

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

[] Stage-1 [] Stage-2 [✓] Surveillance [] Re-Certification

Name of Management Organisation : **BELANI ELOK Palm Oil Mill – PT PP LONDON SUMATRA INDONESIA, Tbk**
 Plantation Name : **PT PP LONDON SUMATRA INDONESIA, Tbk : Belani Elok Estate, Bukit Hijau Estate, Batu Cemerlang Estate, Ketapat Bening Estate and Sei Kepayang Estate**
 Location : **Village of Beringin Makmur II, Sub District of Rawas Ilir, District of Musi Rawas Utara, Province of Sumatera Selatan, INDONESIA**
 Certificate Code : **MUTU-RSPO/073**
 Date of Certificate Issue : **18 September 2015** Date of License Issue : **18 September 2016**
 Date of Certificate Expiry : **17 September 2020** Date of License Expiry : **17 September 2017**

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
ASA-1	20 – 24 June 2016	Ardiansyah (Lead Auditor); Muhammad Rinaldi (Auditor); Dwi Haryati (Auditor); Mohamad Amarullah (Auditor)	Octo HPN Nainggolan	Tony Arifiarachman

Assessment	Approved by MUTUAGUNG LESTARI on:
ASA-1	13 October 2016

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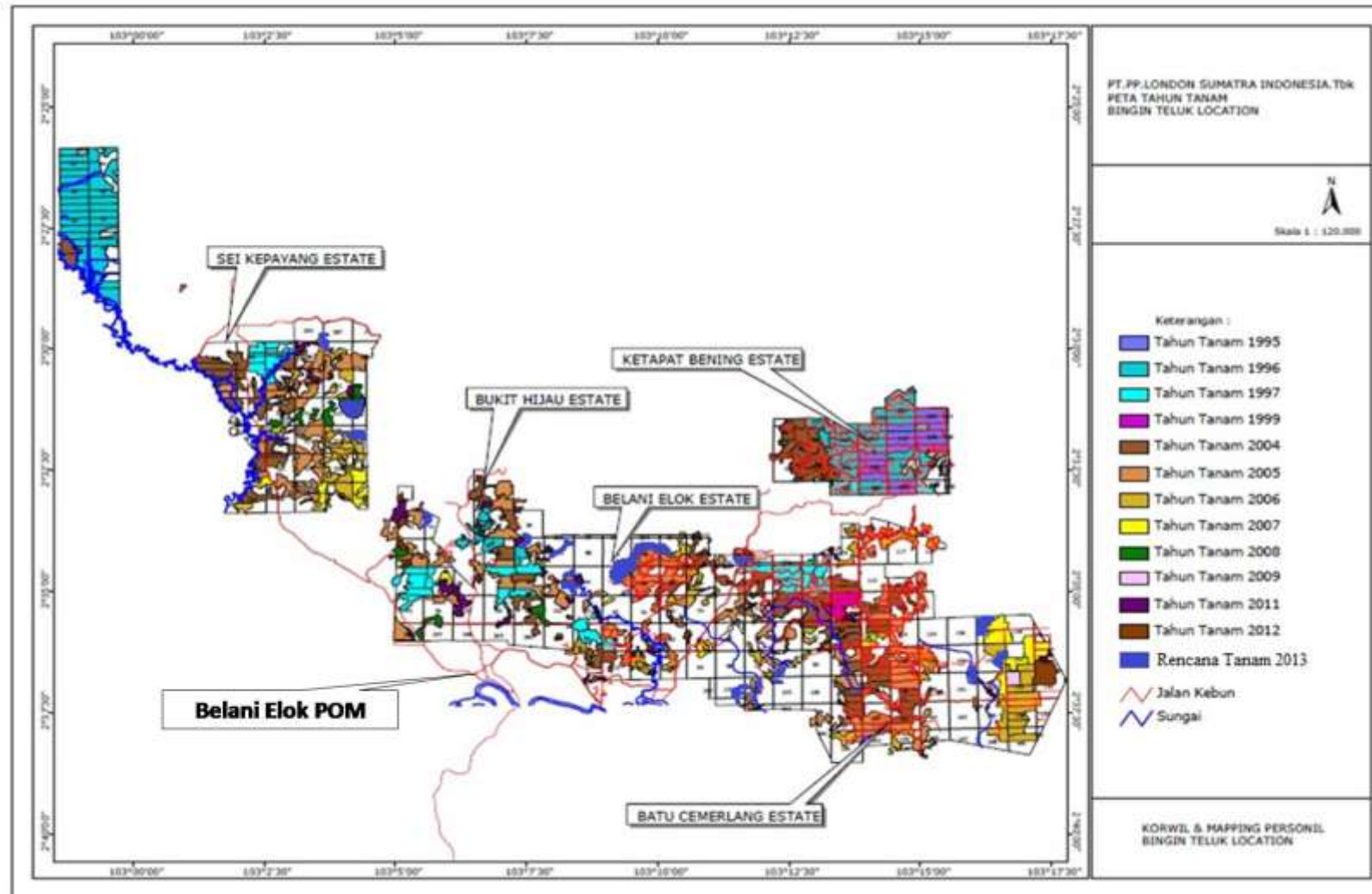
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FIGURE

Figure 1. Location Map of PT PP LONDON SUMATRA INDONESIA, Tbk - BELANI ELOK



Figure 2. Operational Map of PT PP LONDON SUMATRA INDONESIA, Tbk - BELANI ELOK



Glossary

AME	:	Area Manager Engineering
ASEAN	:	Association of South East Asian Nations
BCE	:	Batu Cemerlang Estate
BEE	:	Belani Elok Estate
BHE	:	Bukit Hijau Estate
BLRS	:	Bahlias Research Station
BPN	:	<i>Badan Pertanahan Nasional</i> (National Land Agency)
BOD	:	Biological Oxygen Demand
CDO	:	Community Development Officer
CH	:	Certificate Holder
CPO	:	Crude Palm Oil
CSR	:	Corporate social responsibility
ECSR	:	Environment and Company Social Responsibility
DRP	:	Daily Rate Payment
FFB	:	Fresh Fruit Bunch
FPIC	:	Free Prior Inform and Consent
GHG	:	Greenhouse Gas
HCV	:	High Conservation Value
HGB	:	<i>Hak Guna Bangunan</i> (Building Use Title)
HGU	:	<i>Hak Guna Usaha</i> (Land Use Title)
HIRARC	:	Hazard Identification, Risk Assessment and Risk Control
ILO	:	International Labour Organization
IPM	:	Integrated Pest Management
JAMSOSTEK	:	Jaminan Sosial Tenaga Kerja (<i>Social Insurance for Workers</i>)
KBE	:	Ketapat Bening Estate
KER	:	Kernel Extraction Rate
KUD	:	Koperasi Unit Desa (<i>village cooperative</i>)
LCC	:	Legume cover crop
LKS Bipartit	:	Bipartite Cooperation Institution
LTA	:	Lost Time Accident
LUCA	:	Land Use Change Analysis
MOR	:	Monthly Operation Report
MRP	:	Monthly Rate Payment
MSDS	:	Material Safety Data Sheets
NGO	:	Non Government Organization
OER	:	Oil Extraction Rate
OHS	:	Occupational Health and Safety
P2K3	:	<i>Panitia Pelaksana Kesehatan dan Keselamatan Kerja</i> (OHS Guiding Committee)
PK	:	Palm Kernel
POM	:	Palm Oil Mill
POME	:	Palm Oil Mill Effluent
PPE	:	Personal protective equipment
RKL	:	<i>Rencana Kelola Lingkungan</i> (Environment Management Plan)
RPL	:	<i>Rencana Pemantauan Lingkungan</i> (Environment Monitoring Plan)
SCCS	:	Supply Chain Certification Standard
SIA	:	Social Impact Assessment
SKE	:	Sei Kepayang Estate
SOP	:	Standart Operating System
WTP	:	Water Treatment Plant

WWTP	:	Waste Water Treatment Plant
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1.0 SCOPE OF THE CERTIFICATION ASSESSMENT				
1.1 Assessment Standard Used		<ul style="list-style-type: none"> <i>RSPO Principles and Criteria (P&C) for for the Production of Sustainable Palm Oil - April 25th, 2013.</i> <i>RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 (Module E for CPO Mill)</i> 		
1.2 Organisation Information				
1.2.1	Organisation name listed in the certificate	PT PP LONDON SUMATRA INDONESIA Tbk		
1.2.2	Contact person	Muhammad Waras		
1.2.3	Organisation address and site address	<ul style="list-style-type: none"> Head Office registered by RSPO: Jl. A. Yani No. 02 Medan, Sumatera Utara – Indonesia Site Belani Elok POM Village of Beringin Makmur II, Bumi Makmur, Tanjung Raja, Air Bening, Belani, Pauh, Sub District of Rawas Ilir, District of Musi Rawas Utara, Province of Sumatera Selatan, INDONESIA 		
1.2.4	Telephone	(061) – 4532300		
1.2.5	Fax	(061) – 4550421		
1.2.6	E-mail	Muhammad.Waras@londonsumatra.com		
1.2.7	Web page address	www.londonsumatra.com		
1.2.8	Management Representative who completed the application for certification	Muhammad Waras (Head of ECSR & HS Department)		
1.2.9	Registered as RSPO member	1-0015-04-000-00 – 5 November 2004		
1.3 Type of Assessment				
1.3.1	Scope of Assessment and Number of Management Unit	Palm Oil Mill and supply base <ul style="list-style-type: none"> 1 Belani Elok Palm Oil Mill, 5 Estates: Bukit Hijau Estate, Ketapat Bening Estate, Sei Kepayang Estate, Batu Cemerlang Estate and Belani Elok Estate 		
1.3.2	Type of certificate	Single		
1.4 Locations of Mill and Plantation				
1.4.1	Location of Mill			
	Name of Mill	Location	Coordinate	
			Latitude	Longitude
	Belani Elok POM	Village of Beringin Makmur II, Sub-District of Rawas Ilir, District of Musi Rawas Utara, Province of Sumatera Selatan	S 2° 36' 56"	E 103° 8' 44"

1.4.2	Location of Certification Scope of Supply Base			
	Name of Supply Base	Location	Coordinate	
			Latitude	Longitude
	Belani Elok Estate	Village of Belani, Beringin Makmur II, Sub-District of Rawas Ilir, District of Musi Rawas Utara, Province of Sumatera Selatan	S 2° 35' 30"	E 103° 08' 44"
	Bukit Hijau Estate	Village of Tanjung Raja, Sub-District of Rawas Ilir, District of Musi Rawas Utara, Province of Sumatera Selatan	S 2° 35' 05"	E 103° 07' 06"
	Batu Cemerlang Estate	Village of Pauh, Sub-District of Rawas Ilir, District of Musi Rawas Utara, Province of Sumatera Selatan	S 2° 37' 27"	E 103° 13' 56"
	Ketapat Bening Estate	Village of Air Bening, Sub-District of Rawas Ilir, District of Musi Rawas Utara, Province of Sumatera Selatan	S 2° 31' 37"	E 103° 14' 57"
	Sei Kepayang Estate	Village of Bumi Makmur, Sub-District of Rawas Ilir, District of Musi Rawas Utara, Province of Sumatera Selatan	S 2° 31' 33"	E 103° 02' 27"
1.5	Description of Area Statement			
1.5.1	Tenure			
	• State		13,699.53	Ha
	• Community		-	Ha
1.5.2	Area Statement			
	• Total area		13,699.53	Ha
	• Mature area		6,751.90	Ha
	• Immature area		658.79	Ha
	• Mill		51.63	Ha
	• Building and Emplishment		106.72	Ha
	• Infrastructure		553.40	Ha
	• Nursery		0.69	Ha
	• HCV		392.06	Ha
	• Planting preparation 2015		11.82	Ha
	• Compensated and ready for LC		169.99	Ha
	• Enclave		4,988.09	Ha
	• Others area		14.44	Ha

1.6	Planting Year and Cycles						
1.6.1	Age profile of planting year						
	Planting Year	Hectarage (Ha)					Total
		Belani Elok Estate	Batu Cemerlang Estate	Bukit Hijau Estate	Ketapat Bening Estate	Sei Kepayang Estate	
	1995	-	-	-	423.98	-	423.98
	1996	18.02	-	101.54	699.16	808.73	1,627.45
	1997	233.17	-	253.53	71.73	23.94	582.37
	1999	76.33	-	-	-	-	76.33
	2004	519.71	346.01	256.12	299.35	52.54	1,473.73
	2005	259.35	275.72	461.22	-	-	996.29
	2006	152.89	355.68	162.83	-	-	671.40
	2007	-	138.13	66.95	-	-	205.08
	2008	-	74.55	62.40	-	-	136.95
	2009	34.32	315.76	-	7.28	-	357.36
	2010	8.69	-	7.03	-	-	15.72
	2011	9.48	21.30	149.68	-	-	180.46
	2012	21.45	71.72	97.91	-	-	191.08
	2013	4.05	119.64	171.22	-	4.07	298.98
	2014	13.68	77.32	71.94	-	10.57	173.51
	TOTAL	1,351.14	1,795.83	1,862.37	1,501.50	899.85	7,410.69
1.6.2	New Planting area after January 2010			859.75 Ha			
1.6.3	Planting Cycle			1 st Cycle (25 years)			
1.7	Description of Mill and Supply Base						
1.7.1	Description of Mill						
	Name of Mill	Capacity (tonnes/hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel	
				Out put (ton)	Extraction (%)	Out put (ton)	Extraction (%)
	Belani Elok POM	60	242,298.16	54,371.71	22.44	14,125.98	5.83
	* Source: Production Data of Belani Elok POM period June 2015 – May 2016						
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/yea)	Supplied to Mill	
						FFB (tonnes/year)	%
	Belani Elok Estate	2,922.87	1,351.14	11,806.16	9.06	11,806.16	100
	Batu Cemerlang Estate	3,899.89	1,795.83	11,238.55	7.03	11,238.55	100
	Bukit Hijau Estate	4,124.87	1,862.37	12,370.55	8.45	12,370.55	100
	Ketapat Bening Estate	1,742.90	1,501.50	19,674.74	13.10	19,674.74	100

	Sei Kepayang Estate	1,009.00	899.85	4,842.37	5.47	4,842.37	100
	TOTAL	13,699.53	7,410.69	59,932.37	8.88	59,932.37	100
	<i>* Source: Production Data of Estate period June 2015 – May 2016</i>						
1.7.3	FFB description from other source						
	Name of sources	Organisation	Location			Supplied to Mill	
						FFB (tonnes/year)	
	Bingin Teluk Location (Non Certified)	PT PP LONSUM	Musi Rawas District, Sumatera Selatan Province, Indonesia			22,369.18	
	Sei Lakitan (Non Certified)	PT PP LONSUM	Musi Rawas District, Sumatera Selatan Province, Indonesia			69.69	
	Riam Indah (Non Certified)	PT PP LONSUM	Musi Rawas District, Sumatera Selatan Province, Indonesia			158.93	
	Sei Gemang (Non Certified)	PT PP LONSUM	Musi Rawas District, Sumatera Selatan Province, Indonesia			124.60	
	Plasma AIR BENING REGION (Non Certified) (2,850.1 Ha; 1,303 Smallholders)	(scheme smallholders of PT PP LONSUM)	Village of Air Bening and Beringin Makmur II, Sub-District of Rawas Ilir, District of Musi Rawas Utara, Province of Sumatera Selatan			58,057.90	
	Plasma DWI MAKMUR REGION (Non Certified) (6,463.12 Ha; 3,123 Smallholders)	(scheme smallholders of PT PP LONSUM)	Village of Bumi Makmur, Sumber Sari, Karya Makmur, Srijaya Makmur, Mulya Jaya, Sumber Makmur, Klumpang Jaya, Tebing Tinggi, Sub-District of Nibung, District of Musi Rawas Utara, Province of Sumatera Selatan			101,585.49	
	TOTAL					182,365.79	
	<i>* Source: Production Data of Belani Elok POM period June 2015 – May 2016</i>						
1.7.4	Product categories			FFB, CPO, PK			
1.8	Estimate Tonnage of Certified Product						
1.8.1	Past Annual Claim Certified Product			Previous Certificate Claim 18 September 2015 to 17 September 2016 (tonnes/year)		Actual certified product 18 September 2015 to 23 June 2016 (tonnes/year)	
	• FFB Production			86,786		38,682.732	
	• CPO Production			19,527		8,482.661	
	• Palm Kernel (PK) Production			4,339		2,283.42	
	<i>Hai ini menjadi Ketidaksesuaian No. 2016.43.</i>						
1.8.2	Estimate of Certified FFB Claim						
	Name of Estate(s)	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)		Yield (tonnes/ha/year)	
	Belani Elok Estate	2,922.87	1,351.14	13,025		10.00	
	Batu Cemerlang Estate	3,899.89	1,795.83	12,791		8.00	
	Bukit Hijau Estate	4,124.87	1,862.37	13,175		9.00	
	Ketapat Bening Estate	1,742.90	1,501.50	21,021		14.00	
	Sei Kepayang Estate	1,009.00	899.85	5,311		6.00	
	TOTAL	13,699.53	7,410.69	65,323		9.67	

	<i>*Projected FFB production from 18 September 2016 – 17 September 2017</i>						
1.8.3	Estimate of Certified Palm Product Claim						
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel	
				Out put (ton)	Extraction (%)	Out put (ton)	Extraction (%)
	Belani Elok POM	60	65,323	14,698	22.50	3,919	6.00
	<i>*Projected CSPO and CSPK production from 18 September 2016 – 17 September 2017</i>						
1.9	Other Certifications						
	OHSAS 18001:2007			Year 2012, from TUV Rheinland			
	Others			OHS Management System (SMK3) Belani Elok Estate & Belani Elok POM, Year 2012 from Minister of Manpower and Transmigration (Menteri Tenaga Kerja dan Transmigrasi)			
1.10	Time Bound Plan						
1.10.1	Time Bound Plan for Other Management Units						
	Management Unit		Estate (Supply Base)	Time Bound Plan	Location	Status	
	MILL	Time Bound Plan					
	Turangie	2008	Turangie	2008	Langkat, North Sumatera	Certified	
			Bungara	2008	Langkat, North Sumatera	Certified	
				Pulo Rambong	2008	Langkat, North Sumatera	Certified
	Begerpang	2008	Sungai Merah	2008	Deli Serdang, North Sumatera	Certified	
			Begerpang	2008	Deli Serdang, North Sumatera	Certified	
			Si Bulan	2008	Serdang Bedagai, North Sumatera	Certified	
			Rambong Sialang	2008	Serdang Bedagai, North Sumatera	Certified	
	Dolok	2008	Dolok	2008	Batubara, Asahan, Simalungun, North Sumatera	Certified	
			Bah Lias	2008	Simalungun, North Sumatera	Certified	
			Bah Bulian	2008	Simalungun, North Sumatera	Certified	
	Gunung Melayu	2008	Gunung Melayu	2008	Asahan, North Sumatera	Certified	
			Sei Rumbiya	2008	Labuhan Batu, North Sumatera	Certified	
	Gunung Bais	2011	Gunung Bais	2016	Musi Rawas, South Sumatera	Audit Planned 2016	
			Riam Indah	2016	Musi Rawas, South Sumatera	Audit Planned 2016	
			Sei Gemang	2016	Musi Rawas, South Sumatera	Audit Planned 2016	

	Arta Kencana	2012	Arta Kencana	2016	Lahat, South Sumatera	Audit Planned 2016
			Kencana Sari	2016	Lahat, South Sumatera	Audit Planned 2016
	Belani Elok	2014	Belani Elok	2014	Musi Rawas, South Sumatera	Certified
			Bukit Hijau	2014	Musi Rawas, South Sumatera	Certified
			Batu Cemerlang	2014	Musi Rawas, South Sumatera	Certified
			Ketapat Bening	2014	Musi Rawas, South Sumatera	Certified
			Sei Kepayang	2014	Musi Rawas, South Sumatera	Certified
			Process of Non-HGU as 4,468.45 Ha	2016	Musi Rawas, South Sumatera	December 2016
	Sei Lakitan	2016	Sei Lakitan	2016	Musi Rawas, South Sumatera	Audit Planned 2016
			Riam Indah	2016	Musi Rawas, South Sumatera	Audit Planned 2016
			Sei Gemang	2016	Musi Rawas, South Sumatera	Audit Planned 2016
			Sei Punjung	2016	Musi Banyuasin, South Sumatera	Audit Planned 2016
			Bangun Harjo	2016	Musi Banyuasin, South Sumatera	Audit Planned 2016
			Suka Bangun	2016	Musi Banyuasin, South Sumatera	Audit Planned 2016
	Terawas	2016	Terawas	2016	Musi Rawas, South Sumatera	Audit Planned 2016
	Pahu Makmur	2016	Isuy Makmur	2016	West Kutai, East Kalimantan	ST-1
			Pahu Makmur	2016	West Kutai, East Kalimantan	ST-1
			Kedang Makmur	2016	West Kutai, East Kalimantan	ST-1
1.10.2	Progress of Associated Smallholders and Outgrowers for Certifiable Standard					
	Scheme Smallholder of PP Lonsum in Musi Rawas Utara Districts, Sumatera Selatan Province planned for mentoring and training ICS, RSPO, HCV and GAP that accompanied by similar NGOs (Setara) and PT London Sumatra Indonesia on 26 th – 27 th July 2016.					

