati Indonesia**

| Tonnages of products claimed as certified | 4,630.027 |
| Certified tonnages of products sold | 1,641.790 |
| Certified tonnages of raw materials purchased | 10,288.949 |
| Estimated total of all certified products produced in year 2014 | 4,689,513.5 |

*Note: certified material was purchased in year 2013 period August 2013 to February 2014*

1.5 Summary of Previous Assessment

The 1st surveillance audit for PT WINA Gresik of PT Wilmar Nabati Indonesia was conducted on January 20, 2014. There are eight findings related to the fulfillment of the RSPO SCCS requirement November 2011. There are 19 types of products within the scope of certification as specified in annex supply chain certificate issued on 1 February 2013. The correction/corrective action was taken to eliminate the cause of conformities.
2.0 ASSESSMENT PROCESS

2.1 Certification Body

TÜV Rheinland Malaysia Sdn. Bhd. is member of Group TÜV Rheinland Group, a global leader in independent testing and assessment services. The TÜV Rheinland Group was established in 1872 with offices located in over 500 locations in 62 countries on all five continents. TÜV Rheinland Malaysia offers certification for a wide range of management systems according to established international standards including ISO 9001, ISO 14001, OHSAS 18001, SA 8000, as well as CDM Validations and Verifications. TÜV Rheinland Malaysia’s office is located in Subang Jaya, Malaysia.

2.2 Qualifications of Lead Assessor and Assessment Team

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Qualifications / Experience</th>
</tr>
</thead>
</table>
| Dian Susanty Soeminta | Lead Auditor  | **Education:** Bachelors Degree in Forestry - Bogor Agriculture Institute, Indonesia, (1990 to 1995).  
**Trainings attended:** ISO 9001:2000 lead assessor course 1996 - Neville Clark; ISO 14001 lead assessor course - PE International; OSHAS: 2007 training, Sustainable Forest Management (SFM) - Forest Stewardship Council (FSC) system training; Chain of Custody training for FSC System.  
RSPO lead Auditor training year 2010 by Pro Forest and Wild Asia. SCCS training by David Ogg Consulting. ISPO Lead Auditor training  
**Working experience:** Professional forester since 1995 to 2000. Lead Auditor for Forest Stewardship Council (FSC), Sustainable Forest Certification (SFC) and Chain of Custody (COC) Certification. Lead auditor for Environmental Management System (EMS) and Quality Management System (QMS) audits. Conducted sustainable forest management certification audits on FSC and Indonesian Ecolabel Institute (Lembaga Ecolabel Indonesia - LEI) standards for 20 companies, 50 COC FSC/LEI audits, and EMS and QMS audits at more than hundred companies for TUV Rheinland Indonesia. Instrumental in the preparation of TUV Rheinland Indonesia for Sustainable Forest Management Certification System and TUV Rheinland Malaysia for RSPO Certification. Member of Task Force for Indonesian National Interpretation (Guidance on scheme smallholder RSPO certification). Developed TUV Rheinland RSPO Gap Assessment Checklist and report template. |

2.3 Assessment Methodology & Agenda

The supply chain certification scope extension audit was conducted on March 13, 2014 as per audit plan below. The assessment was carried out in accordance with TUV Rheinland Malaysia’s RSPO audit procedure as well as the RSPO Supply Chain Certification Systems document. An on-site assessment was conducted and the assessment team carried out field and document assessments of compliance to RSPO Supply Chain Certification System requirements.
The company proposed the correction and corrective action for all identified non conformities raised to the certification body 10 days after the closing meeting. Verification of closure of non-conformances was conducted through document checked 2 weeks after the closing meeting of the main assessment. The certification assessment agenda is as explained below.

1st Surveillance audit Agenda

<table>
<thead>
<tr>
<th>Date</th>
<th>Location/ Main sites</th>
<th>Main activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>January 20, 2014</td>
<td>Gresik plant</td>
<td>Opening Meeting&lt;br&gt;Company Profile and previous audit findings Presentation; Verification for previous audit finding Clarification for system changes Mass Balance records verification Factory tour:&lt;br&gt;- Incoming material (Jetty)&lt;br&gt;- Weight bridge&lt;br&gt;- PPIC office&lt;br&gt;- Procurement Lunch and break&lt;br&gt;Refinery, Fractionation Hydrogenation Purchasing Department&lt;br&gt;- Procurement (Continue)&lt;br&gt;- Outsourcing Control&lt;br&gt;- Product Processing&lt;br&gt;- Finished Good Packing Sales Department Sales and Export Document Closing meeting and Present findings</td>
</tr>
</tbody>
</table>