2.0 ASSESSMENT PROCESS	
2.1 Assessment Team	
ASA-1	<ol style="list-style-type: none"> Ardiansyah (Lead Auditor). Bachelor of Forest Resources Conservation, Department of Forestry, Bogor Agricultural University. He has followed several activities for identified environmental impact such as preparing EIA document for plantation and plantation forest. He has followed several trainings namely: Management System Certification (ISO 9001-2008/SNI 19011-9001:2008), Training Lead Auditor ISO 9001:2008, Training ISO 14001:2004, SMK3 based on OHSAS, RSPO Lead Auditors Training Course endorsed by Proforest and Diameter, Indonesian Sustainable Palm Oil (ISPO) Lead Auditor training course and mapping for land cover analysis. During this audit, he assigned to verify of Legality, SCCS and Land Dispute. Muhammad Rinaldi (Auditor). Diploma Degree of Oil Palm Plantations, Bogor Agricultural University. He has 4 years of experience working as Agronomy Assisstant in the private oil palm plantation companies in Indonesia. He has been training RSPO Awareness, HCV training, ISO 14001, ISPO Auditor training, training ISO 9001-2008. During this audit, he assigned to verify of Transparency, Environment and waste management. Dwi Haryati (Auditor). Bachelor of Agriculture, majoring in Agriculture Cultivation. She has experienced on Palm Oil Plantation as Sustainability staff. She had attended such as ISPO Auditor training, Management System Certification (ISO 9001-2008), RSPO Awareness, Occupational Health & Safety Management System. During the assessment the Auditor verified OHS and Worker Walfare. Mohamad Amarullah (Auditor). Master of Wood science and technology from University of Putra Malaysia and Bachelor of Forestry form Bogor Agricultural University. Had six year experience as an Agronomist and Researcher in Indonesia and Malaysia. He had contributed to soil correlation and yield improvement project on peat soil in Riau. He had followed training such as ISO 17021, ISO 17065, HCV, ISO 9001:2008, Auditor ISPO, RSPO Awareness and ISO 14001:2004. During the assessment the Auditor verified long term plan, estate and mill best management practices aspect. Benli Manurung (Observer). Bachelor Degree of Agriculture, University of Sumatera Utara. He has 4 years of experience working as Agronomy Assistant in a private palm oil plantation company in Indonesia. He has been training RSPO Awareness, ISPO Auditor training. During this audit, he assigned to be observer.
2.2 Assessment Methodology, Assessment Process and Locations of Assessment	
2.2.1	Figure of person days to implement assessment
ASA-1	<p>Number of auditors : 4 auditor and 1 Observer</p> <p>Number of days for ASA-1 at site : 5 days</p> <p>Number of working days for ASA-1 at site : 20 Working days</p>
2.2.2	Assessment Process
ASA-1	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT PP London Sumatra Indonesia, Tbk to the requirements of <i>RSPO Principles and Criteria (P&C) for for the Production of Sustainable Palm Oil - April 25th And Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 (Module E for CPO Mill)</i></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. Some opportunities for improvement of the results ASA-1 delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase (ASA-2).</p> <p>Improvement of findings from survailance assesment findings were observed by auditors at this ASA-1 assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of ASA-1.</p> <p>The assessment program please find Appendix 2</p>

2.2.3	Location of Assessment
ASA-1	<p>The number of management units of this activity consists of five estates that supply material FFB to the Belani Elok POM. In conducting the assessment, auditor team using formula $0.8 \sqrt{y}$ to determine the sample of and consider the issue of problems arising from the stakeholders (stakeholders) as fundamental and critical. Based on this formula, the team of auditors determine the location of sample is 1 unit mill and 2 estates (Belani Elok Estate and Batu Cemerlang Estate).</p> <p>Belani Elok Estate</p> <ol style="list-style-type: none"> Block 99110741 Divisi 1 (harvesting). To observe harvester's knowledge on harvesting technique, harvesting rotation, ripeness standard and quality of FFB, pruning, frondstacking and personal protection equipment (PPE) used towards company standard, conservation area, the existence of protected flora and fauna, mechanism of information request, delivery of complaints and grievances, rules of <i>LKS Bipartit</i> and gender committee as well as to crosscheck employee status and wages. Block 04110751 (selective spraying by paraquat 4 ml/lt of water). To observe upkeep worker's knowledge on safe spraying techniques, agrochemical mixing, type of agrochemicals and its target, forbidden area for spraying activity and PPE used towards company standard, conservation area, the existence of protected flora and fauna, mechanism of information request, delivery of complaints and grievances, rules of <i>LKS Bipartit</i> and gender committee as well as to crosscheck employee status, regular medical check up, training given and wages. Block 97110722 (barn owl nest observation). To check nest condition. Block 97110724 (manuring). To observe manuring worker's knowledge on fertilizer dosage and placement (macro and micro nutrient), technique of application, abnormal palm, forbidden area for manuring activity and PPE used towards company standard, conservation area, the existence of protected flora and fauna, mechanism of information request, delivery of complaints and grievances, rules of <i>LKS Bipartit</i> and gender committee as well as to crosscheck employee status, regular medical check up, training given and wages. However, there was no fertilizer program in 2016. Hence, field observation is refer to interview only. Fertilizer Warehouse. Observations relating to the implementation of storage hazardous material, Health safety and labor management. Warehouse of hazardous material. Observations and interviews related hazardous material storage, management of hazardous material, health safety and social workers. Oil Warehouse. Field observations and interview concerning the management of hazardous material. Material warehouse. Observations regarding material which is a storage shed some garden needs, such as offices, courts, and work equipment. Hazardous waste temporary warehouse. The auditors make observations about the process of temporary storage before being sent to the polling station, the last sent was dated June 21, 2016. Workshop. Observations and interviews about implementation of safety health, labor and management of hazardous waste. The garage was equipped with a fire extinguisher, first aid and PPE boxes. Fuel station. Observations regarding fuel distribution activities of operational vehicles gardens. Immaculate condition, is equipped with a work instruction management environment, symbol of hazardous material, and container spilled fuel. Employee Housing. Observations and interviews with residents of housing in terms of workers' welfare facilities provided by the company. Block 06111040. Observation HCV area in form of Celau riparian. Block 06111090, Division II. Observation legal boundary conditions No. 94. Block 04111072, Division II. Observation area that claims by Pauh villagers. Block 06110970, Division II. Observation HCV area in form of forested area that are still owned by community. Block 04111072, Division II. Observation area That claims by Pauh villagers. Block 05110900, Division II. Observation utilization of the concession area by other parties (mining by PT Sele Raya Merangin Dua). <p>Batu Cemerlang Estate</p> <ol style="list-style-type: none"> Block 04111200 (harvesting). To observe harvester's knowledge on harvesting technique, harvesting rotation, ripeness standard and quality of FFB, pruning, frondstacking and personal protection equipment (PPE) used towards company standard, conservation area, the existence of protected flora and fauna, mechanism of information request, delivery of complaints and grievances, rules of Bipartite Cooperation Institution and gender

- committee as well as to crosscheck employee status and wages.
2. **Batu Cemerlang Office (interview with pesticide and fertilizer applicators).** There was no chemical upkeep and manuring activity at the time of audit. Hence, observation were based on interview only. The purpose of interview with pesticide applicators are to observe upkeep worker's knowledge on safe spraying techniques, agrochemical mixing, type of agrochemicals and its target, forbidden area for spraying activity and PPE used towards company standard, conservation area, the existence of protected flora and fauna, mechanism of information request, delivery of complaints and grievances, rules of LKS Bipartit and gender committee as well as to crosscheck employee status, regular medical check up, training given and wages.
 3. **Block 05111321 and Block 04111320 (barn owl nest observation).** To check nest condition.
 4. **Fertilizer Warehouse.** Observations and interviews with officials associated storage warehouse and safety health aspects.
 5. **Material warehouse.** PPE warehouse storing material, tools and equipment fire emergency.
 6. **Oil Warehouse.** Field observations related hazardous material deposit, in addition to the barn is equipped with PPE box, work instruction of environmental management systems, symbols and labels.
 7. **Chemical storage.** Observations and interviews related to the storage of hazardous material, safety health implementation and dissemination of storage.
 8. **Fuel station.** Observations and interviews with warehouse clerk related to fuel-making process and possible occurrence of spills to environment.
 9. **Hazardous waste temporary warehouse.** Observations and interviews with warehouse clerk about hazardous waste management, the implementation of safety health and work instructions.
 10. **Land fill.** Observations regarding the landfill. The disposal site is about five kilometers from the settlement.
 11. **Sources of water.** The location is not far from the housing, water pond is filled with rainfed where rain water being stored is used for toilet needs. Every day there is water distribution to the housing with the number of shots around seven tanks of water each day. In addition there are sources of water that had been used by the workers to drink water. There are already testing for clean water.
 12. **Workshop.** Field observations and interviews related to safety work, waste management and worker welfare.
 13. **Housing.** Field observations and interviews related to workers facility and socialization of company policy.
 14. **First aid rooms.** Observation First aid rooms reasonably clean condition, only water facilities have not been able to function optimally because it is still under repair.
 15. **Community land, close to Block 08111650, Division 1.** Observation legal boundry conditions No. 91.
 16. **Community land, close to Block 09111610, Division 3.** Observation legal boundry conditions No. 87.
 17. **Block 04111490 – 05111492 , Division II.** Observation conditions area that claims by villagers in the area of operations.
 18. **Blok 06111590 and Block 11111520, Division III.** Observation HCV area in form of Terentang Riparian.

Belani Elok POM

1. **Loading Ramp Station.** To observe workers knowledge on technical procedures, quality of FFB, administration of grading, PPE used towards company standards, employee status, wages and subsidy, bipartite/labor union, operator permit and insurance.
2. **Sterilizer station.** To observe workers knowledge on technical procedures, PPE used towards company standards, employee status, wages and subsidy, bipartite/labor union, medical check up and insurance.
3. **Thresher station.** To observe workers knowledge on technical procedures, PPE used towards company standards, employee status, wages and subsidy, bipartite/labor union, medical check up and insurance.
4. **Pressing station.** To observe workers knowledge on technical procedures, PPE used towards company standards, employee status, wages and subsidy, bipartite/labor union, medical check up and insurance.
5. **Kernel station.** To observe workers knowledge on technical procedures, PPE used towards company standards, employee status, wages and subsidy, bipartite/labor union, medical check up and insurance.
6. **Clarification station.** To observe workers knowledge on technical procedures, PPE used towards company standards, employee status, wages and subsidy, bipartite/labor union, medical check up and insurance.
7. **Boiler station.** To observe workers knowledge on technical procedures, PPE used towards company standards, employee status, wages and subsidy, bipartite/labor union, operator permit, medical check up and insurance.
8. **Power/Generator-set station.** To observe workers knowledge on technical procedures, PPE used towards company standards, employee status, wages and subsidy, bipartite/labor union, operator permit, medical check up and insurance.

	<p>9. Workshop. To observe workshop facility (hydrant/fire extinguisher, first aid kit and symbols) and workers knowledge on technical procedures, PPE used towards company standards, employee status, wages and subsidy, bipartite/labor union, welder certificate, medical check up and insurance.</p> <p>10. Hazardous waste temporary warehouse. Field observations related to the fulfillment of the attributes health and safety, the implementation of compliance requirements hazardous waste temporary warehouse.</p> <p>11. Workshop. Observations and interviews with workers related to the management and implementation of health safety, and social worker.</p> <p>12. Hazardous material warehouse. Field observations related to the fulfillment of health safety as well as interviews with a warehouse clerk of safety health.</p> <p>13. Hydrant No. 4. Simulate the facility of emergency.</p> <p>14. First Aid rooms. Unit Mill has been providing first aid room with the nurses who have Hiperkes. First aid room is equipped with medicines and clean water facilities, examination room. Interviews related to medical waste management, inspection records and workplace accidents.</p> <p>15. Security. Observations and interviews related to SCCS, they are understanding the work procedures and the welfare of workers.</p> <p>16. Weighbridge. Observations and interviews related to SCCS, they are understanding the work procedures and unions.</p> <p>17. WWTP. Observation of the condition of wastewater management.</p> <p>18. WTP. Observations and interviews related to water management, recording of water use, health checks, PPE and waste management.</p> <p>Stakeholder</p> <p>1. Surrounding villages (Belani, Pauh I). Interviews related to the issue of environmental pollution, land conflict issue, the company's contribution to society and the impact of corporate activities.</p> <p>2. Institutions of governance of Musi Rawas Utara Districts (Environment Agency, Manpower Agency, Plantation Agency, National Land Agency). Interviews related to regulatory compliance, the issue of environmental pollution, land conflict issue and company contributions to the area</p>
2.3 Stakeholder Consultation and Stakeholders Contacted	
2.3.1	Summary of stakeholder consultation process.
ASA-1	<p>Consultation of stakeholders for PT PP London Sumatra Indonesia, TBK – Bingin Teluk Location was held by:</p> <ol style="list-style-type: none"> Public announcement at web www.mutucertification.com on 6 June 2016. Consultation meeting and interview with government agencies in Musi Rawas Utara District (Plantation, Agriculture and Forestry agency; Manpower agency; National Land agency; and Mining dan Environment agency) on 21 June 2016 Consultation meeting and interview with locals of the nearby village (Belani and Pauh I Village) on 23 – 24 June 2016. Consultation meeting and interview with Internal Stakeholder (labour union, gender committee and local contractor) on 22 - 24 June 2016. Consultation with NGO (Walhi and AMAN) on 8 June 2016 <p>Numbers of input from stakeholders were clarified by PT PP London Sumatra Indonesia, TBK – Bingin Teluk Location.</p>
2.3.2	Stakeholder contacted
	Please find appendix 1
2.4 Determining Next Assessment	
	The next visit (ASA-2) will be determined at least 12 months after this ASA-1(June -2017) .

3.0 ASSESSMENT FINDINGS

3.1 Summary of Assessment Report of the RSPO Certification

MUTUAGUNG LESTARI has conducted an assessment of Belani ELok POM – PT PP London Sumatra Indonesia, Tbk operation consisting of one (1) mill and five (5) oil palm estates.

During the assessment, there were twenty-two (22) Nonconformities were assigned against Major Compliance Indicators; eighteen (18) nonconformitys were assigned against Minor Compliance Indicators; five (5) nonconformances against supply chain requirement for CPO mill; one (1) nonconformance against certification system and five (5) opportunitys 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) and field visit. Those corrective actions taken that consist of twenty-two (22) Major Nonconformities and five (5) nonconformances against supply chain requirement for CPO mill had been closed out shall be verified during next assessment.

MUTUAGUNG LESTARI found that Belani ELok POM – PT PP London Sumatra Indonesia, Tbk complied with the requirements of RSPO Principles and Criteria (P&C) for for the Production of Sustainable Palm Oil - April 25th And Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 (Module E for CPO Mill).

Therefore MUTUAGUNG LESTARI Recommends RSPO Certification of compliance is Continued.

Ref Std.	VERIFICATION RESULT of MUTU-Certification	
PRINCIPLE #1 COMMITMENT TO TRANSPARENCY		
1.1	Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.	
1.1.1	<p>The company has SOP of Communication (EMS-P05, 10 August 2009) which explain communication procedures and/or requesting information procedures about environmental management issue and/or sustainable palm oil implementation (SPO). The procedures consist of public accessible documents which are legal documents, environmental documents, social documents, OHS documents and continual improvement documents. Based on interview with Musi Rawas Utara Government and Community around company, it is explained that the company has not inform the kinds of documents/information which can be accessed by public yet. The company also cannot shows socialization of the kinds of documents/informations which are accessible by public. Nonconformity No. 2016.01 with minor category</p> <p>The company has updated Stakeholder list May 2016 which are consist of government agencies, custom leaders, worker unions, local contractors, and local non-governments organizations. The Stakeholder list is evaluated periodically and updated every time if there any changes.</p>	
1.1.2	<p>All information request from stakeholder is recorded by the company in the form of Inbox Book, for example: a letter from Labour Agency (Letter no. 560/036/ Nakertrans/V2016 date 06 April 2016) requesting information about labor data report such as Company Regulation, labor compulsory report, labor data report, P2K3 report, occupational accident insurance membership report, and job opportunity information. The letter was responded by giving the report proof on 18 April</p>	

2016. Based on document review of communication procedure and interview with management, there is not any certain period of time to respond the information request. Nonconformity No. 2016.02 with major category.		
1.1.1	Status: Nonconformity No. 2016.01 with minor category	
1.1.2	Status: Nonconformity No. 2016.02 with major category	
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 SOP of communication (EMS-P05, 10 August 2009) which explain kinds of public accessible documents; legal documents, environmental documents, social documents, OHS documents and continual improvement documents. The company is able to improve the kinds of accessible public informations by making the documents more specific. OFI The documents is stored in each departments based on types of the document, for example: legal documents is kept by legal departments.		
	Status: Comply	
1.3 Growers and millers commit to ethical conduct in all business operations and transactions.		
1.3.1 The company has integrity and ethical behavior in document of Good Corporate Governance which is ratified by Director President on 20 January 2005 that available in Indonesian language. The documents explain the way of practical fair business, prohibition of offer and conduct a bribery and corruption and obey all applicable laws and regulations. The company shows socialization of Business Behaviour Guidelines which is distributed to their employees in BPOM on 17 February 2016 to the asisten, supervisor, and engineer and socialization in BEE on 30 April 2016 to 17 employees (asisten, supervisor, and office clerk). Based on the interview with BCE employee, it is known that the employee did not know about the company business behavior which include prohibition of corruption, bribery, and obey all applicable laws and regulations. Nonconformity No. 2016.03 with minor category		
1.3.1	Status: Nonconformity No. 2016.03 with minor category	
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 The company has Evaluation of SPO Regulations documents which explain types of regulation relating to operational plantation activities. The regulation's copy is kept in the soft file form at Staff Enviroment & CSR Departement. The company has apply the indentified regulations, such as: <ul style="list-style-type: none"> • The application of employee minimum wage based on letter of South Sumatra Governor Decree No. 117 year 2016 about South Sumatera province sectoral minimum wage year 2016 with total wage is Rp. 2,250,000. • Had a permit of hazardous waste storage from Environment Agency; this has been accordance with Government Regulation Number 40 year 2014 • Does not employ under 18 age; this has been accordance with ILO Convention no. 184 which has been ratified to UU No.1 year 2000. However based on document review of Daily Paid Workers attendance list, there is Daily Paid Workers that was consecutively 3 month working more than 21 days and still did not promoted as permanent employee, for example: a harvesting employee in BCE and Grading employee in POM. This is inconsistent with Ministry of Labor Decree no. 100 year 2004 about Term of Specific Work Time Agreement. Nonconformity No. 2016.04 with major category		

2.1.2

The company has SOP of Legal Requirements (EMS-P02 date 10 April 2014) which explains the responsible person for managing legal documents that is Company Secretary/Legal Department. Based on Evaluation of SPO Regulations documents, it is known that all operational units have been evaluated for regulatory compliance.

2.1.3 & 2.1.4

The company conducts an internal audit to ensure that regulatory compliance that performed annually. For year 2016, it has been conducted on March 2016 by Environment & CSR Department which is recorded in Evaluation of SPO Regulations documents that explain obedience on 200 regulations with 505 key requirements and 415 applicable requirements. In SOP no. IMS-P12 about internal audit explains that internal audit mechanism is performed at least every one year by Environment & CSR Department.

Based on regulation review, the company has been comply all regulations but still found some non-compliance of regulation, for example:

- Based on field visit, Hazardous waste warehouse has not have a eye wash, this is inconsistent with Environmental Impact Management Agency Decree no.1 year 1995.
- Does not have OHS expert and legalized P2K3 by related government agency. This is inconsistent with Ministry of Labor Regulation no.4 year 1987.
- Based on BEE division 1 employee, it is explained that PPE with kind of shoes has not been provided by the company. This is inconsistent with Ministry of Labor Regulation no.08 year 2010.
- Based on visits on POM, BEE, and BCE, first aid kit content still inconsistent with Ministry of Labor Regulation no.15 year 2008.

Nonconformity No. 2016.05 with minor category

2.1.1	Status: Nonconformity No. 2016.04 with major category
2.1.3	Status: Nonconformity No. 2016.05 with minor category

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

CH is able to show the document of right to use the land for an area of 13,699.53, consist of:

1. 5 Land Use Title (HGU) certificate for an area of 13,626.72 Ha on behalf PT PP LONSUM.
2. 1 Building Use Title (HGB) for an area of 72.63 Ha.

Based on document review shows that PT PP Lonsum manage an area of 18,167.98 Ha. There are some area which still on process the HGU. On September 2014, PT PP Lonsum make application for re-measurement for HGU process. Public consultation with Land Office of Musi Rawas Utara Districts known that the HGU process of PT PP Lonsum is currently still in the BPN Regional Office of Sumatera Selatan. Based on time bound plan from PT PP Lonsum shows that this area will be include in certification process on 2016.

2.2.2

Field visit show that legal boundary has been demarcated obviously and well maintained such as HGU pole of LSI 94, LSI 91 and LSI 87. Based on procedur OP 2.1 about The HGU – Preparation, Survey and Mapping revised May 2014 explain that HGU pole must be monitored minimum once a year. But, the management unit can not shows:

- Map that shows all HGU pole in operational area
- Record of HGU pole monitoring in BCE

Based on the explanation is found This recurrence of nonconformity from the previous audit. **Nonconformity No. 2016.6 with Major category.**

2.2.3

Document review and interview with management known that there are land dispute in company operational area. The company can shows the records that fair compensation has been provided and accepted by involved parties, such as

land dispute on behalf of Resid on January 2012 in Belani Elok Estate Block 04111072 for an area of 17 Ha. This area has been compensated to Resid on 1996 that known by neighboring parties, head of sub-district and head of village. Based on interview with the Chief of Village, he explained that Land acquisition to be involved with (the owner of the land, village representatives, owners of neighboring land) related to land acquisition begins with the identification of land ownership, measured along and clear boundaries.

2.2.4; 2.2.5

Field visit, document review and interview with management known that there are significant land conflict in company operational area. The management unit can not harvest the FFB in this area. To resolve this land conflict, The company has had procedure (OP 2.2) of Land Acquisition and Compensation which explain about land conflict resolution. Conflict resolution conducted by the company based on procedure consist of discussion, mediation with third parties and legal recourse. Based on interview with village officials of Belani and Pauh I, showed that they usually involved if there is a land conflict to verify the legality of claimant.

The company has had location map of land conflict which verified in the field with land claimant. Based on field visit BEE and BCE known that the location of land conflict in accordance with location map of land conflict.

2.2.6

PT PP Lonsum has had Community Policy Guidelines which approved by president director on December 2005. This policy explain about if there is a crisis, the company will formed a crisis management team which consist of CSR manager, Corporate Secretary, Inverstor relation and Head of Dept where the crisis happen. The crisis consist of land conflict, accidents, CPO spills, etc. Based on interview with the Chief of Village, he explained that the company did not security forced to resolve the conflict.

2.2.2	Status: Nonconformity No. 2016.6 with Major category
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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

Land tenure contained in Bingin Teluk Location is individualized land that be acknowledged with the acknowledgment letter of the rights from village authorities and subdistrict officials. The results of the public consultation and assessment of HCV and SIA is known that there are no indigenous rights. Interviews with the communities (Belani and Pauh I) is known that the land acquisition is done voluntarily and people who do not want to releasing the land also did not to be forced.

The company has shown evidence of land acquisition with the involvement of landowners, the neighbouring parties and the village authorities. There is also a map of the land acquired that signed by the landowner, the neighbouring parties and village authorities. In land compensation process, the company also conducting mapping for communities land. Land mapping carried out by a team formed by local village government tasked to inventory the number and area of land cultivated by the community and the process of measurement involves the the adjacent parties. All land compensation documents presented in the Indonesian language that can be understood by all parties.

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

Management unit has shown long term management business plan which presented on the following documents, e.g.:

- Forward study of Belani Elok POM for 2016-2020 which describes FFB processed estimation, CPO and palm kernel production, FFA, OER, KER, CPO/PK dispatch, throughput and mill efficiency.
- Capex-Area manager Engineering B which describes estimation cost for machinery investation and operational production cost for 2016-2021. Assests to be budgeted consist of production machinaries, supporting machinaries,

building, vehicles, heavy machinaries, tools and equipments, etc.

- Budget estimation of FFB processed in Belani Elok POM for 2015-2019 which made to be based on final meeting decision of AME B budget AOP phase 1.
- Forward study of Belani Elok and batu Cemerlang Estate for 2016-2020 which describes executive summary, hectare statetment projection, total crop (ton) and forecast yield (ton/ha/year).
- Long-term FFB production of Belani Elok and batu Cemerlang Estate for 2016-2020 which describes hectarage of mature area projection, number of productive palms per ha, bunch number, average buch weight, FFB production and yield.

Management unit stated that the business plan are subjected to changed and reviewed annually by the respective management through considering actual trends and dynamic situation which predicted could be changed in the future. Moreover, monthly and annual evaluation were made and presented in monthly operational report, which describes analysis of parameter measured on the to-date month and its recapitulation.

Smallholders area has been fully take over to the local farmers it self. Regarding long-term and business plan, the company is only assisting smallholders in term of FFB production administration.

Management unit has not be able to show long-term business plan on economic parameters, such as price of CPO, financial indicators and estimate of income. This non-conformity is noted as **Nonconformity No. 2016.7 with major category.**

3.1.2

Replanting program has made based on procedure No. OP 2.13 which mentioned that criteria of replanting are: palm age should be more that 25 years old, annual budget management decision, FFB production is less than 14 ton/ha/year and other specific reasons, such as palm height, low palm planting density, high maintenance cost, infrastructure development, etc.

According to hectare statement 2016 map and year of planting data, it was known that the oldest palm were came from 1995 planting where located on Ketapat bening Estate. Thus, based on replanting criteria mentioned above, replanting activity should be carried out at 2020. However, Belani Elok Estate and Batu Cemerlang Estate are able to shows replanting program which expected to be conducted in 2021-2038 and 2029-2038, respectively.

3.1.1 Status: Nonconformity No. 2016.7 with major category

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

Agronomy procedures was documented in "SOP of oil palm" which issued by the Managing Director Operation of PT Lonsum Indonesia, Tbk at April 21st 2008. The SOP consist of five parts which covers land preparation, nursery management, upkeep and pest management in nursery, land title process, land compensation, management development, planning, land preparation strategy, legume cover crop planting, planting and replanting procedures, upkeep on immature and mature palms, manuring, supply palm, ablation and harvesting preparation, harvesting management, FFB handling and transportation procudures to the mill, integrated pest management for immature and mature palms, fronds stacking, pruning and by-products applications.

Oil palm processing procedures was documented in "Work Instrukction Palm Oil Mill (POM-WI)" which issued by the Managing Director Operation of PT Lonsum Indonesia, Tbk at October 1st 2006. The POM-WI has covers procedure on weighbridge, loading ramp, sterilization Station, threshing, pressing, clarification, depericarping, kernel recovery, boiler, power generation, water treatment, effluent Treatment- Land Application, EFB Mulching, workshop equipment, electrical system, quality, dispatch, laboratory equipment and reagents, laboratory safety, care and use of the analytical balance and procedure for producing low FFA oil. Both SOP for oil palm agronomy and work instruction for oil palm processing were still relevant with current situation, sufficiently covers all operational estates and mill activities and has available in Bahasa and English.

Based on observation to Belani Elok POM, Belani Elok Estate (BEE) and Batu Cemerlang Estate (BCE), it could be concluded that the SOP for estates and WI for mill were satisfactory distributed by the Department of Environment and Company Social Responsibility (ECSR). However, based on interview with workers and field observation in security post, weighing bridge, loading ramp, processing stations and workshop in POM, harvester in Block 99110741 BEE and Block 04111200 BCE, pesticide applicator in Block 04110751 BEE and BCE, fertilizer applicator in Block 97110724 BEE and BCE, it could be concluded that workers has not fully understood some procedures such as PPE used, type of areas where prohibited to be sprayed and manured and pesticides mixing precess on the field has not equipped with spill catchment tank/container. Those matters are not in accordance with SOP No. OP 5.2.2 and noted as **Nonconformity No. 2016.8 with major category**.

4.1.2; 4.1.3

Department of ECSR has responsibility in SOP/WI documents management and distribution. Management unit has able to shows those document in form of hardcopy and softcopy. Procedur on SPO making was presented in document EPR1 dated March 30th 2007, which describes SOP making procedures by the respective departments, format of SOP, languages used, index and numbering, SOP revision, socialization, distribution and annual review. The SOP stated that all procedures must be issued by the respective Directors and Head of Departments.

To ensure that the works are properly carried out based on standards, the company held trainings regularly. For example traning on integrated pest management (IPM) had been carried out on Novemner 13th 2015 and attended by 15 workers which came from BEE and BCE.

Company has mechanism of periodic assessment and monitoring, as follows:

- Meeting Monthly Operation Report (MOR). For example, according to report dated April 16th 2016 it was mentioned that due to very low FFB processed which is 60% lower from the budget, some recommendation are given, i.e. to optimize mill maintenance, working hours and keep saving cost.
- Semester internal audit for mill and estates by the Department of Internal Audit. Estate internal audit has covers harvesting quality and administration, road maintenance, manuring, field upkeep and estate security. While audit on mill has covers production quality, chemical used cost, production cost, labour, housing, mill security and extra fooding. The company has shown internal audit report which carried out in December 2015. However, based on tracking of management document review of BEE dated June 22nd 2016, it could be concluded that there was no dateline, records and evidence of corrective actions from internal audit findings that had been taken properly. This is noted as **Nonconformity No. 2016.9 with minor category**.
- Based on field observation to Block 99110741 BEE and Block 04111200 BCE for harvesting activity, the foreman were able to shows daily report book which informed working hours, FFB harvested and number of loosefruit (in kg), FFB quality and sortation/grading. The daily report will be recapitulate into crop production monthly report.
- Daily crop report which informed harvested Blocks and areas (in ha), number and quality of FFB, Letter of transportation number (No. SPBS and No. of vehicle used), overnight fruit, etc.
- OER and KER achievement in BE-POM for period January to April 2016 which informed that the OER and KER values had satisfactory and achieved the budget. This is indicate that program of FFB grading optimization and lossess reduction has works properly.
- Monthly operational cost report and actual acitivity report for BEE and BCE.

4.1.4

Belani Elok POM has recorded the origin of FFB source that sent by supplier. On period of June 2015 – May 2016, mill was receiving the FFB from own estate and scheme smallholder. The scheme smallholders consist of KUD Beringin Makmur, KUD Darussalam, KUD Persada, KUD Sumber Rejeki, KUD Tiga Serangkai, KUD Tunas Muda, KUD Jaya Makmur, KUD Giri Mulya, KUD Shinta, KUD Fajar Sidik, KUD Karya Bersama, KUD Karya Mulya, KUD Karya Mulya, KUD Karya Membangun and KUD Kelumpang Abadi. The company could not show the entire sale and purchase agreement of FFB as a basis for acceptance at the mill. Based on the explanation is found **Nonconformity No. 2016.10 with major category**.

4.1.1	Status: Nonconformity No. 2016.8 with major category	
4.1.2	Status: Nonconformity No. 2016.9 with minor category	
4.1.4	Status: Nonconformity No. 2016.10 with major category	

4.2

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

4.2.1; 4.2.3

The procedure related with soil fertility were presented in document SOP No. OP 3.2 about manuring schedule for immature and supply palms, SOP No. OP 5.9 about manuring management for mature palms and leaf sampling procedure, SOP of research and technology development which stated that fertilizer recommendation must be based on leaf and soil analysis and SOP No. 5.10 about by-products (EFB, POME and decanter cake) application for nutrient cycle strategy. Leaf and soil sampling analysis and manuring recommendation is carried out by Bah Lias Research Station (BLRS) Department where located in Sumatera Utara. However, the company has not be able to shows the results of leaf and soil analysis and/or other program for soil fertility management purposes in 2016. This is not in accordance with the SOP No. OP 5.9 and noted as **Nonconformity No. 2016.11 with minor category**. Moreover, company has no evidence that manuring recommendation 2016 shown was based on leaf and soil analysis. Hence, monitoring of nutrient status on the soil and leaf had not been conducted properly. This in noted as **Nonconformity No. 2016.12 with minor category**.

4.2.2; 4.2.4

The company has able to shows flertilizer program and actual application record in 2015, leaf analysis 2015 and manuring Mandore daily report. Fertilizers recommended in 2015 by BLRS are Urea, RP, Super Dolomite and NPK 15.10.23. For example, the data shows that NPK 15.10.23 and Super Dolomite application in Block 041113318 Divisi I were achieved 100 % and 50 %, respectively. The top management had issued a policy which stated that there is no manuring program in 2016. Thus, there was no fertilizer record in 2016. However, supply of nutrition has only came form by-products application. The record of EFB application and POME for period of January to May 2016 has been shown during the time of audit. Those by-products is only applied on Bukit Hujau Estate (BHE) and smallholder areas where located around BHE. Soil analysis for land application had been carried out annually by the Laboratory of Chemisty, Biology and Soil Fertility of Soil Department, Faculty of Agriculture, University of Sriwijaya in Palembang. Based on soil analysis report No. 389/U/Lab/TNH/XII/2015 dated December 15th 2015, it could be concluded that all POME parameters tested were in accordance with Ministry of Environment Regulation/Decree (KepMenLH) No. 28, 2003. Meanwhile, nutrient cycle strategy in other estates in 2016 were only came from the progressive pruned fronds.

4.2.1 Status: Nonconformity No. 2016.11 with minor category

4.2.3 Status: Nonconformity No. 2016.12 with minor category

4.3

Practices minimize and control erosion and degradation of soils.

4.3.1; 4.3.4; 4.3.5

Based on soil analysis map, scale 1:175,000 which derived from soil survey conducted by BLRS before first time of land clearing, it could be concluded that there was no presence of peat soil and land which categorized as steep (>40 %). Hence, there was no such kind fragile category area and its management strategy in Mill and Estates accessed. Marginal soil was only came from the acid tuff plain which covers about 1 % and 8 % in BEE and BCE, respectively. The soil map showed by estates management unit was presented in the unproper scale (which required should be minimum at 1:50,000). This is noted as **Nonconformity No. 2016.13 with major category**.

4.3.2; 4.3.6

Strategy of soil management towards slope conditions was presented in SOP No. OP 2.9 which describes planting pattern based on five slope categories, legume cover crop (LCC) planting by *Mucuna bracteata*, fronds stacking on terraces area and erotion monitoring. The SOP mentioned that terraces pattern should be made on area within 20-40 % slope and area which >40 % slope is prohibited to be planted. Furthermore, in order to minimize surface run-off, leaching and fertilizers losses on terraces area, SOP No. OP 5.0 part 5.4.3 mentioned that pruned fronds should be stacked parallel to the contour of terraces. All the strategies mentioned in the former were conformed to field observation in BEE and BCE.

The company shows erotion monitoring in BEE and BCE for Semester II, period of July to December 2015. The data informed that in Block 11110740 BEE, erotion rate at drought (<100 mm/month) and wet (>250 mm/month) seasons were 0.0 cm/month. While in Block 13111320 BCE, erotion rate between the former and the later seasons were 0.00 and 0.06 cm/month, respectively. It was recorded that in November 2015, the rainfall in BCE has reached 598 mm/month. In

general, it could be concluded that the erosion rate in BEE and BCE are relatively very low. This is due to very good LCC condition on the field.

4.3.3

BEE management unit has shows program and realization cost of road maintenance in 2015 and 2016 which presented in 2016 cost upkeep mature. Road maintenance activity consist of raod backfilling, compaction, roadside maintenance as well as side drain maintenance and installation. The data shows that maintenance realization has achieved 16.70 % ofthe budget while the cost is more than double of the budget. Meanwhile, realization from January to May 2016 in Divisi 1 and Divisi 3 were about 68 % and 95 %, respectively. However, BCE management unit has not be able to shows road maintenance program in 2016. This is in corformity with filed visit to Block 064/65 BCE Divisi 1 which found that the road condition was impassable and already fully covered by Mucuna and woodies. Hence, this situation in noted as **Nonconformity No. 2016.14 with minor category.**

4.3.1	Status: Nonconformity No. 2016.13 with major category
4.3.3	Status: Nonconformity No. 2016.14 with minor category

4.4

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

4.4.1

The company has been identified water sources for mill and plantations by showing Map of Clean Water Sources and Water Treatment Plan, for example:

- BHE/Belani Elok POM: there is a water sources map with 1:70.000 scales that explains the water sources come from Rawas River and processed in the factory.
- BEE: water sources map with 1:45.000 scales that explains the water sources for employees needs come from artesian/water well located in division 1 housing, division 2 housing, and office area.
- BCE: Reservoir Location Map with 1:36.000 scales that explains reservoir location for employee water needs around division 1, 2, and 3 housing.

The company has not shows water resources management planning, such as:

- Water usage efficiency
- Water sources renewability
- The impact on water catchment area and local stakeholders
- Annual clean water access for local community
- Avoid surfacewater and groundwater contamination

Nonconformity No. 2016.15 with minor category

4.4.2

The company is able to shows watershed location map from protected area identification report date 20 February 2008, with details:

1. Watershed Sei Kepyang Estate map with 1:80.000 scales. The rivers that included in plantation area are: Kelumpang River, Little Kepyang River, Kulim River, Suko BesarRiver dan Putih River.
2. Watershed Batu Cemerlang Estate map with 1:55.000 scales. The rivers that included in plantation area are Celau River and Putih River.

The company has procedures to protect waterways and wetlands, such as:

- The company has Guide to the safe use of Pesticide (OP5.2.2 March 2008) which explains that employee is prohibited to apply pesticide in riparian area.
- SOP: EMS-P 16 about Conservation Management and Monitoring (legalized on 2 June 2011) which explains maker of Conservation boundaries area in riparian.
- procedure OP 5.12 about Environment Monitoring (10 August 2009) which explains riverwater monitoring is conducted twice a year in upper stream and downstream.
- The company shows management of riparian strip SOP (EMS-WI-5 November 2007) which explains riparian width to fit river width.