Scope Extension Audit Agenda

<table>
<thead>
<tr>
<th>Date</th>
<th>Location/ Main sites</th>
<th>Main activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>March 13, 2014</td>
<td>Gresik plant</td>
<td>Opening Meeting&lt;br&gt;Company Profile and previous audit findings Presentation; Verification for previous audit finding Clarification for system changes Mass Balance records verification Factory tour:&lt;br&gt;- Incoming material (Jetty)&lt;br&gt;- Weight bridge&lt;br&gt;- PPIC office&lt;br&gt;- Procurement Lunch and break&lt;br&gt;Refinery, Fractionation Hydrogenation Purchasing Department&lt;br&gt;- Procurement (Continue)&lt;br&gt;- Outsourcing Control&lt;br&gt;- Product Processing&lt;br&gt;- Finished Good Packing Sales Department Sales and Export Document</td>
</tr>
</tbody>
</table>

3.0 ASSESSMENT FINDINGS

3.1 Description of Supply Chain Management System

PT Wilmar Nabati Indonesia (WINA) is a company under Wilmar International Group, located in Gresik, East Java, Indonesia which has two main activities i.e, refinery and fractionation palm oil and palm kernel. The processing plant was commissioned in August 8, 2008 with a production capacity of 600 tonnes/day. In December 2009, the company increased their capacity to 2500 tonnes per day and developed a new Oleo
Plant with production capacity 400 ton per day which produce Fatty Acid and Glycerine. In January 2010, the company established new finishing plant for Soap Noodle product with production capacity of 100 ton per day of beading products, 50 tonnes per day of fatty acids and 64 tonnes per day of glycerine. In year 2010 Palm Kernel Crushing Plant was commissioned with total capacity 500 tons per day and biodiesel plant with production capacity 2000 tons per day.

PT WINA Gresik material uses CPO and palm kernel which are supplied by palm oil mills under Wilmar Group and purchases from other suppliers from non Wilmar Palm Oil Mills.

The processing plant produces edible and non-edible oils as explained in 1.1 above to supply for several buyers such as Unilever, Nestle, IKEA, PT Kievit Indonesia etc.

All production process was conducted internally; company has outsourcing process for material transportation and final product transport. The company has been implementing quality management system ISO 9001:2008 and has been providing complete standard operation manual and standard operation procedure for all strategic operation units for daily operation activities as seen on document M-WINA/QMS/001 and other standard operation procedure documents.

During scope extension audit it was verified that company has been purchased certified material (palm kernel CSPK and certified palm oil CSPO) from certified supplier i.e. PT Mustika Sembuluh, PT Kerry Sawit Indonesia and PT WINA Begendang. The company has sold certified products to one local customer i.e. PT Kievit Indonesia for products made from palm kernel oil derivatives.

There are found some non conformities regarding company’s implementation SCC system according RSPO SCCS standard November 2011 Module C (Mass Balance).

The following is a description of the company’s supply chain management system according to the RSPO SCCS requirements, including status of compliance of the company and their outsourced third parties to RSPO SCCS requirements:

1: General Chain of Custody System Requirements for the Supply Chain

5.1 Applicability of the General Chain of Custody System Requirements for the supply chain

Findings:
Management PT Wilmar Nabati Indonesia still has commitment to implement RSPO SCCS. The company’s supply chain management system still integrated with the implementation of quality management systems at ISO 9001:2008. No changes on company’s supply chain model since last year audit i.e. Mass Balance system (Module C) due to the nature of incoming material from company’s supplier are Mass Balance and company’s production facilities are not sufficient enough to implement others supply chain model.

Beside revised their quality manual to include all RSPO SCCS requirements, some standard operation procedure have been revised to fulfill RSPO SCCS requirement and as part of company’s improvement from the certification audit findings and 1st surveillance audit findings.

During this scope extension audit it was indicated company was not fully sufficient to demonstrate their implementation to SCCS system and relevant requirement. There is one non conformity was raised through NCRs stated on relevant clause below.

PT Wilmar Nabati Indonesia is RSPO member under Wilmar International with membership number 2-0017-05-000-00.

Compliance status: Non Compliance (see NCR stated below)

5.2 Documented procedures
Findings:
During this scope extension audit there are new standard operation procedures were issued such as procedure for traceability i.e. SOP-WINA/PPC/008 rev 03, March 03, 2014 as guidance to implement mass balance supply chain system, to handle certified and non certified material in the entire reception, production, delivery and stock balance which comply with RSPO requirement. The procedure now covering traceability for all products in PT WINA Gresik that will be claimed as certified product not only RBDPO, RBDSOL, RBDSST product. Procedure for incoming CPO product both for certified and non certified product i.e SOP-WINA/SHIP/002 March 03, 2014 and Palm Kernel Discharging From Ship SOP – WINA/SHIP/013. Other documents remain used for daily operation as explained on 1st annual surveillance audit report.

The company has improved the mechanism for several activities related certified material and certified product such as: Receiving incoming certified material from vessel into company’s material storage through conveyor/road tanker to ensure that the products are verified as being RSPO certified including mechanism for outgoing certified product through road tanker. This improvement was made after the 1st surveillance audit and found during the scope extension audit.

The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements was change from Mr. Syahrin to Mr. Zaki Mubarak, due to resignation Mr. Syarin by the end of January 2014, top management assigne Mr. Zaki Mubarak as head of management system through decree letter no. 001/PGA-WINA/SK/II/2014 signed by Executive Director Mr. Taufik Tamin, similar jobdescription explain on the letter for SCC implementation. For daily operation Mr. Zaki is assisted by Mr. Adi Purnomo according to decree letter No 078/PGA-MUT/GRS/IX/ 2014. There is new organization structure as stated on document No. 016/SO-PGA/WINA/IK/2010 revision March 06, 2014. During the audit time it was found that, Mr. Purnomo and Mr. Zaki has good knowledge and able to demonstrate awareness of the facility’s procedures training records was found recorded on training list participant dated February 02, 2014

Compliance status: Full Compliance

5.3. Purchasing and goods in

Findings:
PT WINA Gresik has a mechanism for receiving material. According to the procedure, logistic shall receive incoming material schedule from marketing as a basis to make local shipping schedule, and information about local shipping schedule will be distributed to Quality Assurance, Weigh Bridge, PPIC and other relevant stations.

The operation jetty will receive information incoming vessel from trading and logistic after the ship berthing well at jetty. The loading master and surveyor will check the load port seal, and the loading master will fulfill the checklist for discharging material (both palm kernel and CPO) using form F-WINA/SHIP/031 and made seal opening report (F-WINA/SHIP/032). Jetty personnel will check the completeness of all documents.

All raw materials from supplier were shipped from the original sourcing. There are two standard operations procedures for material discharging from ship:
1. Oil Discharging from ship from CPO product SOP-WINA/SHIP/002 revised on March 03, 2014
2. Palm kernel discharging from ship (SOP-WINA/SHIP/013) revised on January 21, 2014

According to both procedure loading master instruct QA to take sample from each ship hatch/barge after ship crew already open it for quality checking. Discharging can be done after getting approval from QA or Management. During discharging, the loading master make sure that there is no much material fall to the sea or leakage from the valve. Crude palm oil will be discharging and transfer to storage tank though piping. While for Palm kernel there are 2 discharging methods i.e.:
1. By truck, palm kernel (PK) will be loaded to truck, performing weighing and send to the silo. Weigh bridge (WB) will make WB ticket and send to Logistic including Jetty. Then logistic will make Shipment Discharge detail to be sent to all relevant department.
2. By conveyor, PK from vessel discharge to hopper conveyor and sending to SILO, after finishing, Jetty operator will inform to weigh bridge for weighing and the result will be reported to
Logistic including jetty. Then logistic will make Shipment Discharge detail to be sent to all relevant department.

Weighing process for CPO product will be monitored by flow meter and WB will make report to be sent to Logistic and Jetty.

Discharging process both for certified and non-certified material are same, company has clear mechanism to distinguishing documentations of certified and non-certified material from receiving incoming certified material from vessel into company’s material storage through conveyor/road tanker to ensure that the products are verified as being RSPO certified.

The document to be used for discharging process are: “Shipment Loading Detail (SLD); Shipment Discharging Detail (SDD); Bill of Lading if needed; Daily Report Weighting (WB report); FIFO material report (F-WINA/PKC/002). The company has give information about selected Supply chain model on document to distinguish with non certified material document and also provide clear statement about material category on company’s purchasing document agreed with their supplier whether it is IP/SG/MB.

Company has mechanism to ensure validity of the Supply Chain Certification of suppliers through six monthly supplier evaluation and will be checked via the list of RSPO Supply Chain Certified facilities on the RSPO website www.rspo.org.

The company assigned a person to be responsible to check and ensure both quality and quantity of the certified material is as per purchase documents.

The company has procedure for handling non-conformance product integrated with their quality management system ISO 9001.

The company has also established a mechanism to inform CB immediately if there is a projected overproduction.