The company has shown the implementation of existing procedures, such as::

- A ban for applying pesticide in riparian area that proofed by interview with the employee. The employee has known about prohibition of using chemical material in riparian area.
- Conduct river water quality control monitoring such as river water monitoring Kelumpang River which is conducted every 6 month and reported in RKL-RPL Report. For the last monitoring, it is conducted on 23 November 2015 in upper stream and downstream of Kelumpang River resulting in still fulfil quality standard and consistent with Sumatera Selatan Governor Regulations no.16 year 2005 (Apendix II)

Based field observation on BCE block 1111520 to Terentang River, it is known that the river is not directly adjacent to the operational area but separated by road. Meanwhile, Celau River located in BEE block 06111040, is known that all HGU area which passed by the river has not controlled by the company and half of riparian condition is forested and the other is made plantation by community.

4.4.3

Belani Elok POM has 6 ponds of WWTP consist of 1 cooling pond, 2 Acidification pond, 2 facultative pond and 1 Anaerob pond. Based on field visit to WWTP, it is known that all ponds are used and works fine also there are not any leak at all. The company periodically conducted liquid waste quality monitoring which is performed every month. Based on monitoring in October-December 2015 is known that produced liquid waste quality still consistent with quality standard which is set on Ministry of Environment Decree no.28 and no. 29 year 2003.

4.4.4

The company shows Water & Chemical Usage For Water Treatment documents which explains water usage/ton TBS for each month in year 2016. Such as:

Description	Unit	March 2016	April 2016	May 2016
FFB Process	Ton	13,221.93	8,151.62	8,214.32
Raw Water	m ³	16,560	10,183	10,284
Raw Water/Ton FFB	M ³ /ton	1.25	1.25	1.25

Based on Key Performance Indicator document, it is known that water usage target is 1.25 M³/ton.

Based on field visit to WTP and interview with employee, it is known that recording of water usage is performed by using flow meter and the flow meter is working fine in the visit.

4.4.1 Status: Nonconformity No. 2016.15 with minor category

4.5

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

4.5.1

The program of IPM was presented in annual budget, while the technical procedures was referred to SOP No. OP 5 about IPM. The activity budgeted on the program were consist of detection, census and monitoring of pests and diseases attack, biological control such as barn owl nest installation and planting of beneficial plants. According to IPM activity records for January to April 2016 such as program and realization of rat census in Divisi 2 BCE, rat census in Divisi 2 BEE, ganoderma census, leaf eating caterpillar census in Divisi 2 BCE, it could be concluded that all the census results were still under its economic threshold. This may lead to zero use of pesticides for pests and diseases control. Furthermore, according to pesticides used record in 2016, agrochemical uses was only implemented for weeds control purposes.

Based on field observation to BEE and BCE, it was found that visually there was no high incidence of pests and diseases attack. The evidence of rat and leaf eating caterpillar attack on the field were relatively very low. It also found the barn owl nest in Block 97110722 BEE, Block 04111320 BCE and Block 05111321 BCE were in good condition. A satisfactory condition of *Turnera subulata* along collection road were noted as well.

4.5.2

The company shows the evidence of training which had been carried out by the estates, as follows:

- Limited pesticides used (the use of paraquat) training which held on February 19th 2014 and given by the

Commission of Fertilizer and Pesticides, Province of Sumatera Selatan. The training was attended by 40 paraquat applicators, with 8 workers representative from every estates.

- IPM training which held on November 13th 2015 and given by BLRS. The training was attended by 15 pesticide applicators from BEE and BCE.
- Ganoderma census socialization which held on September 18th 2015 and given by BLRS. The training was attended by 21 pesticide applicators from BEE and BCE.

Based on interview with census workers in BEE and BCE, it could be concluded that the workers are very well understood the technical census for each pest's type and able to classify level of pest and disease attack in accordance with the SOP.

Status: Comply

4.6

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

4.6.1

Policy of pests and diseases control through agrochemical/pesticides uses was adopted in SOP No. OP 5 about upkeep on mature palms. Justification of pesticides uses must be based on census results and analysis. The company has no procedures of a specific selective of pesticides used. However, list of pesticides used was able to be shown. According to list of pesticides record and observation to agrochemical stores, it could be concluded that there were only 5 pesticides brands, where all used for weeds control. The active substance on the pesticides list are consist of Paqakuat dichloride 276 g/l, Methyl metsulfuron 20%, Isoprophyl amine glyphosate 480 g/l, 2,4 D Methylamine 865 g/l and Triclophyr butoksi ethyl ester 665 g/l. All pesticide used are listed in the book of pesticide commission 2016 issued by Department of Agriculture, Republic of Indonesia.

In order to avoid weeds resistance through pesticides application, estate management had substitute dan rotating the use of pesticides for the same target. For example, in term of woodies control, the use of Gramoxone (paraquat dichloride) could be substitute and/or rotate with Starlon (trichlophyr). Based on interview with pesticides applicators in Block 041110751 BEE and BCE, it could be conclude that the workers are able to explained type of pesticides and its target.

4.6.2

Program of pesticides udes was presented in annual budget of Estate manager. Estate management are able to shows total pesticides used from 2013 to the update 2016, which presented in monthly monitoring pesticides used report. The report describes tyoe of pesticides used, active substances, unit of pesticides applied and period of use, as well as LD-50 of rats. For example, the use of Gramoxone in BEE for 2014 and 2015 were 1,311.17 and 440.72 litre, respectively. While in BCE, the use of Gramoxone on the same periode were 702.00 and 508.50 litre, respectively. The LD-50 of Gramoxone was 707 mh/kg. Area of application was also recorded in store issue voucher/good issue document. For example, it was reported that in June 11th, 2016, 1,765 g of Metsulindo (Methyl metsulfuron 20%) had been applied at palm circle in Blocks 04110751-3 BEE on 88.26 ha area. Dosage used is 20 g/ha. Furthermore, in BCE it was reported that in June 7th, 2016, 13.50 litre of Elang (Isoprophyl amina glyphosate 480 g/l) had beed applied at palm circle and harvesting path in Blocks 04111200, 04111310 dan 05111322 on totaling 78.09 ha area. Dosage used is 0.18 l/ha.

4.6.3

Program of pesticides used in 2016 was presented in annual budget while its realization is presented in monthly Manager operational review report. According to IPM activity records for January to April 2016 such as program and realization of rat census in Divisi 2 BCE, rat census in Divisi 2 BEE, ganoderma census, leaf eating caterpillar census in Divisi 2 BCE, it could be concluded that all the census results were still under its economic threshold. This is lead to zero use of pesticides for pests and diseases control. Furthermore, according to pesticides used record in 2016, agrochemical uses was only implemented for weeds control purposes.

Planting of *Turnera subulata* as beneficial plant for biological control of leaf eating caterpillar has been implemented properly. According to beneficial plant data, it was informed that up to May 2016, 90.25 m in 100 planting spot of *Turnera* had been planted at four Blocks of 2004 planted in BEE. While in BCE, 180.62 m in 175 planting spot of *Turnera* had been planted at eight Blocks of 2004, 2005, 2006, 2007 and 2011 planted. Based on field observation to BEE and BCE, it

was found that visually the incidence of leaf eating caterpillar attack on the field were relatively very low. Moreover, condition of *Turnera subulata* along collection road were noted as satisfactory.

In order to avoid prophylactic use of pesticides, estate management has substitute and rotate the use of pesticides for the same target. For example, in term of woodies control, the use of Gramoxone (paraquat dichloride) could be substitute and/or rotate with Starlon (trichlophyr). Moreover, in term of narrow leaf weeds control, the use of Metsulindo (methyl metsulfuron) could be substitute and/or rotate with Elang (glyphosate).

Based on pesticides monitoring data, it was informed that estate management has significantly reduce the use of pesticides. For example, the use of paraquat, methyl metsulfuron and glyphosate in BEE for 2014 to 2015 period were reduced for 71.30 %, 49.73 % and 53.61 %, respectively.

4.6.4

As mentioned in Indicator 4.6.1, it could be concluded that there were no pesticides with 1A and 1B Appendix III WHO category used by the estate management. However, there was used of paraquat. Regarding this matter, since 2014 top management has committed to reduce the use of paraquat dichloride 10 % annually, by gradually replaced it with triclophyr butoksi ester. According to pesticides used data from 2014 to 2015, the use of paraquat in BEE and BCE were significantly reduced for 71.30 % and 64.60 %, respectively.

Estate management are able to show certificate of paraquat applicator (limited pesticides) for 40 pesticides applicators which issued in February 21st, 2014. The certificates were valid for five years, until February 21st, 2019. The training of paraquat application had been conducted in February 19th, 2014 by the Commission of Fertilizer and Pesticides, Province of Sumatera Selatan.

4.6.5; 4.6.7; 4.6.9

Procedure of pesticides handling, uses and application were presented in SOP No. OP 5.2.2 about guideline of safety pesticides uses. SOP describes level of toxicity, pesticides storage and handling, pesticides mixing, first aid, PPE used and pesticides wastes handling, identification of pesticides excess wastes, empty packaging, adhesive excess, expiry date, packaging damaged, contaminant absorbance materials, cleaner materials, contaminated materials, rinse of sprayer, and waste impact reduction procedure. Furthermore, procedure of pesticide wastes and ex-pesticides containers handling were also presented in SOP waste management No. EMS-WI-8. The SOP describes containers three times washing procedures, reuse of waters, ex pesticides container storage, etc.

Training on pesticides and pesticides wastes handling has given by BLRS annually for pesticides applicators and related workers. The company shows the evidence of training which had been carried out in February 19th 2014 and November 13th 2015. Information related to pesticides and pesticides handling were also provided through installation of MSDS in the pesticides storage/warehouse.

Based on field observation to pesticides warehouse in BEE, it was found that MSDS from vendor for products of Lindomin, Sevin, Matador, Gramoxone, Klerat and Elang were not available. Meanwhile in BCE, MSDS for Starlon was not available. Furthermore, based on interview with pesticides applicator in Block 04110751 BEE and BCE, it could be concluded that workers has not fully understood some procedures such as PPE used, risk of pesticides used and type of areas where prohibited to be sprayed. It also found that pesticides mixing process on the field has not equipped with spill catchment tank/container which may lead to environment contamination. Moreover, pesticide applicators stated that PPE such as boot shoes was not provided by the estate management. Those matters are not in accordance with SOP No. OP 5.2.2 and noted as **Nonconformity No. 2016.16 and Nonconformity No. 2016.9 (see Indicator 4.1.1) with major category.**

4.6.6; 4.6.10

The company has procedures pesticide storage in the SOP 5.2.2 about How safe use of pesticides. Part chapter pesticide storage regulating pesticide storage must either be stored in shelves, separated according to type, have good ventilation, and so on. This has been implemented well. In addition to storage, this procedure also regulate and explain about the management of used pesticide containers so as not to pollute the environment. However, based on field visits in BEE and BCE met former pesticide containers are discarded and used for other purposes. Based on interviews with

homeowners, it is mentioned that the former pesticide containers are used as trash cans and water containers. Besides met former pesticide containers are thrown in the trash behind the house in a residential worker BCE. This is not in accordance with company procedures and regulations regarding the hazardous waste. **Nonconformity No.2016.17 with major category.**

4.6.8

According to the field visit on the spraying program, the company has applied pesticide by using *Knapsack*/spraying equipments (not spreaded from the air).

4.6.11

Examination of the pesticide operator aims to ensure that workers are in good health and not affected by occupational diseases. The sprayers are types of work that are at high risk for doing one's job with the chemicals in the long term. Under an agreement with the Collective Labour Agreement, chapter XII section 51 of the OHS. It said that at least six (6) months, employers must send and check the health of the workers who perform work related to the tool / chemical material. Unit management has a list of operators pesticides that 35 workers spray in the Belani Elok Estate there all were women and 60 sprayer for BCE (55 women and 5 men). Based on a review of documents and interviews with workers and management unit can be seen that the company has not made a special health checks for all operators pesticides regularly. It becomes **Nonconformity No.2016.18 with major category.**

Major 4.6.12

The management unit shows a policy that prevents pregnant and nursing women to do work related to pesticides. This is described in SOP 5.2.2 on how safe use of pesticides and circular of Head of Agronomy No. SE/HOO-A/03/2012/002, dated March 1st, 2013. Based on field visits and interviews with sprayers of BEE & BCE stated that the pregnant and breastfeeding women were prohibited to work with agrochemicals (include fertilizers). This is also supported by the examination of monthly menstruation for monitoring pregnancy women workers.

4.6.5	Status: Nonconformity No. 2016.16 with major category
4.6.9	Status: Nonconformity No. 2016.16 with major category
4.6.6	Status: Nonconformity No.2016.17 with major category
4.6.11	Status: Nonconformity No.2016.18 with major category

4.7

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

4.7.1

The Company has a policy related to occupational safety and health in OHS Policy PT PP London Sumatra Indonesia Tbk, which was passed by the President on June 13, 2006. Safety Health commitment to provide protection for workers and others who are in the workplace and working environment so that it can be used safely and efficient. Policies have been written with the appropriate language and includes prevention against health and safety risks in the workplace. This policy has been disseminated for example in POM Belani Elok on July 3, 2015. The unit shows the documentation of field training coordinator Guiding Committee of OHS POM being briefed and socialization of Safety Health. Unit mill management has plans related to safety health in the workplace. This plan related programs such as the monthly meetings, training on basic, introduction Occupational Health & Safety Management System, emergency response training and so forth. This plan is included targets for improving occupational safety and health compiled by the secretary of Guiding Committee Of OHS. Safety Health program reflects the guidance provided in the ILO Convention 184. The guidelines for carrying out risk assessments and adopt preventive and protective measures to ensure health safety in the workplace. Safety Health program has been compiled partly been realized as the socialization on July 3, 2015 and First Aid training on February 18, 2016. Each program will be monitored its effectiveness in the regular monthly meeting Guiding Committee Of OHS. If there is a target that has not been reached then it will be re-evaluated on effectiveness. Site visits and interviews with workers workshop POM submitted that before doing the work, every morning begins with a safety briefing. In the briefing were always delivered on the importance of occupational safety and health aspects.

4.7.2

The management unit has made efforts in the risk assessment for existing activities in farm and factory units. The document explains the description / activities, potential hazards, as well as risk assessment. Based on the review of documents and interviews with management, if there is an accident, the risk assessment of a plan for further prevention.

Making HIRARC constituted by Safety Health Procedures hazard identification, assessment and control of risk (PK3-03). Document adopted on January 10, 2007 with reference Manpower Ministry Regulation No. 05 / Men / 1996.

Based on the field on the management unit of Mill and estate, the implementation of hazard identification and risk assessment is can be seen in these warnings and appeals safety health use of PPE in the mill and estate. The managemen unit have the opportunity to complete the identification of the risk assessment for the operational activities in plantation (OFI).

4.7.3

Unit management shows efforts to implement safe working practices, among others such as training a bunch of press for maintenance factory workers on 19-20th April 2016. However, based on review of documents, interviews with unit management and workers, it is known that not all operators are required licenses safety health have got training. Example for electric and welder mill and freight lift operator Belani Elok and Batu Cemerlang Estate. It makes mismatches that not all operators have gained a safe working practices.

The management unit also has a training program Safety Health. Training records regarding the safety health program has been shown to be realized. For example holding area realization manufacture factory realized since January 2015. The company has made efforts in providing personal protective equipment for workers appropriate risk job. Based on the field in the estate, they found workers who have not been disciplined in the use of PPE such as factory workers part of the sterilizer uses cotton to cover the ears. It makes **Nonconformity No. 2016.19 with major category**.

4.7.4

The company has its efforts in providing the person responsible in implementing OHS Committee of that team OHS in every operational unit. Every month conducted regular meetings between the company and employees to discuss safety, health and welfare of workers. Each meeting has been documented about the minutes or record company. Regular meetings Guiding committee of OHS on March 11, 2016 regarding the findings of internal audit at each station plant. The regular meetings dated March 30, 2016 in Belani Elok Estate are discussing the work program, program implementation and evaluation of each team Guiding committee of OHS. Based on interviews with medical personnel of management unit that are member guiding committee, meeting to discuss the activities of the OHS has been programmed by the company. The safety and health program will be summarized in a report that contains reports monthly meetings, activities of guiding committee, recapitulation of accidents, infrastructure and report fires.

4.7.5.

The Company has procedures related accidents and emergencies, such procedures include all major potential emergencies (fires, explosions, natural disasters and riots / sabotage). In the event of occurrence of accidents, will be recorded in a work accident report sent to serve in 2 x 24 hours. Accident investigation contains information regarding corrective action with the aim to prevent occurrence of similar accidents. Recording an accident written accident report form phase I and phase II have been informed in an easily understood and adapted to the regulations.

Officers and first aid equipment already available in the management unit, but it still needs to be re-evaluated. At the time of field visits in POM, the mill conduct simulation of hydrant function. During the simulation found leaking hose function, it is not in accordance with emergency response procedures concerning the evaluation and periodic testing. Mill management should ensure the equipment is in decent condition used at any time and the preparedness of emergency response team in implementing the task. It becomes a **Nonconformity No.2016.20 with minor category**.

4.7.6.

The company indicated the accident insurance policy for all workers, including for non-permanent daily workers. Based on the letter of the Director No. 004 / HRD-HS / II / 2013 dated February 12, 2013 regarding non-permanent daily workers who are not registered in the Social Security Program (labour social assurance). In the event of occupational accidents or deaths that befell non-permanent daily workers, the company paid claims in accordance with regulatory standards. The management unit shows an example of evidence that workers receive compensation for work-related accident insurance. The management unit not able to show that all the employees and contract workers covered by accident insurance. It becomes **Nonconformity No. 2016.21 with minor category**.

4.7.7	Based on the review of documents and explanations from the management unit can know that the accident has not been documented using LTA matrix. It becomes Nonconformity No.2016.22 with minor category.
4.7.3	Status: Nonconformity No. 2016.19 with major category
4.7.5	Status: Nonconformity No. 2016.20 with minor category
4.7.6	Status: Nonconformity No. 2016.21 with minor category
4.7.7	Status: Nonconformity No.2016.22 with minor category
4.8	
All staff, workers, smallholders and contractors are appropriately trained.	
4.8.1	
<p>The company has been maintaining a list of staff and employees, it is the responsibility of the Chief of Administration. The management unit showed formal training program that includes aspects of the principles of the RSPO criteria. The training program is based on the identification of training needs. Training can be saved by mill management unit includes RSPO principles and criteria such as health & safety, emergency response, hazardous materials handling, the results of internal audit / external as well as performance evaluation and review safety health by top management. Based on field visits and interviews known that:</p> <ul style="list-style-type: none"> • Workshop worker in BEE have gained safe working practices. • Officers of hazardous waste temporary warehouse in Belani Elok POM have been trained OHS expert public. • Medical officer of BEE have received Hiperkes training. 	
4.8.2	
<p>The management unit has shown efforts to implement safe work practices training for workers, but not yet maintain training records for each worker. It makes Nonconformity No.2016.23 with minor category</p>	
4.8.2	Status: Nonconformity No.2016.23 with minor category
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	
<p>Environment impact identification of the company does not change from the pervious assessment which is recorded in RKL and RPL Revision documents that accordance with legalization letter of Regional Environment Agency No: 660/398/BAPEDALDA/2003 date 22 Juli 2003 and a letter from Enviroment Agency of Musi Rawas Distric No 660/056/BLHD/2012 date 25 January 2012 about Additional Component Plan of Enviroment Management Recommendation and Environment Monitoring Plan of PT. PP London Sumatra Indonesia Environment Revision document. Based on interview with BLH there is not any company area change in year 2015.</p>	
5.1.2 & 5.1.3	
<p>Environment Management Plan is recorded in RKL and RPL Revision document in the form of RKL-RPL Matrix. The matrix includes main protocol of monitoring such as impact source, monitoring purpose, monitoring, location, monitoring time, monitoring benchmark and related parties. Environment Management Plan Implementation is recorded in RKL-RPL Implementation Report and reported to related government agencies every 6 month, for example: Semester II Report year 2015 which is reported on 28 March 2016 to Ministry of Environment, Environment Agency of South Sumatera Province and Environment Agency of Musi Rawas Utara District. Based on RKL-RPL Implementation Semester 2 year 2015 Report, the company still has not able to shows environment impact monitoring is conducted in accordance with RKL-RPL Matrix,such as:</p> <ul style="list-style-type: none"> • Fire potential aspect is not available in monitoring result. • Social unrest monitoring method is not appropriate with interview way that used questions list. • Health monitoring method is not including people in the around plantation area. • Have not coduct air quality monitoring in the LandAplication. • Have not monitor the Rawas River quality. 	