Compliance status: Full Compliance

5.4 Outsourcing Activities

Findings:
PT WINA Gresik is producing Edible and Non Edible Oil products from supplied CPO and PK, all production process are carried out at the company’s facility. The company only outsources the process for material and finished good transportation, such as road tanker for palm kernel from Jetty to Silo and for finished good product delivery to local customer.

There are 6 identified road tanker companies as the company’s subcontractors. However during surveillance audit it was found there is no formal contact established or signed by both parties. As required by RSPO SCCS if the company has outsourced process, the company has make formal contract and signed by both parties, the contract includes requirements such as legal ownership of the product will not be relinquished during outsourced process, and providing the certification body access to the outsourcing contractor or operation if an audit is necessary as required by RSPO SCCS. This is as company's improvement from previous audit findings. Information about profile of contractors engaged for outsourced transportation activities has been clear including information about address, person in charge etc.

Compliance status: Full compliance

5.5 Sales and goods out

Findings:
The sales and goods out mechanism of the company are described in their procedure of sales of palm oil.

The logistics receives product delivery schedule and copy of sales order from marketing as basic information to make Shipping Instruction for Shipping agent as shipping transporter. For local destination, the logistics make a local shipping schedule to be informed to QA, WB, PPIC and other relevant. After product loading finished, there will be weighing product at Weigh bridge, while for export
though vessel weighing using flow meter. After weighing is done, road tanker will bring WB ticket and the copy of WB ticket will be sent to logistic. The logistic make “Goods Delivery Notice” based on quantity received by customer.

Several records issued for outgoing product depend on the transfer method used such as:
- Vessel: Shipping Instruction (SI); Bill of lading (B/L); Certificate of Analysis (F-WINA/QA/011); Shipment Loading Detail (SLD).
- Truck: Sales Order (SO); Delivery Order (DO), Certificate of Analisys (F-WINA/QA/011), Weight Bridge Ticket, delivery Note (F-WINA/WH/204) and F_WINA/TXT/404.
- Container or ISO Tank: Packing list, Bill of Lading (B/L), Certificate of Analysis (F-WINA/QA/011); Weighbridge Ticket.

The company has improved their documentations, all relevant sales documents issued for RSPO certified oil palm products delivered, e.g. delivery notes, certificate of analysis, sales order documents has been include information about applicable supply chain Mass Balance as selected supply chain model, also weighbridge ticket for outgoing product consistently includes information about the buyer’s address.

**Compliance status: Full Compliance**

### 5.6 Registration

**Findings:**
PT WINA Gresik is producing Edible and Non Edible Oil products from supplied CPO and PK, it was found during the 1st surveillance audit that the company has established SOP for registration of every transaction to RSPO IT System as required by RSPO-SCC standard and the control of IT system is Wilmar’s trading in Singapore. The company has online system for daily product reporting. However at the time of the scope extension audit, the company has not yet made any transactions on eTrace due to the certified product were produced from PK not from CPO, while etrace is only applicable for CPO based product.

**Compliance status: Full Compliance.**

### 5.7 Training

**Findings:**
PT WINA Gresik has a training procedure (SOP-WINA/PGA/004) and annual training program for their employees, such as training program for year 2014. The company conduct training on February 3, 2014 and provide training evidence i.e. list of attendance. According to the training evidence, there are 14 training participants from Quality Assurance department, Jetty Operator, Weighbridge operator, PPIC staff, and logistic staff dan document controller.

**Compliance status: Full Compliance**

### 5.8 Claims

**Findings:**
The company has an SOP for making claims certified product according RSPO communication and claims. However company does not claim the product directly, as company only produce intermediate products not finished consumer goods.

**Compliance status: Full Compliance**
2: Modular Requirements (Module C - Mass Balance)

### C.1. Processing

**Findings:**
There are no changes on company’s production process system since company decided to implement mass balance for their certified edible and non edible oil. There is no specific requirement to separate production process for certified and non certified product. This is similar with supply chain model as implemented by all approved supplier as confirmed from the supplier RSPO P & C and SCCS certificate.

The processing plant controls their production process though daily production report. PPIC department has responsibility to control the process.

During this scope extension audit, sighted sample for certified product i.e. SO no. 8101004368 has information to show that the certified product can be traced back to only certified material.

It was found during the scope extension audit that the company has mechanism to include RBDPO, RBDPOL, RBDPST products as certified in addition to other products listed in the facility’s previous supply chain certificate. The products included in the revised certification scope are stated in Annex 3 of this report.

**Compliance status:** Full Compliance

### C.2. Record keeping

**Findings:**
The organization has established a mechanism for control and maintenance of the data and documents used in production process following WINA Gresik Quality Manual M-WINA/QMS/001 and Standard Operation Manual, in which the retention time for all records and reports already defined for at least for five (5) years. The storage and maintenance of documents is the responsibility of the respective departments.

According to quality manual company will clearly indicate the supply chain model used with trade names in relevant documents, e.g. purchase and sales contracts with *product name*/MB or Mass Balance. This is confirmed during the audit, sample records such as shipment loading detail document and shipment discharging detail no. 8101004368 from incoming material was stamped with MB.

**Compliance status:** Full Compliance

### C.3. Mass Balance

PT WINA Gresik has established a mechanism to ensure that the quantity of physical CSPO and CSPK RSPO mass balance material inputs and outputs (volume or weight) at the physical site are monitored on a real-time basis. All volumes of palm oil that are delivered are deducted from the material accounting system according to actual daily conversion ratios.

Officer from PPIC has been assigned to monitor daily report regarding internal material accounting system will be complies with the RSPO requirement such as can only deliver Mass Balance sales from a positive stock. The company will inform the certification body if facing a condition where they are required to sell short.

The company has established two different mass balance format records, for PKO based product and for CPO based product. For year 2013 company only produced certified CPKO Fractionated product i.e. CPKOL/RPKOL/HPKOL and CPKS/ RPKS/HPKS. Mass balance record for CPO based product will be used after scope of certificate approved by RSPO.

Incoming certified PK come from certified suppliers is 10,288.949 ton i.e. 1,689.032 ton from PT Mustika Sembuluh, 902.792 ton from PT Kerry Sawit Indonesia; and 7697.125 ton from PT Wina
Begendang. All material used to produce HPKO. Conversion factor from PK to PKO is 0.45; from PKO to CPKOL is 0.45. Total CPKOL product in year 2013 is 3009.518 ton. The product was sold to PT Kievit Indonesia with amount 1641.790. By the end of year 2013 the stock of certified is 1367.728 MT. It was proved that company’s material balance can show delivered product sales from a positive stock for year 2013. However in the recent 3 months record there is found incoming CSPK from WINA Begendang shipped by KM Permata Sampit on January 24, 2014, which was not recorded on Material Balance document.

Compliance status: Non Compliance
NCR No. EXT ASA1-2014-01 of 01.
It was found that incoming CSPK from WINA Begendang shipped by KM Permata Sampit on January 24, 2014 was not recorded on Material Balance document.

3.2 Status of Previously Identified Non-conformities

During 1st surveillance, a total of 6 major nonconformances against the RSPO SCCS year 2011 were identified. The company is given a timeframe to close all major non-conformities within 30 days and at time of first submission of this report to the certification body.

SCCS Non-conformance clause 5.2
No. ASA1-2014-01 of 06
The company has no clear mechanism for several activities related to certified material and certified product such as:
- Receiving incoming certified material from vessel into company’s material storage through conveyor/road tanker, to ensure that the products are verified as being RSPO certified
- Outgoing certified product through road tanker.

Evidence of correction/Corrective action
The company provided a new standard operation procedure for incoming certified material from vessel into company’s material storage through conveyor/road tanker i.e. SOP-WINA/LOG/001 issued on January 21, 2014. According to the SOP Logistic received schedule from marketing and sales order information from marketing system as basic to make shipping instruction, for all RSPO product the document will be remark with MB code. Shipping document will be transfer to Quality Assurance, Weight Bridge, PPIC and other relevant.
There is also revised SOP –WINA/SHP/013 Palm Kernel Discharging From Ship as guidance for ascertaining that unloading cargo from ship or barge will not be contaminated or spill out. According to the procedure, the jetty operator receiving information on incoming vessels from trading and for RSPO certified product jetty will receive information from trading or logistic. After the ship berthing well at jetty, loading master and surveyor check the load port seal, and fill the check list for discharging product, ensure that for certified product has code MB such as on Bill of loading, packing list etc. Jetty operator will make opening report product (F-WINA/SHP/032) for certified product the document has code MB (wet stamp). All documents will be transfer to QA (for product checking and PPIC for the next process. The product will be discharged through 2 system i.e. by truck or conveyor. The product using truck will have document Shipment Discharge Detail with remarks RSPO-MB then at the weighbridge, the same document will be used also for the product that will be transferred using conveyor. The weighbridge will issue weighbridge ticket with stamp RSPO-MB and the product will be transferred to storage tank. Since company implements Mass Balance, there is no separation between certified product and non certified product. PPIC records all incoming product data both certified and non certified and make the material balance records.
The company made SOP -WINA/WB/013 for outgoing product, all document related outgoing product will have certified code i.e. RSPO-MB such as on Weigh bridge ticket, delivery note, and invoice, marketing will sent the invoice directly to the customer while the road tanker only bring WB ticket and delivery note, the copy of invoice, WB ticket and delivery note also kept maintained by logistic.
### SCCS Non-conformance clause 5.3.1
No. ASA1 - 2014-02 of 06:

There is no clear statement about material category on company’s purchasing document, which is agreed with their supplier whether it be IP/SG/MB.