Nonconformity No. 2016.24 with minor category		
Based on interview with Environment Agency, it is explained that the company has been conduct monitoring and evaluation to every environment impact thath appear and has been reported to Environment Agency periodicaly every 6 month.		
5.1.3	Status: Nonconformity No. 2016.24 with minor category	
5.2 The status of rare, threatened or endangered species and other High Conservation Value habitats, if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and operations managed to best ensure that they are maintained and/or enhanced		
5.2.1. CH has identified HCV area and RTE species, carried out by RSPO approve assessor on year 2006 - 2007. The identification of HCV have involved communities surrounding villages and NGO. Assessment report has been explained about the species found, the general condition of the area, methods and HCV found. Based on identification, HCV area covering 751.33 hectares but the HCV area in certification scope is 392.06 Ha and there are RTE species such as bear and tapir. The whole area of HCV identified in this scope has been mapped and described in the report HCV.		
5.2.2 Based on field visit in BEE abd BCE known that the HCV area is community's land which has not been compensated. HCV management activities performed by the management unit consist of instalation of HCV sign board, patrol around the HCV area, socializing HCV to the employees and communities and monitor flora and fauna. the HCV management not yet explain about management of RTE species which captured, harmed, collected or killed. Based on the explanation found Nonconformity No. 2016.25 with Major Category .		
5.2.3 The company has policy to protect RTE species which explain on EMS-P16. For aducate the workers and communities, the management unit use sign board and direct socialization. The direct socialization programme was conducted once a year to manager, staff and workers. Based on interview with workers of BEE and BCE shows that they not yet know about the RTE species at the plantation area. Beside that, the company not yet regulate the sanction for any individual working for the company which found capture, harm, collect or kill RTE species. Based on the explanation found Nonconformity No. 2016.26 with minor category .		
5.2.4 As a continuation of the management plan, management unit has programme to monitored HCV and RTE species periodicaly. The latest monitoring carried out on May 2015 and the results of the monitoring not found RTE species. But the management unit not yet documented the result of monitoring and the outcomes of monitoring is not use as fed back to management plan. Based on the explanation found Nonconformity No. 2016.27 with minor category .		
5.2.5 Based on documents review, interview and field visit, it is noted that the HCV areas is community's land which not yet compsodate and the managment unit can not shows the evidence of a negotiated agreement that optimally to safeguards both the HCVs and these rights. Based on the explanation found Nonconformity No. 2016.28 with minor category .		
5.2.2	Status: Nonconformity No. 2016.25 with Major Category	
5.2.3	Status: Nonconformity No. 2016.26 with minor category	
5.2.4	Status: Nonconformity No. 2016.27 with minor category	
5.2.5	Status: Nonconformity No. 2016.28 with minor category	
5.3 Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.		
5.3.1 The company has been identified pollution and emission sources also waste product that produced from mill operational		

activities and performed managing effort. For example: Empty fruit bunch waste is managed by applying it to plantation and emission from boiler machine is managed by testing it periodically. The company has not been shown pollution source identification and emission produced from plantation operational activities. **Nonconformity No. 2016.29 with major category.**

5.3.2

management unit of BEE and BCE has a permit for hazardous material wastes warehouse No. 07/KPTS/DPE-LH/2014, while permit for POM was No. 36/KPTS/BLHD/2013. The both permits mentioned that time of storage warehouses were maximum for 90 days. However, it was revised by letter No. 660/299/DPE-LH/2015 dated July 22nd 2015, which mentioned that time of storage was extended into 365 days.

PT Dame Alam Sejahtera as permitted hazardous materials transporter (permite No. S2892/PSLB3-VPLB/2005) has made a tripartite agreement with PT PP London Sumatra Indonesia and some permitted collector, such as as follows:

- PT Berkah Anugrah Ilahi (Permit No. 89 which valid until May 5th 2016). Hazardous materials which permitted to be collected are fly ash, bottom ash, EAF dust, discarded oil or lubricant, contaminate fabrics, contaminate gloves, iron slag, aluminum scrap, PCB, TL lamp, fiber ceramics, discarded resins, grinding dust, solvent, discarded ink waste and dispose pesticides container.
- PT Tenang Jaya Sejahtera (Permit No. 30 which valid until February 6th 2017).
- CV Lut Putra Solder (Permit No. 30 which valid until February 21st 2016. Hazardous materials which permitted to be collected are metal products, contaminate metal scrap and accu/battery).
- PT Triguna Pertama Abadi (Permit No. SK.415/Menlhk-Setjen/2015 which valid until October 4th 2020). Hazardous materials which permitted to be collected are discarded oil/lubricant, engine, gear and heat transmission.

The tripartite agreement between hazardous material producer, transporter and collector has made in May 1st 2015 and will be valid until May 1st 2017. The company has record hazardous materials being produced into hazardous balance. The official letter of hazardous take over into transporter has also available. For example, official letter dated December 23rd 2015 mentioned that 800 kg (4 tanks) of discarded lubricant, 118 pcs (17.7 kg) of lamps and 90 pcs (270 kg) of dispose filter has take over from POM to PT Dame Alam Sejahtera as permitted transporter. Furthermore, official letter dated December 23rd 2015 informed that 770 lt of lubricant, 15 pcs of battery, 33 pcs of dispose pesticide containers and 184 pcs of dispose filter has take over from POM to PT Dame Alam Sejahtera as permitted transporter. Based on document review on logbook of hazardous waste material monitoring and hazardous waste manifest, it could be concluded that hazardous materials waste management was accordance with the standard and licensed permit. Hazardous manifest and reporting of hazardous monitoring to Government Environment Agencies of Musi Rawas District and Province of Sumatera Selatan were also available.

However, based on field observation to BCE Divisi 2 employee housing complex, it was found that dispose pesticide container was re-used for water storage tank and there was round-up container on garbage dump. This is not comply with SOP No. OP 5.2.2, hence noted as **Nonconformity No. 30 with Major category.**

5.3.3

Waste management/disposal plan of the company is not change from previous assessment which is explained in Waste Management Procedure (EMS-WI-8, June 2011). The company shows implementation of pollution mitigation plan, such as:

- Based on field visit, it is known that the company uses liquid waste for soil nutrient in plantation area
- Based on Solid Waste Monitoring on May 2016, the company send the empty fruit bunch to the plasma plantation as much as 1.041 ton.
- Based on interview with boiler operator, the company uses fibre and shell as boiler fuel.
- Based on field observation to hazardous waste temporary warehouse, it is known that entire eks pesticide containers and Hazardous waste is stored in hazardous waste temporary warehouse that accordance with permission from Environment Agency.

But the company is could not shows:

- Implementation and Plan to minimize the pollution that produced from plantation operational activity
- Based on visit in BCE solar tank, there is solar spills in the charging area that cause soil contamination.

<ul style="list-style-type: none">Based on field visit in division 2 housing, domestic waste disposed in the backyard of the house and also burned. This is not consistent with EMS-WI-8 about waste management that anorganic domestic waste is managed by buried in a hole with minimum range 500 meters from water supply, fenced, and marked Nonconformity No. 2016.31 with major category		
5.3.1	Status: Nonconformity No. 2016.29 with major category	
5.3.2	Status: Nonconformity No. 2016.30 with major category	
5.3.3	Status: Nonconformity No. 2016.31 with major category	
5.4 Efficiency of fossil fuel use and the use of renewable energy is optimised.		
5.4.1 The company shows Energy Efficiency Usage document for year 2016 which explains amount of processed FFB, time process, solar usage estimation on generator, fibre and shell fuel total usage, Kwh turbine/FFB process, actual solar usage on generator. Based on January-May 2016 data, total solar usage 1,050 Liter and total solar usage estimation 69,827 Liter with result that renewed enegy usage could spare 68,777 L (1.22 L/FFB process).Based on field visit and interview in boiler station and mechanic room, it is known that fibre and shell usage activity have been conducted to produce electricity.		
	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 zero burning policy which are explained on: <ul style="list-style-type: none">SOP OP 2.8 Poin 3 about Land Preparation – Strategis and parameter. This SOP explains about flame usage with any means is prohibited. As in the land preparation activity on new development area and/or replanting.SOP OP 5.8 about Waste Management – on poin 3. This SOP has policy for “Prohibited using fire (burning) for domestic waste and Agronomy Waste” Based on the policy, the company does not set field opening with burning.		
	Status: Comply	
5.6 Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.		
5.6.1 The company has been identified pollution and emission source also waste product from mill operational activities and implemented management. For example: empty fruit bunch managed by applying it to the plantation and emission from boiler machine is managed by testing it periodically. The company has not shows pollution source and emission that produced from plantation operational activities. Nonconformity No. 2016.29 with major category.		
5.6.2 The company shows GHG Mitigation Source Program for year 2016 for pollution produced from mill operational activity. The document explains type of activities and implementation times. For example: planting plan activity is conducted on January and May, maintenance and tools repair such as heavy machine, genset machine, boiler and Air Conditionerthat conducted every month, and fibre and shell usage as fuel that is conducted every month and liquid waste and empty fruit bunch usage as organic fertilizer. The company shows implementation of pollution mitigation plan that they conduct, such as: <ul style="list-style-type: none">Based on interview with boiler operator, it is known that the company uses fibre and shell as boiler fuel.Conduct air quality monitoring (air ambient, genset and heavy machineemission, boiler emission, odor, noise, vibration) which is explained on RKL-RPL Semester 2 year 2015 implementation report.		

But the company is could not shows:

- The company could not shows Implementation and Plan to minimalize the pollution that produced from plantation operational activity
- Based on visit in BCE solar tank, there is solar spills in the charging area that cause soil contamination.
- Based on field visit in division 2 housing, domestic waste disposed in the backyard of the house and also burned. This is not consistent with EMS-WI-8 about waste management that anorganic domestic waste is managed by buried in a hole with minimum range 500 meters from water supply, fenced, and marked

Nonconformity No. 2016.31 with major category

5.6.3

The company has monitored GHG emission from plantation and mill operational activity by using GHG Calculator Palm V2.1.1 from RSPO, that result in for year 2015 with Total Emission: 185,733.09 Ton CO₂e or Emission Netto/tonase palm product: 1.52 Ton CO₂e/CPO. The company has reported GRK calculation result year 2015 to RSPO GHG Working Group on 04 May 2016.

5.6.1 Status: Nonconformity No. 2016.29 with major category

5.6.2 Status: Nonconformity No. 2016.31 with major category

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 Social Impact Assessment (SIA) that conducted by Community Development Officer (CDO) of Bingin Teluk Location on April 2015. In the SIA document, it has include village biaoграфы analyzis, total population, people's job and occupation, education level, health, infrastructure and religion. In the SIA document, it has been identified the positif and negative impact of company operational activity.

6.1.2; 6.1.5

Process make a SIA document is conducted by direct interviewing with villagers around the company. There is a proof of interview in the form of attendance list, villagers' demand and respond and also pictures. For example: documentation of consultation Batu Kucing Village at 10 April 2015 which are attended by Village Board and Head of Village. But the company could not shows social impact assessment on year 2015 is conducted by involving scheme smallholders.

Nonconformity No. 2016.32 with major category

6.1.3

The company has been performed an effort to minimalized negative social impact that appear, such as:

- Tighten compensation process started from socialization to documentation and perfected by Compensation deal report. This will be conducted every time of field compensation and conducted by legal department.
- Gives skills training to local communities with CDO as person in charge, such as:
 - Motorcycle workshop training on 01 august – 01 September 2016
 - Cane work from palm leaf rib training on every month.
 - Conblock/stone making training on 01 Oktober 2016
- Conduct noise and air pollution test once in 6 month with environment departemen as person in charge.

Realization of the effort are:

- Based on interview with Head of Pauh 1 Village and Belani village, it is explained that in the present time entire compensation process involves a lot of parties such as land owner, village representative and close land owner. In addition, the price has been agreed through negotiation process.
- Air quality measurements are ambient air, genset and heavy machine emission, boiler emission, odor, nois, and vibration. The entire measurement is recorded in RKL-RPL Semester II year 2015 Implementation Report. Based on

the report, there is not any pollution over the standard quality.

6.1.4

Social Impact Assessment Activity is conducted April 2015, for the present, the company si still conducting the plan for minimalizing negative effect that appeared. Review for SIA document will be verified futher in the next assessment.

6.1.2 Status: Nonconformity No. 2016.32 with major category

6.1.5 Status: Nonconformity No. 2016.32 with major category

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 a list of local communities and other affected parties, namely the list of stakeholders. A list of stakeholders to inform institutions, personal contacts, addresses, phone numbers to call, email address (if any). Institutions are entered into the list of stakeholders are: local government village level up to the regents, Police Resort, Office, Public Health Center, Koramil, Kodim, the village around the company, community leader, cooperative employees Lonsum, associations around the company, youth organizations, regional organizations, professional organizations, unions, local NGOs.

The process of consultation and communication with stakeholders has been set up with Communication Procedures (EMS-P05). This has been attempted in the company's orally socialization and implementation in the field. The company will involve stakeholders in developing CSR programs, such as social mapping every year to villages around the plantation which is a list of stakeholders. Each is a CSR program that has been approved it will be given to local stakeholders (village).

6.2.2

The Company appointed CDO as personal responsible for the process of communication and consultation with the affected environment. It has been made clear in the job description CDO. In the structure of the organization, CDO is functional in the bottom of Area Manager of Agronomy and is structurally under manager CD. Based on a review of documents and interviews with CDO, auditor shown documentary evidence of communication with stakeholders always addressed directly to the CDO. This is an effort to prove that the stakeholders have known personally responsible for communication and consultation both company and stakeholders.

6.2.3

The company has been maintaining a list of stakeholders, namely local communities or affected parties in the company's operations. The list inform institutions, personal contacts, addresses, phone numbers to call, email address (if any). Institutions are entered into the list of stakeholders are: local government village level up to the regents, Police Resort, Office, Public Health Center, Koramil, Kodim, the village around the company, community leader, cooperative employees Lonsum, associations around the company, youth organizations, regional organizations, professional organizations, unions, local NGOs.

Unit management has demonstrated its efforts in response to input from stakeholders. This is shown as incoming mail response that came from the Bingin Teluk village of an application for flood relief. Flood assistance request letter submitted on March 4, 2016 directly addressed on the same date.

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 management unit has an internal memorandum from the HR Director No.028 / HRD / CIR / 2011 on Procedures for handling complaints and redress mechanisms in stages. Also in chapter XVII Collective Labour Agreement article 59, explained on Remedies laments. Based on grievance procedures submitted that a complaints mechanism is in stages as follows:

- Beginning with reporting in writing in the form of recognition or incident reports were accompanied by a witness who submitted to his superiors.
- Immediate supervisor has the responsibility in the completion of the first level complaint.
- Managers have a responsibility in the completion of the second level complaint.
- Senior managers have a responsibility in the resolution of complaints third level.
- Directors have a responsibility in the resolution of complaints fourth level.

Handling procedures have been socialized and communicated to the employee as an example in Belani Elok POM on June 18, 2016. Based on interviews with mill and estate workshop workers at Belani Elok submitted that the complaints mechanism has been delivered through the safety briefing. However, up to the audit carried out, there has been no reports of complaints recorded in the book of complaints. In addition the company also has a protection mechanism against whistleblower in the Code of Conduct of PT PP Lonsum.

6.3.2

Up to the audit performed, no complaints were recorded in the book of complaints and grievances. If there is a dispute regarding the outcome will be reported to the parties to the dispute. Documentation of any complaints and complaints related to the environment affected parties are the responsibility of the CDO. The companies have the opportunity of improvement to documented the record of conflict resolution (OFI).

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 has had the SOP of land acquisition and compensation which approve on 1 December 2012. The procedure has been explained that the land acquisition process is conducted with the involvement of local communities and the people entitled to compensation is the people who have *Surat Pengakuan Hak/SPK* which approve by head of village and head of subdistrict. Public consultation with the communities around known that the process of land acquisition has been conducted by involving the communities, the village authorities, landowners, the neighbouring parties and the company. Document review showed that latest land compensation conduct in 2013 for an area of 159.8 Ha.

6.4.3

The process and the agreement of land acquisition has been documented by the company and stored by the legal department. Documentation of land acquisition has involved land owners, the neighbouring parties and village authorities.

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 the relevant regulations of wages fixed, daily and contract in a collective agreement. Based on mutual agreement, the company determines the minimum wage of Rp. 2,250,000, -. This is in accordance with the recording unit number of the basic salary of mill and estate workers.

6.5.2

Based on the review of documents and interviews with workers at the station of grading Belani Elok POM is known that workers work more hours worked. The calculation of overtime pay 1/7 of the working day, unit management failed to pinpoint calculation of payment of overtime for non permanent daily workers. This is not in accordance with the regulations Kepmenaker No. 102 of 2004 concerning overtime and overtime pay. Based on the evidence presented, it becomes a **Nonconformity No. 2016.33 with major category.**

6.5.3	The company has already demonstrated its efforts in providing decent housing and public facilities are within easy reach. Facilities provided as unit housing, adequate electricity, clean water supply, medical services are affordable spacing and educational facilities for the children.
6.5.4	Unit management shows efforts in providing access to adequate and affordable food. Company has good road access to the nearest market, namely the market Bingin Teluk. In addition the company also provides the freedom for traders from outside to trade within the housing estates. Based on interviews with workers in the housing Belani Elok Estate and Batu Cemerlang Estate, it is known that the company has demonstrated its efforts in helping workers find food resources are sufficient and affordable.
6.5.2	Status: Nonconformity No. 2016.33 with major category
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	The Company has granted the freedom to create a workers' union for all workers. Based on interviews with union officials can be seen that the policy of freedom of association was approved by the company in a language that is easily understood. Internal Mermorandum listed in the policy of the HR Director No.006 / HRD / CIR / I / 2014.
6.6.2	The Company has not documented the contents of a meeting of union meetings between the company and workers' representatives. Nonconformity No.2016.34 with minor category
6.6.2	Status: Nonconformity No.2016.34 with minor category
6.7	Children are not employed or exploited.
6.7.1	Based on a review of documents, interviews with management and field visit are not met workers under the age of 18 years. This is in accordance with the rules of minimum working age established by the company.
6.7.1	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	The Company has a policy that explains that the company provides equal opportunity for all employees to develop a career according to capabilities. Moreover explained that companies provide employment and business opportunities. This policy has been disseminated, for example in Belani Elok POM workers on February 17, 2016.
6.8.2	Up to the audit carried out, there has never been a complaint from workers including local communities related to the alleged discrimination.
6.8.3	The company carries out the selection, recruitment and promotion of workers based on skill, ability, quality and medical health are needed for the job.
6.8.3	Status: Comply
6.9	There is no harassment or abuse in the work place, and reproductive rights are protected.

6.9.1

The Company has a policy to prevent all forms of sexual harassment and violence. This policy is summarized in Sustainable Management Policy of PT PP London Sumatra Indonesia. Policy explained that the company guarantee and protect the reproductive rights of employees, do not hire minors and protecting employees on sexual harassment by the company. Related to the implementation, the company has not shown the formation of a gender committee as a forum for dealing with matters relating to the handling of sexual harassment. It becomes a **Nonconformity 2016.35 with major category**

6.9.2

The Company has a policy regarding the form of SOP 5.2.2 about how safe use of pesticides. One chapter explains the pregnant and lactating women are forbidden to work in places related to pesticides. This procedure states that pregnant and breastfeeding women workers are not allowed to work in the area related to pesticides. This is part of its efforts to protect the reproductive rights of women workers. This policy has been disseminated through the master morning / safety briefing at the operating unit. Based on interviews with medical personnel in BEE and BCE said that no women workers spray section in pregnant and breast-feeding.