**Evidence of correction/corrective action:**
The company provided SOP-WINA/PPIC/002, the SOP explains that raw material planning is calculated base on respective plant capacity and shipment planning raw material purchasing to trading or logistic and mentioned in Raw Material Planning in to Projection for Production form with remarks RSPO/MB certified. The company provided a sample of purchasing document with information about MB/RSPO.

**Auditor Conclusions:** Closed

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### SCCS Non-conformance clause 5.4.2
No. ASA1- 2014 -03 of 06

The company has outsourced activities such as transportation for certified material and certified product however company has no formal contract as required by RSPO SCCS clause 5.4.2.

**Evidence of Correction/Corrective action:**
The company provided copies of contracts made with transporter companies. The contracts have included RSPO-SCCS requirement, such as requirement that legal ownership of the product will not be relinquished by the facility during outsourced process, and providing the certification body access to the outsourcing contractor or operation if an audit is necessary. The contract has been signed by both WINA Gresik and outsourcing company, such as transporter. There is sample of contract provided between WINA Gresik and PT Sarana Berkat Agus Transport.

**Auditor Conclusions:** Closed

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### SCCS Non-conformance clause 5.4.3
No. ASA1- 2014-04 of 06:

The company has no record of the names and contact details of all contractors used for transportation of RSPO certified product, e.g. PT Sarana berk at Anugrah; PT Antar Cahaya Benua.

**Evidence of Correction/Corrective action:**
The company provided evidence i.e. a document list of outsourcing companies for transporter. The list includes information about subcontractors name, address, telephone number, Person Incharge, and email address. There are 8 active subcontractors listed.

**Auditor Conclusions:** Closed

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### SCCS Non-conformance clause 5.5.1
No. ASA1- 2014-05 of 06

The company’s relevant sales documents issued for RSPO certified oil palm products delivered, e.g. delivery notes, certificate of analysis, sales order documents does not include information about applicable supply chain Mass Balance

Weighbridge ticket for outgoing product does not consistently include information about buyer’s address, as sighted from sample documents no. NI 120130700715, NI 120130700460 etc.

**Evidence of Corrections/Corrective actions:**
Company has indicated certificate code with selected supply chain model in all outgoing product documents including sales order, as evidence provided i.e. Delivery order no. 815195328; Weighbridge ticket No. 8101136989 and certificate of analysis no. 8101136633. The company has been put information about certificate code for incoming new order, e.g. Sales order No. 8101137932 dated January 30, 2014.

Auditor Conclusions: Closed

SCCS Non-conformance clause 5.7.2
No. ASA1 - 2014-06 of 06:
The company has not been conducted training to implement the requirement of the SCCS to relevant worker dealing with certified material and certified product.

Evidence of Correction/Corrective action
The company conducted training on February 3, 2014 and provided training evidence i.e. list of attendance. According to the training evidence, there are 14 training participants from Quality Assurance department, Jetty Operator, Weighbridge operator, PPIC staff, Logistics staff dan document controller.

Auditor Conclusions: Closed

3.3 Identified Non-conformances against RSPO SCCS Requirements, Corrective Actions Taken and Auditors Conclusions

During this scope extension audit, a total of 1 major nonconformance against the RSPO SCCS year 2011 was identified. The company is given a timeframe to close all major non-conformities within 30 days and at time of first submission of this report to the certification body.

SCCS Non-conformance clause C.3
NCR No. EXT ASA1-2014-01 of 01:
It was found that incoming CSPK from WINA Begendang shipped by KM Permata Sampit on January 24, 2014 was not recorded on Material Balance document

Correction:
1. Document information RSPO certified, will be inform to relevant (PPIC, Logistic and MR) to be monitoring & cross checked
2. Monthly monitoring for report RSPO MB by logistic, PPIC and MR

Corrective Action:
Email information from WB must be send to PPIC, to prevent missed information

Verification result:
The company provided revised material balance and all relevant supporting documents. All incoming certified material including CSPK from KM Permata Sampit (January 24, 2014) has been included on the revised material balance.

Auditor Conclusions: Closed
3.4 Conclusion and Approval for RSPO Supply Chain Certification

The audit team has confirmed through the audit process that PT Wilmar Nabati Indonesia (WINA) Gresik has established and maintains an effective system to ensure compliance with the RSPO Supply Chain Certification System requirements (dated November 2011). It is also confirmed that the company’s system to records annual volume of certified product sold for defined period has not exceeded the certified annual tonnages as claimed in the organization’s RSPO certificate no. 18502248 001.

TÜV Rheinland Malaysia approves the scope extension of PT Wilmar Nabati Indonesia Gresik for certification of compliance to the RSPO Supply Chain Certification System requirements, after elimination of the major non-conformities. The found non-conformities (see 3.3 above) were eliminated and corrected.

4.0 CERTIFIED ORGANISATION’S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY

4.1 Date of Next Surveillance Visit

The next surveillance visit is planned for November 2014

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

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

Signed on behalf of PT Wilmar Nabati Indonesia
Zaki Mubarok
Head of Management System
Gresik March 24, 2014

Signed on behalf TÜV Rheinland Malaysia
Dian Susanty Soeminta
Lead Auditor
Jakarta, March 25, 2014
APPENDICIES

Appendix 1: Details of Supply Chain Certification Certificate

Appendix 2: List of Abbreviations

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>B/L</td>
<td>Bill of Lading</td>
</tr>
<tr>
<td>CPO</td>
<td>Crude Palm Oil</td>
</tr>
<tr>
<td>CSPO</td>
<td>Certified Sustainable Palm Oil</td>
</tr>
<tr>
<td>CPKO</td>
<td>Certified Palm Kernel Oil</td>
</tr>
<tr>
<td>CPKOL</td>
<td>Certified Palm Kernel Olein</td>
</tr>
<tr>
<td>CPKS</td>
<td>Certified Palm Kernel Sterin</td>
</tr>
<tr>
<td>DO</td>
<td>Delivery Order</td>
</tr>
<tr>
<td>FIFO</td>
<td>First In First Out</td>
</tr>
<tr>
<td>HPKOL</td>
<td>Hydrogenated Palm Kernel Olein</td>
</tr>
<tr>
<td>HPKS</td>
<td>Hydrogenated Palm Kernel Sterin</td>
</tr>
<tr>
<td>P&amp;C</td>
<td>Principles &amp; Criteria</td>
</tr>
<tr>
<td>PKE</td>
<td>Palm Kernel Expleler</td>
</tr>
<tr>
<td>PKO</td>
<td>Palm Kernel Oil</td>
</tr>
<tr>
<td>PPIC</td>
<td>Production Planning and Inventory Control</td>
</tr>
<tr>
<td>QA</td>
<td>Quality Assurance</td>
</tr>
<tr>
<td>RBPDO</td>
<td>Refined Bleached Deodorized Palm Oil</td>
</tr>
<tr>
<td>RBDPOL</td>
<td>Refined Bleached Deodorized Palm Olein</td>
</tr>
<tr>
<td>RBDPST</td>
<td>Refined Bleached Deodorized Palm Stearine</td>
</tr>
<tr>
<td>RPKOL</td>
<td>Refined Palm Kernel Olein</td>
</tr>
<tr>
<td>RPKS</td>
<td>Refined Palm Kernel Sterin</td>
</tr>
<tr>
<td>SCCS</td>
<td>Supply Chain Certification System</td>
</tr>
<tr>
<td>SI</td>
<td>Shipping Instruction</td>
</tr>
<tr>
<td>SO</td>
<td>Sales Order</td>
</tr>
<tr>
<td>SLP</td>
<td>Shipment Loading Detail</td>
</tr>
<tr>
<td>SDD</td>
<td>Shipment Discharging Detail</td>
</tr>
<tr>
<td>ST</td>
<td>Stearin</td>
</tr>
<tr>
<td>WB</td>
<td>Weigh Bridge</td>
</tr>
<tr>
<td>WINA</td>
<td>Wilmar Nabati Indonesia</td>
</tr>
</tbody>
</table>

Appendix 3a: List of Certified Products, Production year 2013 and Projected output for next 12 months (estimation for year 2014)