6.9.3

The Company has a mechanism to protect the anonymity and protect whiners. This is made clear in the Code of Conduct policy that was articulated as in Belani Elok POM workers on February 17, 2016. The Company has appointed personally responsible for receiving and control complaints received from workers. Personal appointed by the letter of appointment from the head unit. Personal responsible for handling complaints when there is sexual harassment and all forms of violence against women and protect their reproductive rights. Up to the audit carried out, there has been no complaint regarding sexual harassment of women workers.

6.9.1	Status: Nonconformity No. 2016.35 with major category
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6.10

Growers and mills deal fairly and transparently with smallholders and other local businesses.

6.10.1; 6.10.2; 6.10.3

FFB price used was updated twice a month which referring to the Government statement which issued by the Estate Crop Agency of Sumatera Selatan Province. Pricing mechanism has also presented in the agreement between the company and Cooperative or smallholders. The information of updated FFB price was transparent and available in the BE-POM and Estate Crop Agency of Musi Rawas District. Record of updated FB price was presented in FFB transaction document.

The company was able to show agreement letter with Cooperatives and smallholders which signed by the respective parties. For example, copy of agreement with Cooperative Fajar Sidik No. 02/POD-KUD/III/2001 dated march 21st 2001. The agreement was saved by both parties as legal reference.

Based on interview with dump truck driver of Cooperative and smallholders, it was stated that the company has follow FFB price, issued by the Estate Crop Agency of Sumatera Selatan Province and there was no issues related with FFB price. FFB transportation was arranged by Cooperative and smallholders itself. Since the company has fully takeover, FFB transportation from Cooperative and smallholder has not facilitate by the company. Thus, there was no price deduction from POM.

6.10.4

The company has not be able to shows the evidence that FFB trading transaction to Cooperative and smallholders has been paid ontime and in accordance with the letter of agreement. This is noted as **Nonconformity No. 2016.36 with minor category**.

6.10.4	Status: Nonconformity No. 2016.36 with minor category
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6.11

Growers and millers contribute to local sustainable development wherever appropriate.

6.11.1

The company shows CSR Budget year 2016 which covering:

- Education in the form of school building repairment, Senior and Junior Highschool scholarship, Provision of books and school needs supply.
- Religion in the form of mosque renovation, bazaar, mass circumcision
- Infrastructure in the form of road restoration and clean water source manufacture
- Health in the form of aedes aegypti mosquito fogging, mass medical treatment, cleft lip surgery
- Community empowerment in the form of motorcycle workshop training, cane work training, and smart house operational activity

The CSR budget arrangement is based on consultation with local communities in Social Identification and Impact in Ketapat Bening Village with Village representatives and communities on 18 April 2015, there is a demand for artesian well demand and road restoration. There is a proof of CSR realization activity which has been conducted and recorded in CSR Annual Report year 2016. The activities which have been realized are educational support, house of worship supply support, and road restoration. Based on the interview with the Village Headmen, the company has given support to the village in the form of infrastructure restoration support, village activity fund support and the company also has set the local communities as priority employee on the company.

6.11.2

The company shows training schedule of HCV, RSPO and FPIC and also Good Agriculture Practice Training. The training will be conducted on May-August 2016 for KUD Marga Makmur, KUD Karya Mulya, KUD Tahu Asih. The training schedule:

- HCV, RSPO and FPIC Training for KUD Marga Makmur on 31 May-01 June 2016
- HCV, RSPO and FPIC Training for KUD Karya Mulya Training on 26-27 July 2016
- Good Agriculture Practice Training for KUD Tahu Asih on 1-3 August 2016
- Good Agriculture Practice Training for KUD Marga Makmur on 4-6 August 2016
- Good Agriculture Practice Training for KUD Karya Mulya on 11-13 August 2016

The company shows training activity realization in the form of attendance list and activity photo, for example RSPO Training Activity in KUD Marga Makmur on 31 May – 01 June 2016 to 60 scheme smallholders and cooperative management.

Status: Comply

6.12

No forms of forced or trafficked labour are used.

6.12.1; 6.12.2; 6.12.3

Based on interviews with unit management and workers in the field, up to the audit conducted no foreign workers who worked as an operational unit.

Status: Comply

6.13

Growers and millers respect human rights

6.13.1

The Company has a policy concerning human rights set forth in the Code of Conduct section 3.3.2.1 of Law and Human Rights. Lonsum that comply with and obey all laws and regulations regarding labor law and respect the rights of employees. Policy Code of Conduct has been socialized in POM BE on February 17, 2016 and Belani Elok Estate on April 30, 2016. However, the management unit Batu Cemerlang Estate can not show evidence of human rights policy dissemination. It becomes a **Nonconformity No. 2016.37 with major category**.

6.13.1 Status: Nonconformity No. 2016.37 with major category

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.		
7.7.1; 7.7.2		
The management unit did not conduct new development of palm oil plantation outside the HGU. The operational area is under the scope of the environment document owned by the company (revision of environmental management and monitoring plan) based on the legalization of environment impact control agency No. 660/398/Bapedalda/2003 dated July 22nd 2003.		
	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		
The company has not be able to shows a proper map of land/soil feasibility study for oil palm plantation in their land title. Hence, management strategy for oil palm cultivation based on the study by considering agronomy and conservation parameters were not available. This is noted as Nonconformity No. 2016.38 with major category .		
7.2.2		
Based on soil analysis map, scale 1:175,000 which derived from soil survey conducted by BLRS before first time of land clearing, it could be concluded that there was no presence of peat soil and land which categorized as steep (>40 %). Strategy of soil management towards slope conditions was presented in SOP No. OP 2.9 which describes planting pattern based on five slope categories, legume cover crop (LCC) planting by <i>Mucuna bracteata</i> , fronds stacking on terraces area and erosion monitoring. The SOP mentioned that terraces pattern should be made on area within 20-40 % slope and area which >40 % slope is prohibited to be planted. Furthermore, in order to minimize surface run-off, leaching and fertilizers losses on terraces area, SOP No. OP 5.0 part 5.4.3 mentioned that pruned fronds should be stacked parallel to the contour of terraces. All the strategies mentioned in the former were conformed to field observation in BEE and BCE.		
7.2.1	Status: Nonconformity No. 2016.38 with major category	
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		
There is land clearing in certification scope after November 2005 without a prior HCV assessment. PT PP Lonsum has conduct disclosure of liability to RSPO by email on 19 September 2014. The validation progress of Remediation and Compensation Plan (RACP) for the area opened since 1 November 2005 without a prior HCV assessment in accordance with RACP Procedure will be observed again on the next visit (Observation).		
7.3.2; 7.3.3		
Based on the email of PT PP Lonsum to RSPO on 19 September 2014 known that Land Use Change Analysis (LUCA) for the area of certification scope that opened without a prior HCV assessment also has been reported to RSPO. The progress of LUCA validation for the area opened since 1 November 2005 without a prior HCV assessment will be observed on the next visit (<i>Observation</i>).		
7.3.4; 7.3.5		
Management unit has had document of HCV area management and monitoring plan as written on the criteria 5.2		
	Status: Comply	
7.4		
Extensive planting on steep terrain, and/or on marginal and fragile soils, is avoided.		
7.4.1; 7.4.2		
Based on soil analysis map, scale 1:175,000 which derived from soil survey conducted by BLRS before first time of land		

clearing, it could be concluded that there was no presence of peat soil and land which categorized as steep (>40 %). Hence, there was no such kind fragile category area and its management strategy in Mill and Estates accessed. Based on field observation, there were no area found with slope more than 40 %.		
	Status: Comply	
7.5 No new plantings are established on local peoples' land without their free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.		
7.5.1 Operation area used by the company is the community's land that has been compensated. Document review showed that latest land compensation conduct in 2013 for an area of 159.8 Ha in BCE. The planting activities on this land conducted on 2014. Based on interview with head of Pauh I Village known that the area compensate on 2013 was in Pauh I Village administration area and the process of compensate has involve communities, the village authorities, landowners, the neighbouring parties and the company.		
	Status: Comply	
7.6 Where it can be demonstrated that local peoples have legal, customary or user rights, they are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.		
7.6.1; 7.6.2; 7.6.3; 7.6.4; 7.6.5; 7.6.6 Document of HCV assessment has explained about the traditional rights and use rights that exist in the operations area of the company. Based on HCV assessment known that local people have individual right to use the land. The company has had the SOP of land acquisition and compensation which approve on 1 December 2012. The procedure has been explained that the land acquisition process is conducted with the involvement of local communities and the people entitled to compensation is the people who have <i>Surat Pengakuan Hak/SPK</i> which approve by head of village and head of subdistrict. Interviews with the communities (Belani and Pauh I) is known that the land acquisition is done voluntarily and people who do not want to be compensated also did not experience coercion. The whole recording of land acquisition process has been documented and stored by the legal department. Compensation provided in the form of money to each party entitled in accordance with the results of identification of the village authorities.		
	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 company has zero burning policy which are explained on: <ul style="list-style-type: none"> • SOP OP 2.8 Poin 3 about Land Preparation – Strategis and parameter. This SOP explains about flame usage with any means is prohibited. As in the land preparation activity on new development area and/or replanting. • SOP OP 5.8 about Waste Management – on poin 3. This SOP has policy for “Prohibited using fire (burning) for domestic waste and Agronomy Waste” Based on the policy, the company does not set field opening with burning.		
	Status: Comply	
7.8 New plantation developments are designed to minimise net greenhouse gas emissions.		
7.8.1 Based on document review of Hectare Statement February 2016, it is known that there is a new planting on year 2015 as much as 11,82 in BHE but the company has not shows carbon stock assessment for the area. Nonconformity No. 2016.39 with major category		

7.8.2 The company could not shows Implementation and plan to minimalize the pollution that produced by plantation operational activity. Nonconformity No. 2016.31 with major category		
7.8.1	Status: Nonconformity No. 2016.39 with major category	
7.8.2	Status: Nonconformity No. 2016.31 with major category	
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.		
8.1.1 The company has been implementing commitment to continual improvement, such as: <ul style="list-style-type: none">Has been conduct managing and monitoring of environment impact that had been identified on RKL-RPL document (Criteria 5.1)Identifying and managing pollution sources/waste that has been produced and applied waste recycle system (Criteria 5.3)The company has identifying and managing the pollution and emission which is produced by air quality testing (ambient air, genset emission and heavy machine, boiler emission, odor, noise, vibration), the company also has monitoring GHG emission which is produced by using GHG PalmCalculator V2.1.1 from RSPO (Criteria 5.6)Has been identified social impact and conducted a management effort to the identified negative social impact (Criteria 6.1).The company has significantly reduced the use of paraquat since 2014 (criteria 4.6).		
	Status: Comply	

3.2 Summary of Assessment Report of Supply Chain Requirements

Clause	(Module E) CPO Mills - Mass Balance Requirements
E.1	Definition
E.1.1	<p>Certification for CPO mills is necessary to verify the volumes of certified and uncertified FFB entering the mill and volume sales of RSPO certified producers. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. In that scenario, the mill can claim only the volume of oil palm products produced from processing of the certified FFB as MB.</p> <p>Belani Elok POM is used RSPO supply chain of Mass Balance module because they still received FFB from the estate which has not been certified with RSPO that is Plasma.</p>
	Status: Comply
E.2	Explanation
E.2.1	<p>The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the CB in the public summary of the P&C certification report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced should then be recorded in each subsequent annual surveillance report.</p> <p>Estimates of CPO and PK produced by Belani Elok POM obtained from the data of 12 months before the audit activities and have been described in this ASA-1 report.</p>
	Status: Comply
E.2.2	<p>The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).</p> <ul style="list-style-type: none"> • RSPO IT Platform member registration number: RSPO_PO1000002218 • Certified CPO and PK sold to each buyer period of 18 September 2015 to 21 June 2016: no transaction via etrace • Certified CPO and PK via greenpalm period of 18 September 2015 to 21 June 2016: no transaction via greenpalm
	Status: Comply
E.3	Documented procedures
E.3.1	<p>The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:</p> <ol style="list-style-type: none"> Complete and up to date procedures covering the implementation of all the elements in these requirements; The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site procedures for the implementation of this standard. <p>Belani Elok POM has had SOP of SCCS which described the duties and responsibilities of each part; the identification of raw materials and products; and performs supply chain system. Management unit can not show the evidance of SCCS SOP implementation and interview with POM workers known that they not understand about SCCS SOP. Based on the explanation found Nonconformity No. 2016.40</p>
	Status: Nonconformity No. 2016.40

E.3.2	
The site shall have documented procedures for receiving and processing certified and non-certified FFBs.	
Belani Elok POM has had SOP of SCCS which described the duties and responsibilities of each part; the identification of raw materials and products; and performs supply chain system. Management unit can not show the evidence of SCCS SOP implementation and interview with POM workers known that they not understand about SCCS SOP. Based on the explanation found Nonconformity No. 2016.41	
	Status: Nonconformity No. 2016.41
E.4	Purchasing and goods in
E.4.1	
The site shall verify and document the volumes of certified and non-certified FFBs received.	
Belani Elok POM not yet show the documentation of volumes of certified and non-certified FFBs received. Based on the explanation found Nonconformity No. 2016.42	
	Status: Nonconformity No. 2016.42
E.4.2	
The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.	
Belani Elok POM not yet show the documentation of volumes of FFB, CPO and PK that RSPO certified since the mill get RSPO certificate. Based on the explanation found Nonconformity No. 2016.43	
	Status: Nonconformity No. 2016.43
E.5	Record keeping
E.5.1	
<ul style="list-style-type: none"> a. The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a three-monthly basis. b. All volumes of palm oil and palm kernel oil that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO. c. The site can only deliver Mass Balance sales from a positive stock. Positive stock can include product ordered for delivery within three months. However, a site is allowed to sell short.(ie product can be sold before it is in stock.) 	
Belani Elok POM not yet show the documentation of volumes of FFB, CPO and PK that RSPO certified since the mill get RSPO certificate. Based on the explanation found Nonconformity No. 2016.44	
	Status: Nonconformity No. 2016.44
E.5.2	
In cases where a mill outsources activities to an independent (not owned by the same organization) palm kernel crush, the crush still falls under the responsibility of the mill and does not need to be separately certified. The mill has to ensure that the crush is covered through a signed and enforceable agreement.	
Belani Elok POM does not perform activities of palm kernel crushing to the independent palm kernel crushers.	
	Status: Comply

3.3 Conformity Checklist of Certificate and Logo Use

1.	Evidence of permission or approval certificate and logo from Certification Body which submitted by Client	X or√
ASA-1	The company does not use RSPO logo.	√
2.	Implementation of certificate and logo used by Client comply with size and type (shape) against Guideline of Logo Use	X or√
ASA-1	The company does not use RSPO logo.	√
3.	Implementation of Certificate and Logo is not used on product	X or√
ASA-1	The company does not use RSPO logo.	√
4.	Controlling of Certificate and Logo, including withdrawing inappropriate logo.	X or√
ASA-1	The company does not use RSPO logo.	√

3.4 Summary of RSPO Partial Certification

Management unit(s) observed: 1. Pahu Makmur POM – Kutai Barat, East Kalimantan 2. Gunung Bais POM – Musi Rawas, South Sumatera		
2.1	There is compliance with all applicable local, national and ratified international laws and regulations.	X or√
	Pahu Makmur POM – Kutai Barat According to the result of internal audit, there are several fact. For example: 1. It has the permits: plantation business permit, plantation business permit for cultivation, plantation business permit for processing, principle permit, tourism business permit. 2. The company has the right over the land like: land use title, building use title and <i>erfpacht</i> . Gunung Bais POM – Musi Rawas According to the result of internal audit, there are several fact. For example: 1. It does not have the permits like: plantation business permit, plantation business permit for cultivation, plantation business permit for processing, principle permit, tourism business permit. 2. The company does not have the right over the land like: land use title, building use title and <i>erfpacht</i> . The process of the legality in Gunung Bais POM, Musi Rawas District shall be verified on the next assessment.	√
	Status: Full Compliance	
2.2	The right to use the land can be demonstrated, and is not legitimately contested by local communities with demonstrable rights.	X or√
	Pahu Makmur POM – Kutai Barat According to the result of internal audit, there are several fact. For example: 1. It has the permits like: plantation business permit, plantation business permit for cultivation, plantation business permit for processing, principle permit, tourism business permit. 2. The company has the right over the land like: land use title, building use title and <i>erfpacht</i> . Gunung Bais POM – Musi Rawas According to the result of internal audit, there are several fact. For example: 1. It does not have the permits like: plantation business permit, plantation business permit for cultivation, plantation business permit for processing, principle permit, tourism business permit. 2. The company does not have the right over the land like: land use title, building use title and <i>erfpacht</i> . The process of the legality in Gunung Bais POM, Musi Rawas District shall be verified on the next assessment.	√
	Status: Full Compliance	
6.3	There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all parties.	X or√
	Pahu Makmur POM – Kutai Barat	√

	<p>According to the result of internal audit, there are several fact. For example:</p> <ol style="list-style-type: none"> 1. It has the permits like: plantation business permit, plantation business permit for cultivation, plantation business permit for processing, principle permit, tourism business permit. 2. The company has the right over the land like: land use title, building use title and <i>erfpacht</i>. <p>Gunung Bais POM – Musi Rawas</p> <p>According to the result of internal audit, there are several fact. For example:</p> <ol style="list-style-type: none"> 1. It does not have the permits like: plantation business permit, plantation business permit for cultivation, plantation business permit for processing, principle permit, tourism business permit. 2. The company does not have the right over the land like: land use title, building use title and <i>erfpacht</i>. <p>The process of the legality in Gunung Bais POM, Musi Rawas District shall be verified on the next assessment.</p>	
	Status: Full Compliance	
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.	X or√
	<p>Pahu Makmur POM – Kutai Barat</p> <p>According to the result of internal audit, there are several fact. For example:</p> <ol style="list-style-type: none"> 1. It has the permits like: plantation business permit, plantation business permit for cultivation, plantation business permit for processing, principle permit, tourism business permit. 2. The company has the right over the land like: land use title, building use title and <i>erfpacht</i>. <p>Gunung Bais POM – Musi Rawas</p> <p>According to the result of internal audit, there are several fact. For example:</p> <ol style="list-style-type: none"> 1. It does not have the permits like: plantation business permit, plantation business permit for cultivation, plantation business permit for processing, principle permit, tourism business permit. 2. The company does not have the right over the land like: land use title, building use title and <i>erfpacht</i>. <p>The process of the legality in Gunung Bais POM, Musi Rawas District shall be verified on the next assessment.</p>	√
	Status: Full Compliance	
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.	X or√
	<p>Pahu Makmur POM – Kutai Barat</p> <p>According to the result of internal audit, there are several fact. For example:</p> <ol style="list-style-type: none"> 1. It has the permits like: plantation business permit, plantation business permit for cultivation, plantation business permit for processing, principle permit, tourism business permit. 2. The company has the right over the land like: land use title, building use title and <i>erfpacht</i>. 	√