<table>
<thead>
<tr>
<th>Type</th>
<th>No</th>
<th>Group of Product</th>
<th>Volume 2013 (MT)</th>
<th>Volume 2014 (MT - estimation)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Edible</td>
<td>1</td>
<td>PK Crushing</td>
<td>271,268.0</td>
<td>365,000.0</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>Refinery &amp; Fractionation</td>
<td>1,866,354.0</td>
<td>2,815,000.0</td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>Refinery &amp; Specialty Fat</td>
<td>110,528.0</td>
<td>109,500.0</td>
</tr>
<tr>
<td></td>
<td>4</td>
<td>CPKO Fractionation</td>
<td>70,147.0</td>
<td>127,900.0</td>
</tr>
<tr>
<td>Oleo</td>
<td>1</td>
<td>Fatty Acids</td>
<td>295,577.9</td>
<td>325,135.7</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>Glycerine</td>
<td>56,646.4</td>
<td>62,311.0</td>
</tr>
</tbody>
</table>
### Appendix 3b: Certified tonnages purchased year 2013

<table>
<thead>
<tr>
<th>No.</th>
<th>Product</th>
<th>MT</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>CSPO purchased</td>
<td>-</td>
</tr>
<tr>
<td>2</td>
<td>CSPK Purchased</td>
<td>10,288.949</td>
</tr>
</tbody>
</table>

### Appendix 4: List of certified Suppliers

<table>
<thead>
<tr>
<th>No.</th>
<th>Supplier name</th>
<th>Address</th>
<th>No. Telp</th>
<th>Contact Person</th>
<th>Certificate No.</th>
<th>Supply chain model</th>
<th>Expiry Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>PT. Sinar Alam Permai - Kumai</td>
<td>Pelabuhan Panglima Utara road, Tanjung Kalaf Village, Kumai Hulu, Kumai sub District, Central Kalimantan province, Indonesia</td>
<td>+62-532 – 6702985 / 61091</td>
<td>Andreas Pradipta</td>
<td>18502263 001</td>
<td>Mass balance</td>
<td>18 February 2018</td>
</tr>
<tr>
<td>2</td>
<td>PT. Wilmar Nabati Indonesia - Bagendang</td>
<td>HM. Arsyad KM 20 road, Desa Bapanggang Raya, Mentawa Baru sub District, Kotawaringin Timur District, Central Kalimantan province, Indonesia</td>
<td>+628524693 5317</td>
<td>Hasyim Asari</td>
<td>18502266 001</td>
<td>Mass balance</td>
<td>18 February 2018</td>
</tr>
<tr>
<td>3</td>
<td>PT. Mustika Sembuluh POM 1</td>
<td>Jendral Sudirman KM 62 road, Pondok Damar Village, Mentaya Hilir Utara Sub District, Kotawaringin Timur District, Central Kalimantan province, Indonesia</td>
<td>+62-531-34530</td>
<td>Novriandi Pardeke</td>
<td>01-100-106469</td>
<td>Mass balance</td>
<td>10-Aug-15</td>
</tr>
<tr>
<td>4</td>
<td>PT. Kerry Sawit Indonesia POM 1</td>
<td>Jendral Sudirman KM 62 road Sampit-Pangkalan Bun, Sembuluh 1 Village, Danau Sembuluh Sub District, Seruyan District, Central Kalimantan province, Indonesia</td>
<td>+62816-280870</td>
<td>Imung Putro</td>
<td>01-100-117292</td>
<td>Mass balance</td>
<td>17 June 2016</td>
</tr>
<tr>
<td>5</td>
<td>PT. Sarana Titian Permta</td>
<td>Seruyan Hilir Sub District, Seruyan District, Central Kalimantan Province, Indonesia</td>
<td>+628115209 807</td>
<td>Dewi Anggraeni</td>
<td>MUTU-RSPO/022</td>
<td>Mass balance</td>
<td>29-Nov-18</td>
</tr>
<tr>
<td>6</td>
<td>PT. Bumi Sawit Kencana</td>
<td>Sarpamit KM 34 road, Tangar Village, Mentaya Hulu Sub District, Kotawaringin Timur District, Central Kalimantan province, Indonesia</td>
<td>+628162803 27</td>
<td>Natalia Nensy</td>
<td>SGS-RSPO/PM-01300</td>
<td>Mass balance</td>
<td>22 October 2018</td>
</tr>
</tbody>
</table>
## Appendix 5 : List of Certified Customer

<table>
<thead>
<tr>
<th>No.</th>
<th>Customer Name</th>
<th>Address</th>
<th>No. Telp</th>
<th>Contact Person</th>
<th>Certificate No.</th>
<th>Supply chain model</th>
<th>Expiry Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>PT Kievit Indonesia</td>
<td>Merpati 1 road, Salatiga District, Central Java province 50721, Indonesia</td>
<td>081236069441</td>
<td>Arief Mukhtar</td>
<td>C829955CU-RSPO SCCS-01-2013</td>
<td>SG/MB</td>
<td>November 14, 2018</td>
</tr>
</tbody>
</table>