	<p>Gunung Bais POM – Musi Rawas</p> <p>According to the result of internal audit, there are several fact. For example:</p> <ol style="list-style-type: none"> 1. It does not have the permits like: plantation business permit, plantation business permit for cultivation, plantation business permit for processing, principle permit, tourism business permit. 2. The company does not have the right over the land like: land use title, building use title and <i>erfpacht</i>. <p>The process of the legality in Gunung Bais POM, Musi Rawas District shall be verified on the next assessment.</p>	
	Status: Full Compliance	
7.5	<p>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.</p>	X or√
	<p>Pahu Makmur POM – Kutai Barat</p> <p>According to the result of internal audit, there are several fact. For example:</p> <ol style="list-style-type: none"> 1. It has the permits like: plantation business permit, plantation business permit for cultivation, plantation business permit for processing, principle permit, tourism business permit. 2. The company has the right over the land like: land use title, building use title and <i>erfpacht</i>. <p>Gunung Bais POM – Musi Rawas</p> <p>According to the result of internal audit, there are several fact. For example:</p> <ol style="list-style-type: none"> 1. It does not have the permits like: plantation business permit, plantation business permit for cultivation, plantation business permit for processing, principle permit, tourism business permit. 2. The company does not have the right over the land like: land use title, building use title and <i>erfpacht</i>. <p>The process of the legality in Gunung Bais POM, Musi Rawas District shall be verified on the next assessment.</p>	√
	Status: Full Compliance	
7.6	<p>Local people are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.</p>	X or√
	<p>Pahu Makmur POM – Kutai Barat</p> <p>According to the result of internal audit, there are several fact. For example:</p> <ol style="list-style-type: none"> 1. It has the permits like: plantation business permit, plantation business permit for cultivation, plantation business permit for processing, principle permit, tourism business permit. 2. The company has the right over the land like: land use title, building use title and <i>erfpacht</i>. <p>Gunung Bais POM – Musi Rawas</p> <p>According to the result of internal audit, there are several fact. For example:</p> <ol style="list-style-type: none"> 1. It does not have the permits like: plantation business permit, plantation business permit for cultivation, plantation business permit for processing, principle permit, tourism business permit. 	√

	<p>2. The company does not have the right over the land like: land use title, building use title and <i>erfpacht</i>.</p> <p>The process of the legality in Gunung Bais POM, Musi Rawas District shall be verified on the next assessment.</p>	
	<p>Status: Full Compliance</p>	

3.5 Identification of Findings, Corrective Action, Observations, OFI and Noteworthy Positive Components

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

CAR No.	Ref. Std.	Finding	Location	Grade	Deadline	Corrective Action	Observation	Status	Closing date
2014.01	Major 2.1.1	Compliance over the applied law requirements <ul style="list-style-type: none"> According to the result of interview with the sprayers of Sei Kepayang Estate, the spraying equipments are stored at the worker's house. Therefore, it does not comply the Manpowe Regulation No. 3 Year 1986 in term of the OHS requirements at the pesticide storage. There is an indication that the temporary daily workers for the 3 months in row are not promoted to permanent daily workers. For example, the security Officer and processing stage Worker. It does not comply the decree of Manpower Ministry No. 100 Year 2004 in term of the agreement of the specific work period. There is no adequate evidence that the welding 	Mill and Estate	Major NC	Prior the issuance of certificate	The management unit must be able to show the evidence of the compliance over the applied law.	Root Cause: The management unit is not able to show the compliance over the applied law. Corrective Action: Complying the law. Preventive Action: Evaluating the law compliance regularly. Auditor Observation: August 26th 2014 1). Evidence of corrective action in term of spraying PPE management is not informed yet. The compliance status is still OPEN. 2). Internal Memorandum No. 008/HRD/C-PW/I/2014, dated January 30th 2014 from the HR Director in term of the recommendation of temporary daily labour to DRP (Daily Rate Personnel)/Permanent Worker with daily base). The document describes the definition of temporary daily labour, promotion process of temporary daily labour to DRP and or Permanent Worker with Daily Base. In aspect of	Closed	13 February 2015

CAR No.	Ref. Std.	Finding	Location	Grade	Deadline	Corrective Action	Observation	Status	Closing date
		<p>specialist has had certificate based on Manpower Regulation No. 2 Year 1982 Article 3.</p> <ul style="list-style-type: none"> There is no adequate evidence that the electricians have had certificate and license of electricity based on the decree of the directorate general of industrial relation and manpower monitoring No. 311 Year 2002 Chapter 1st. There is no adequate evidence that the clinic has had the operational ppermit based on the Health Ministry Regulation No. 28 Year 2011 in term of clinic (SKE & BHE). 					<p>document compliance, the documents are adequate and acceptable. However, the implementation shall be observed on the next assessment. NC is CLOSED.</p> <p>3). The management unit of LONSUM Belani Elok has held training of welding specialist and electrician competence. It was held by BLKI Manpower Agency of South Sumatera Province on August 11th – 15th 2014. It was attended by 18 participants (including the technicians and the welding specialist of Belani Elok POM). NC is CLOSED.</p> <p>4). There is no evidence over the corrective action on the operational permit. The compliance status is still OPEN.</p> <p>February 13th 2015 Evidence of the corrective action in term of the PPE equipments storing for the spraying PPE have been shown by each estate unit in form of the official record and photographs. The documents are:</p> <ol style="list-style-type: none"> Batu Cemerlang Estate: photographs of spraying PPE storing in division warehouse on August 20th 2014. Belani Elok Estate: photographs of spraying PPE storing in division warehouse on August 27th 2014. Bukit Hijau Estate: photographs of 		

CAR No.	Ref. Std.	Finding	Location	Grade	Deadline	Corrective Action	Observation	Status	Closing date
							<p>spraying PPE storing in division warehouse on October 7th 2014.</p> <p>4. Ketapat Bening Estate: photographs of spraying PPE storing in division warehouse on September 2th 2014.</p> <p>5. Photographs of the Sei Kepayang Estate Storage.</p> <p>Meanwhile, the evidence of corrective action in form of the permit of clinic based on the decree of the Head of Health Department of North Musi Rawas District No. 440/IV/SK/DINKES/2014 dated December 15th 2014. The permit decided to issue the operational permit for Medical Center of PT LONDON SUMATRA INDONESIA in Beringin Makmur Village, Rawas Ilir Sub-District, North Musi Rawas District. The permit valid till December 15th 2017.</p> <p>The Musi Rawas District Health Agency also issued the midwife work permit paper No. 440/III/DINKES/2014 dated December 8th 2014 to Mrs. Rahmi Hardiyanti, Am.Keb as the medical assistant on the clinic.</p> <p>NC No. 2014.01 Major 2.1.1 is CLOSED.</p>		
2014.02	Major 2.2.1	Documents which show the land ownership referring the applied law. According to the document	Estate	Major NC	Prior the issuance of certificate	The management unit must be able to show all the operationals which	<p>Root Cause (filled by client): The legal standing of the palm oil plants planting beyond the legal right area (HGU) is location permit.</p>	Observation	24 February 2015

CAR No.	Ref. Std.	Finding	Location	Grade	Deadline	Corrective Action	Observation	Status	Closing date
		<p>review (map of operational and hectare statement on May 2014), the operational area used for the palm oil plants planting is 4,468.45 Ha exclude the abstract of title (HGU/HGB) owned by PT PP Lonsum – Bingin Teluk Location.</p> <p>According to the result of field visit on June 18th 2014 to block 2981 of division 2 of Sei Kepayang Estate, there is an are which does not have the legal right. Meanwhile, the management unit is not able to show the document of the abstract of title owned nor is being processed by the company.</p> <p>According to the field visit to block 268 of division 1 of BHE, there are palm of plants which were planted beyond the legal area (HGU) on 1997 (poles 135) owned by the company.</p>				have legal right or abstract of title based on the applied law.	<p>Corrective Action (filled by client): Changing the scope of certification to the area whose the legal rights (HGU) owned by the company only.</p> <p>Preventive Action (filled by client): Ensuring the area in which the legal right (HGU) is being processed area (4,468.45 Ha) to be included on the Time Bound Plan.</p> <p>Auditor Observation: February 24th 2015 The management unit of PT PP LONSUM describes the chronology over the land acquisition for 4,468.35 Ha. All the acquisition process are now being processed at the National Land Agency. Therefore, the management of Belani Elok decided to change the scope of the certification area to only 13,699.53 Ha (Building Use Title Only). Hence, NC No. 2.2.1 is closed and it shall be Observed on the next assessment.</p>		
2014.03	Major 2.2.2	<p>Evidence of the maintained and obvious demarcated legal area boundary June 19th 2014</p> <p>According to the checklist of the Land Use Title (HGU) pole</p>	Estate (Bukit Hijau Estate)	NC	Prior the issuance of certificate	The management unit must be able to show the evidence of the demarcated legal boundary area to be obviously	<p>Root Cause: There is a missing pole.</p> <p>Corrective Action: Fixing the Land Use Title (HGU) pole.</p>	Closed	28 January 2015

CAR No.	Ref. Std.	Finding	Location	Grade	Deadline	Corrective Action	Observation	Status	Closing date
		monitoring for 49 spots (on November 23rd 24th 2014), all the poles are well maintained. However, according to the field visit to National Land Agency pole No. 146, 135, 172, the pole No. 172 has lost.				seen and well maintained.	<p>Preventive Action (filled by client): Monitoring the Land Use Title (HGU) based on the owned legal document.</p> <p>Auditor Observation: January 28th 2015 The evidence of the corrective action has been informed by the management unit of Bukit Hijau Estate in form of the photographs and official record of the installation of Land Use Title (HGU) pole No. 172 in block 50. The pole has been installed in line with the coordinate of Land Use Title (HGU).</p> <p>Auditor Team Conclusion: Hence, NC No. 2014.03 Major 2.2.2 is CLOSED. It shall be observed on the next assessment.</p>		
2014.04	Minor 4.5.1	IPM Training According to the document review on the Sei Kepayang and Bukit Hijau Estate, there is no evidence of the training for IPM program.	Estate (Sei Kepayang)	Minor NC	S-1	The management unit must be able to show the evidence of the training for the workers who are dealing with IPM programs.	<p>Root Cause (filled by client): Implementation of training activities have not been informed to the person in charge of training documentation / DC (proof of attendance, training materials) so that proof of implementation can not be demonstrated / not stored however can be demonstrated email arrival of the research team.</p> <p>Corrective Action (filled by client): Each implementation of a training team conducted the research, must be</p>	Closed	21 June 2016

CAR No.	Ref. Std.	Finding	Location	Grade	Deadline	Corrective Action	Observation	Status	Closing date
							<p>documented and submitted to the PIC documentation (document control) the evidences.</p> <p>Preventive Action (filled by client): HR policy guidelines issued version 1 May 2005 for Chapter 10 on analysis of training needs. Ensuring all relevant parties take responsibility for training in the company and to play its role effectively</p> <p>Auditor Observation: The Company has conducted training PHT on November 14, 2015 followed by SKE and BHE employees. The training was attended by 18 participants.</p> <p>Auditor Team Conclusion: Hence, NC No. 2014.04 Major 4.5.1 is CLOSED.</p>		
2014.05	Minor 4.5.2	Agrochemicals Toxicity Monitoring According to the document review on the Sei Kepayang Estate, there is no evidence of the pesticide toxicity monitoring (active ingredient/LD50 per ton of FFB or per hectare) for the agrochemicals used on the operationals.	Estate (Sei Kepayang)	NC Minor	S-1	The management unit must be able to show the evidence of the pesticide toxicity monitoring (active ingredient/LD50 per ton of FFB or per hectare) for the agrochemicals used on the operationals	<p>Root Cause (filled by client): The company does not understand the pesticide toxicity monitoring method yet.</p> <p>Corrective Action (filled by client): Monitoring the pesticide use to the pesticide toxicity (active ingredient per ha) and recapitulating it annually.</p> <p>Preventive Action (filled by client): Monitoring and documenting all pesticide</p>	Closed	21 May 2015

CAR No.	Ref. Std.	Finding	Location	Grade	Deadline	Corrective Action	Observation	Status	Closing date
							usage including its toxicity. It becomes the responsibility of Assistant of division. Auditor Observation: May 21st 2015 Sei Kepayang Estate has monitored the pesticide active ingredient annually per type of pesticide. It describes the type of pesticide and the active ingredient as well as the amount of the pesticide used by the company and application hectareage and toxicity (active ingredient per ha). For example, the company was using Starlon 665 EC (triklopir butoksi etil ester active ingredient) for 2,133.34 L (active ingredient 1,418.67 L), hectareage of application for 4,813.84 Ha with toxicity level for 0.295 L/ha on 2014. Hence, NC No. 2014.05 is Closed.		
2014.06	Major 4.6.4	Pesticide Container Waste <ul style="list-style-type: none"> SKE. The management unit has had hazardous waste storage and has the hazardous waste stored on the storage. However, the storage does not have the hazardous waste storage permit. BHE. The ex pesticide containers of BHE are stored on the hazardous 	Estate	Major NC	Prior the issuance of certificate	The management unit must be able to ensure that the ex pesticide containers are stored on the permitted storage based on the type written on the scope permit.	Root Cause: <ul style="list-style-type: none"> The permit of the hazardous waste storage at Sei Kepayang is being processed. The company does not know the type of waste written on the scope of hazardous waste storage permit in BHE. Corrective Action: Proposing the new hazardous waste storage permit by adding the scope of the	Closed	28 January 2015

CAR No.	Ref. Std.	Finding	Location	Grade	Deadline	Corrective Action	Observation	Status	Closing date
		waste storage. However, there is no description of the type of pesticide containers which are able to be stored on the storage yet.					<p>type of waste (pesticide/chemicals containers).</p> <p>Preventive Action: Ensuring the hazardous waste storage permit still on its period and monitoring the incoming hazardous waste to the hazardous waste storage based on the scope on its permit.</p> <p>Auditor Observation: August 26th 2014 The management unit of Belani Elok shows the corrective action in paper No. 090/207/DPELH/2014, dated August 14th 2014. According to the paper, 2 Officials of Mining and Environment Agency of North Muli Rawas District are ordered to verify the hazardous waste storage building technical requirements of Agustus 2014. Surat tersebut PT PP LONSUM in Sei Kepayang Estate and Bukit Cemerlang Estate. However, there is no hazardous waste storage permit yet. Hence, Major NC No. 4.6.4 is still OPEN.</p> <p>January 28th 2015 The management unit of Sei Kepayang and Batu Cemerlang Estate show the corrective action like the permit of hazardous waste. For example:</p>		

CAR No.	Ref. Std.	Finding	Location	Grade	Deadline	Corrective Action	Observation	Status	Closing date
							<ol style="list-style-type: none"> Decree of North Muli Rawas Regent No. 08/KPTS/DPE-LH/2014 in term of the hazardous waste storage of PT LONSUM in Sei Kepayang Estate dated September 23rd 2014. The permit is valid for 5 years. The scope of the permitted hazardous waste are the chemicals bottle and the expired chemicals whether solid or liquid as well as the use for its program. Decree of North Muli Rawas Regent No. 07/KPTS/DPE-LH/2014 in term of the hazardous waste storage of PT LONSUM in Batu Cemerlang Estate dated September 23rd 2014. The permit is valid for 5 years. The scope of the permitted hazardous waste are the drum and bottles of chemicals and the expired chemicals whether solid or liquid as well as the use for its program. <p>Hence, NC No. 2014.06 Major 4.6.4 is CLOSED.</p>		
2014.07	Minor 4.7.1	Work Accident Insurance The management unit has had policy of the labour social assurance (Jamsostek) membership as the work accident insurance. However, there is no evidence that the	Estate and Mill	Minor NC	S-1	The management unit must ensure the labour social insurance for all workers based on the decree of Health Ministry No 150	Root Cause: The company does not know the existed regulation. Corrective Action: Registering all workers on the work accident insurance including for the	Closed	28 January 2015

CAR No.	Ref. Std.	Finding	Location	Grade	Deadline	Corrective Action	Observation	Status	Closing date
		temporary daily labours are registered on the work accident insurance. It does not comply the decree of Health Ministry No 150 Year 1999.				Year 1999.	<p>temporary daily workers.</p> <p>Preventive Action: Monitoring the number of employees and the number of the labour social assurance members routinely (monthly).</p> <p>Auditor Observation: January 28th 2015 The management unit shows the evidence of the corrective action in form of the Internal Memorandum of the management No. 004/HRD/HS/II/2013 dated February 12th 2013 in term of the social assurance for the temporary daily workers. The company shall pay the claim for the temporary daily workers in form of the work accident assurance or death assurance based on the law applied by the government-appointed manpower insurance. The management unit also shows one of the evidence over the claim of temporary daily workers of Bukit Cemerlang Estate. Hence, NC No. 2014.07 Minor 4.7.1 is CLOSED. It shall be verified on the next assessment.</p>		
2014.08	Minor 4.7.2	Regular Medical Check Up The management unit has held regular medical check up for the sprayers and Operators of the	Mill and Estate	Minor NC	S-1	The management unit must ensure the regular medical check up based on	<p>Root Cause (filled by client): Poorly controlled document control</p> <p>Corrective Action (filled by client):</p>	Closed	21 June 2016

CAR No.	Ref. Std.	Finding	Location	Grade	Deadline	Corrective Action	Observation	Status	Closing date
		mill. However, there is no adequate evidence that the company has held regular medical check up for all workers. It does not comply the Manpower Ministry Regulation No. 2 Year 1980.				the Manpower Ministry Regulation No.2 Year 1980.	<p>The company has been doing good document storage</p> <p>Preventive Action (filled by client): Storage of documents more regularly with appointed PIC</p> <p>Auditor Observation: The company has demonstrated proof of medical examination staff of about 197 people in the period July 2014 Already created mechanisms in the form of periodic inspection every year and has been implemented. Data monitored and stored by the nurse (Wira Adikusuma). For 2015 has been carried out in september 2015, and to tahun2016 planned in June. Document control for gernerall check-up is controlled by the nurse, special inspection is controlled by the Guiding Committee Of Occupational Safety & Health secretary.</p> <p>Auditor Team Conclusion: Hence, NC No. 2014.07 Minor 4.7.2 is CLOSED.</p>		
2014.09	Major 4.8.1	Training Programs The management unit is not able to show the evidence of the training program on 2014.	Mill	Minor NC	Prior the issuance of certificate	The management unit must be able to show the evidence of the document of training program on 2014.	<p>Root Cause: The training is held based on the need and it not yet programmed.</p> <p>Corrective Action: Composing the training program for period</p>	Closed	26 Aug 2014

CAR No.	Ref. Std.	Finding	Location	Grade	Deadline	Corrective Action	Observation	Status	Closing date
							<p>of 2014</p> <p>Preventive Action: OHS expert must compose and ensure the training program to be composed at early of the year based on the company needs.</p> <p>Auditor Observation: August 26th 2014 The management unit of Belani Elok Mill has shown the training program on 2014 for all units under the management of PT LONSUM. The training program covers the training program for staff, employees (estate and Mill). Hence, the Major NC No. 4.8.1 is CLOSED.</p>		
2014.10	Minor 5.3.1	<p>Hazardous Waste Management Plan</p> <p>According to the field visit, the used oil is stored at workshop. It is not stored at the hazardous waste storage.</p>	Estate (Sei Kepayang)	Minor NC	S-1	The management unit must implement the hazardous waste management based on the applied procedure as well as to ensure that the hazardous waste are stored at the hazardous waste storage.	<p>Root Cause: The management unit of Sei Kepayang Estate does not have the permitted hazardous waste storage.</p> <p>Corrective Action: Processing the permit of hazardous waste storage.</p> <p>Preventive Action: Informing the employees that the hazardous waste must be stored at hazardous waste storage.</p>	Closed	28 January 2015

CAR No.	Ref. Std.	Finding	Location	Grade	Deadline	Corrective Action	Observation	Status	Closing date
							Auditor Observation: January 28th 2015 The management unit of Sei Kepayang and Batu Cemerlang Estate shows the corrective action in form of the hazardous waste storage permit. For example: <ol style="list-style-type: none"> Decree of North Musi Rawas Regent No. 08/KPTS/DPE-LH/2014 in term of the hazardous waste storage permit in Sei Kepayang Estate dated September 23rd 2014. The permit is valid for 5 years. Decree of North Musi Rawas Regent No. 07/KPTS/DPE-LH/2014 in term of the hazardous waste storage of PT LONSUM in Batu Cemerlang Estate dated September 23rd 2014. The permit is valid for 5 years. Auditor Team Conclusion: January 28th 2015 Hence, NC No. 2014.10 Minor 5.3.1 is CLOSED.		
2014.11	Major 6.5.2	Contract Agreement The management unit is not able to show the evidence of the latest collective labour agreement.	Mill and Estate	Major NC	Prior the issuance of certificate	The management unit must be able to show the evidence of the latest collective labour agreement.	Root Cause: The collective labour agreement is being processed with the labour union. Corrective Action: Showing the collectively composed and agreed collective labour agreement.	Closed	26 Aug 2014

CAR No.	Ref. Std.	Finding	Location	Grade	Deadline	Corrective Action	Observation	Status	Closing date
							<p>Preventive Action: Ensuring that the valid period of the compose collective labour agreement (by HRD) and processing the collective labour agreement before the expire period.</p> <p>Auditor Observation: August 26th 2014 The management unit of estate and mill of Belani Elok of PT LONSUM, shows the corrective action in form of the evidence of legalization over the document of collective labour agreement for period of 2014-2016. The collective labour agreement has been signed by the labour union of Sei Kepayang Estate, Ketapat Bening Estate, Bukit Hijau Estate, Belani Elok Estate, Batu Cemerlang Estate and Belani Elok POM with the company representative (Director of HR) dated February 27th 2014. NC is CLOSED.</p>		
2014.12	Minor 8.1.1	<p>Record of the follow up over the finding of the RSPO audit The management unit is not able to show the corrective action over the result of RSPO audit.</p>	Mill and Estate	Minor NC	S-1	The management unit is not able to show the corrective action over the result of RSPO audit.	<p>Root Cause: Monitoring the implementation of improvements / follow-up of audit results RSPO has not been implemented according to the agreed time period</p> <p>Corrective Actio: Correcting all the nonconformities that arise when the ST-1 and ST-2.</p>	Closed	21 June 2016

CAR No.	Ref. Std.	Finding	Location	Grade	Deadline	Corrective Action	Observation	Status	Closing date
							<p>Preventive Action: Correcting all nonconformities before the due date</p> <p>Auditor Observation: 21 June 2016 The company has had show the entire improvement nonconformity that arise when the ST-2</p> <p>Auditor Team Conclusion: Hence, NC No. 2014.12 is CLOSED.</p>		
2014.13	SCCS Modul-E 2.2	<p>Information in term of overproduction to the CB The guideline of the FFB receipt and CPO and Kernel dispatch for the POM which proess the mixed FFB from the RSPO-certified and non RSPO-certified Estate is not yet written.</p>	Mill	Potential NC	Post the issuance of certificate	The management unit must inform the overproduction to CB.	<p>Root Cause (filled by client): Using Book & Claim means that the MB procedure is not needed.</p> <p>Corrective Action (filled by client): Composing the MB supply chain procedure.</p> <p>Preventive Action (filled by client): Ensuring all implementation of the MB supply chain shall be executed event by using Book&Claim supply chain moder.</p> <p>Auditor Observation: January 30th 2015 The mill management has shown the evidence of corrective action in form of the procedure of CSPO Supply Chain No. EMS-P17 dated April 10th 2014. According</p>	Closed	30 January 2015

CAR No.	Ref. Std.	Finding	Location	Grade	Deadline	Corrective Action	Observation	Status	Closing date
							<p>to the point 3.20, the differences between the crop projection and crop actual shall be reported by the Head of Environment & CSR to the CB annually on the surveillance program.</p> <p>Auditor Team Conclusion: January 30th 2015 Hence, NC No. 2014.13 SCCS E2.2 is CLOSED. It shall be verified on the next assessment.</p>		
2014.14	SCCS Modul-E 5.1	Training Belani Elok POM is not able to show the evidence of the training program held by in term of MB model supply chain to the associated employees.	Mill	Potential NC	Post the issuance of certificate	Belani Elok POM must be able to show the evidence of the training program held by in term of MB model supply chain to the associated employees.	<p>Root Cause (filled by client): The schedule and the training master is not yet appointed.</p> <p>Corrective Action (filled by client): Determining the schedule and holding the training which is authorized to the PIC on the supply chain implementation.</p> <p>Preventive Action (filled by client): Ensuring that all employees have been trained to implement the supply chain properly by referring the requirements.</p> <p>Auditor Observation: January 30th 2015 The mill management unit has shown the evidence of the corrective action in form of the attendance list and the training agenda in term of the SPO certification on June 4th</p>	Closed	30 January 2015

CAR No.	Ref. Std.	Finding	Location	Grade	Deadline	Corrective Action	Observation	Status	Closing date
							<p>– 5th 2014 in Riam Indah Training Centre. All the PIC and staff related to the implementation of SCCS on the Bingin Teluk POM came to the training program.</p> <p>Auditor Team Conclusion: January 30th 2015 NC No. 2014.14 SCCS E5.1 is CLOSED.</p>		

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

CAR No.	Ref. Std.	Findings	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closing date
2016.1	1.1.1	Availability of Information Based on interviews with the relevant authorities and the Village Neighborhood, they explained that the company has not informed the type of documents / information that can be accessed by the public. The company also can not show socialization types of documents / information that is accessible to the public.	Estate & POM	Minor	ASA-1	Company must show that all types of information that can be accessed by the public have been known to the relevant stakeholders.	Root cause: Corrective action (+evidence) Preventive action: Auditor conclusion:		
2016.2	1.1.2	Information Requests and Responses. Based on verification document SOP Communications and interviews with management, there is no certain period of time to respond to the information request.	Estate & POM	Major	23 August 2016	Company must be able to show the certain time period to respond to the information request.	Root cause: SOPs and policies that are owned by the company has not explain about period of time to respond the requests for information Corrective action (+evidence) 24 August 2016 Internal Memorandum (IM) of Area Manager of Agronomy (AMA) Bingin Teluk No.005 / AMA-BTL / INT / VIII / 2016 dated August 18, 2016 regarding the Request and Response Information that explains to information requests from stakeholders to be responses no later than 60 days after the information is	Closed	24 August 2016

CAR No.	Ref. Std.	Findings	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closing date
							<p>received</p> <p>Preventive action: Socializing Internal Memorandum (IM) to all the managers who are at Bingin Teluk location to carry out and implement the IM on work areas</p> <p>Auditor conclusion: 24 August 2016 PT PP LONSUM has had Internal Memorandum (IM) of Area Manager Agronomy (AMA) of Bingin Teluk dated August 18, 2016 regarding the Request and Response Information that explains to information requests from stakeholders to be responses no later than 60 days after the information is received.</p> <p>Major verification on 6 October 2016 The results of interviews with manager of BEE, BCE and BE-POM it is known that they understand the deadline for responding to the incoming letter not more than 60 days after the letter was received. When a field visit is known that the management unit has responded to the incoming letter regarding requests for assistance to independence day activities and responded by providing direct assistance realization (recorded in the Communication Book).</p>		

CAR No.	Ref. Std.	Findings	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closing date
							Based on the corrective action nonconformities No. 2016.2 is closed		
2016.3	1.3.1	Integrity Code and ethical behavior. Based on interviews with workers at the BCE, it is known that workers do not know the policy about the behavior of the company's business that includes the prohibition of corruption, bribery and fraud as well as obeying laws and regulations.	Estate	Minor	ASA-2	Company must be able to show that all workers understand the company policy on Business Conduct which includes the prohibition of corruption, bribery and fraud, and obey the laws and regulations.	Root cause: Corrective action (+evidence) Preventive action: Auditor conclusion:		
2016.4	2.1.1	Regulatory Compliance. Based on the study documents of Unpermanent Daily Workers list, there are workers who for three consecutive months to work more than 21 days and have not been appointed to be Permanent Daily Workers, for example harvesters in Batu Cemerlang Estate and Grading in Belani Elok palm oil mill. This is not in accordance with Minister of Manpower Decision 100 in 2004 concerning Employment Agreement Provisions Certain Time.	Estate & POM	Major	23 August 2016	The company must be able to show that all operations are carried out according to regulations.	Root cause: Personnel who in charge on the record of attendance is less conduct a re-examination of the presence of workers Corrective action (+evidence) 24 August 2016 Conducting the process of appointing daily workers into permanent employees if he/she have worked for 21 days for 3 months consecutive Preventive action: <ul style="list-style-type: none"> Implement a program of socialization regarding the mechanism of attendance The number of daily workers needed 	Closed with observ ation	6 October 2016

CAR No.	Ref. Std.	Findings	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closing date
							<p>to be controlled according to the ratio of labor in estate and mill and also provisions that have been set.</p> <p>Auditor conclusion: 24 August 2016 The management unit of BCE and BE POM have shown the document of daily employees appointment who work for 21 days in three consecutive months for some of daily employees. However, the management unit has not been able to show that all employees are in accordance with regulations.</p> <p>Based on the corrective action nonconformities No. 2016.4 is not yet closed</p> <p>Major Verification on 3 October 2016</p> <ul style="list-style-type: none"> An internal memorandum dated August 3, 2016 from the Director of HR on an evaluation of the ratio of labor. The memo explains that the company will evaluate the amount of labor that exist both permanent and non-permanent. Stages that will be carried by the company is doing the mapping and evaluation of positions that will be categorized as DRP, contract workers and casual laborers; Selection acceptance, 		

CAR No.	Ref. Std.	Findings	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closing date
							<p>dissemination duties and responsibilities, and signed an agreement.</p> <ul style="list-style-type: none"> Company shows worker attendance policy by using fingerprint (No. 007 / S & P / SKP / 09/2016 dated 22 September 2016), the document states that the results of attendance should be evaluated and analyzed by a related party (HR Estate → HR Palembang → HR Jakarta). The system created is sufficient to set the control over employee attendance at company. Minutes of meeting for socialization of monitoring attendance dated 3 October 2016 to workers who monitor absent (HR/payroll check). Results of interviews with payroll check in BEE and BCE shows that they already know about the HR policy regarding the evaluation of attendance for workers with daily status. Each unit has demonstrated record of the identification and analysis to rationalize daily workers conducted in August 2016. Rationalization is meant is to control and verify the status of workers (daily workers / contract workers). Based on the results of the rationalization was 		

CAR No.	Ref. Std.	Findings	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closing date
							<p>shown the following results:</p> <p>a. Appointment decision daily worker become permanent workers (DRP) for the worker of BE POM in shortage section on 10 August 2016.</p> <p>b. The company has demonstrated the data proposed promotional contract workers for 2017 in BE-POM for 42 workers, in BCE for 21 workers and in BEE for 29 workers</p> <p>Based on major verification nonconformities No. 2016.2 is closed. The effectiveness of corrective actions will be seen in the next audit.</p>		
2016.5	2.1.3	<p>Regulatory Compliance Mechanisms.</p> <p>Based on the evaluation rules, the company has complied with all regulations but still found their non-compliance with regulations, for example:</p> <ul style="list-style-type: none"> Based on field visits temporary warehouse of hazardous wastes and toxic in BCE not already have an eye wash, it is not in accordance with Decree of 	Estate	Minor	ASA-2	Company have to show that the mechanism to ensure compliance with the regulations has been implemented	<p>Root cause:</p> <p>Corrective action (+evidence)</p> <p>Preventive action:</p> <p>Auditor conclusion:</p>		

CAR No.	Ref. Std.	Findings	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closing date
		<p>Environmental Bodies No. 1 in 1995.</p> <ul style="list-style-type: none"> Company have not a OHS Officer and Guiding Committee of Occupational Safety & Health structure which was approved by the relevant agencies. This is not in accordance with the Manpower Regulation No. 4 in 1987. Based on interviews with spraying workers in division I BEE, explained that the PPE with the type of footwear has not provided from the company. This is not accordance with the Manpower Regulation No. 08 in 2010. Following a visit to Belani Elok POM, BEE and BCE, the contents of the First Aid box not accordance with Manpower Regulation No. 15 in 2008 							
2016.6	2.2.2	<p>Legal Boundaries</p> <p>The company could not show a legal boundary map that</p>	Estate	Major	23 August 2016	The company must be able to show the maps depicting the legal limit throughout	<p>Root cause:</p> <p>Having the map of HGU poles but the map which has been shown in the</p>	Closed	6 October 2016

CAR No.	Ref. Std.	Findings	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closing date
		describes all legal boundary markers and boundary markers in monitoring the results of BCE.				the legal boundary markers and showed the documentary evidence in accordance with the procedures of pegs monitoring.	<p>surveillance audit still not showing all of the position for boundaries pole which is available in work location area and no Filling System which clearly to store the maps and record of HGU poles monitoring.</p> <p>Corrective action: 22 August 2016</p> <ol style="list-style-type: none"> 1. Map of HGU pole for all boundaries pole which are available in the BCE area. 2. Summary report of HGU pole which has been conducted by BCE on August 2016. <p>31 August 2016 Unit of management has been showing the location map of HGU pole which is describing all of legal boundaries pole in the area of Belani Elok Estate (BEE), Sei Kepayang Estate (SKE), Bukit Hijau Estate (BHE), and Ketapat Bening Estate (KBE).</p> <p>Preventive Action: Correcting the filling system of operational and do the routine monitoring for all HGU pole which are available.</p> <p>The conclusion of auditor :</p>		

CAR No.	Ref. Std.	Findings	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closing date
							<p>22 August 2016 Unit of management has been shown : 1. Location map of HGU pole in the area of BCE. The map was made based on the map of national land agency. Based on the map, there're 56 boundaries pole which were available in the BCE work location area. 2. Summary report monitoring of HGU pole which has been conducted by Batu Cemerang Estate on August 2016. Based on the monitoring report, it's known that all of boundaries pole (56 boundaries pole) that in the BCE operational area were in a good condition. The monitoring result has been also documented.</p> <p>The company still could not shown the map which is describing all of the legal boundaries pole.</p> <p>Based on the corrective evidence which has been sent, the nonconformity No. 2016.6 is not yet closed.</p> <p>31 August 2016 The company has been showing the map which is describing all the legal of boundaries pole in the operational area.</p>		

CAR No.	Ref. Std.	Findings	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closing date
							<p>Based on the corrective evidence, it needs to be re-verified by doing the field visit for measuring the legal of boundaries pole which has been monitored.</p> <p>Major Verification on 5 October 2016 The results of field visits in BCE show that the boundary pole No. 60 and 121 in good condition. While the results of field visits in BEE show that the boundary pole No. 49 in good condition. Based on interview with surveyor is known that the HGU pole is monitored every year in BCE and every six month in BEE.</p> <p>Based on major verification nonconformities No. 2016.6 is closed. The effectiveness of corrective actions and consistency will be seen in the next audit</p>		
2016.7	3.1.1	<p>Long-term plans The company could not demonstrate long-term business plan for the parameter estimates CPO prices and financial indicators and the estimated income.</p>	PT PP Lonsum Belani Elok	Major	23 August 2016	The company must be able to demonstrate long-term plan for the parameter estimates CPO prices and financial indicators and the estimated income of at least the next three years.	<p>Root cause: There is no information format for presenting long-term plan to accommodate all of the required parameters</p> <p>Corrective action: 22 August 2016 Unit of estates of PT PP London Sumatra Indonesia, Tbk. has been shown the long</p>	Closed	22 August 2016

CAR No.	Ref. Std.	Findings	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closing date
							<p>term plan document in the form of Forward Study for Bingin Teluk Area. The location which is showing the estimation price of CPO and the financial indicator and the estimation of income statement for the next five years.</p> <p>Preventive action: Presenting the data which is occur available in the estate and mill that related with production.</p> <p>The conclusion of auditor: 22 August 2016 The company has been shown the document of long term planning period 2016 – 2020 in the form of “Forward Study” for Bingin Teluk Area which was presented the estimation price of CPO and financial indicator and the estimation of income statement for the next 5 years.</p> <p>Based on the corrective evidence which has been sent, so the Nonconformity No. 2016.7 is closed.</p>		
2016.8	4.1.4	FFB third party The POM receives FFB from third parties, namely smallholdings, but the unit has not been able to show the full record related the origins FFB	POM	Major	23 August 2016	Companies must be able to show the record of FFB origins to all third parties	<p>Root cause: Documents FFB purchase agreement with the third party is already there, but the documents are stored in the Strong File in Palembang.</p>	Closed	6 October 2016

CAR No.	Ref. Std.	Findings	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closing date
		from third parties that already have a contract, as set out in the admission procedure for smallholdings.					<p>Corrective action: 22 August 2016 Unit of estate of PT PP London Sumatra Indonesia, Tbk has show the document of sale and purchase agreement of FFB with the village cooperative unit in the area of Air Bening Region and Dwi Makmur Region, such as:</p> <ol style="list-style-type: none"> 1. Contract with Beringin Makmur Village Cooperative Unit 2. Contract with Fajar Sidik Village Cooperative Unit 3. Contract with Jasa Usaha Bersama Village Cooperative Unit 4. Contract with Jaya Makmur Village Cooperative Unit 5. Contract with Karya Bersama Village Cooperative Unit 6. Contract with Karya Membangun Village Cooperative Unit 7. Contract with Karya Mulya Village Cooperative Unit 8. Contract with Sumber Rejeki Village Cooperative Unit <p>Preventive action: Provide Filing Systems in BPOM for the maintenance the documents of purchase agreement of Third Party FFB.</p> <p>The conclusion of auditor: 22 August 2016</p>		

CAR No.	Ref. Std.	Findings	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closing date
							<p>The company has shown the work agreement with the scheme smallholder, however half of them have still not shown, such as the work agreement with Klumpang Abadi and Giri Mulya Village Cooperative Unit.</p> <p>Based on the corrective evidence which has been sent, the non conformance NO. 2016.8 is not yet closed.</p> <p>Major Verification on 5 October 2016 The Company has shown the following documents:</p> <ul style="list-style-type: none"> • The cooperation agreement between the company and KUD Giri Mulya dated 20 February 2003. • The cooperation agreement between the company and KUD Kelumpang abadi dated 23 August 2001. • Labeling mechanism for document storage system <p>The Company has shown for two KUD that have not been shown on the results of the first verification. Based on the evidence, the Nonconformity No. 2016.8 is closed.</p> <p>The effectiveness of corrective actions and consistency will be seen in the next audit.</p>		

CAR No.	Ref. Std.	Findings	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closing date
2016.9	4.1.1 4.6.7	<p>The understanding the procedure</p> <p>Based on interviews with spraying worker in Block 04110751 BEE and BCE's office concluded that the worker:</p> <ul style="list-style-type: none"> Found PPE mask that does not comply with the company regulations. Workers have not been able to explain the type of area that is forbidden to carry out spraying. Worker mixed the pesticide in the field, which is not equipped with a container spill / spilled pesticides. The three points mentioned above have not been in accordance with the procedure Operational Procedure (OP) section 5.2.2 for guidance on safe use of pesticides. 	Estate & POM	Major	23 August 2016	Companies need to show evidence that employees carrying out work based on established procedures.	<p>Root cause:</p> <p>Lack of awareness of spray workers regarding to the health impact and safety due to not using the PPE, and still not understanding the impact to environment if the implementation of spraying is not suitable with the corporate SOP.</p> <p>Corrective action (+evidence) 24 August 2016</p> <ul style="list-style-type: none"> PT PP London Sumatra Indonesia, Tbk was giving a complete PPE which is suitable with the SOP such as boot, face protector, gloves, mask and apron to the worker (spray worker), that could be shown by the document of news event transfer of PPE to Unit of Batu Cemerlang Estate on 16th of August 2016 and Unit of Belani Elok Estate on 2nd of August 2016. Socialization regarding to the forbidden area for spraying activity, which is shown by the news event of training for SOP No. 5.2.2 regarding to the guide to safe use of pesticide. The training was attended by spray workers and supervisor in BCE on 16th of August 2016 (attended by fifteen workers) and in BEE on 2nd of August 2016 (attended by 11 workers). The topic which was given 	Closed	6 October 2016

CAR No.	Ref. Std.	Findings	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closing date
							<p>such as the knowledge of the level of toxicity, safety storage for preventive action, mixing (process) of solvent and spraying, first aid, PPE and the handling of pesticide waste.</p> <ul style="list-style-type: none"> Unit of BCE and BEE have been preparing the tools for container spills or pesticides spills in the form of drum and wood box which is given by tarpaulin. Provide awareness to spray workers related to health and safety effects due to not use of PPE, and not understand the impact on the environment if the implementation of spraying is not in accordance with company's SOP. <p>Preventive action: Do the periodical socialization regarding to the standard operational of operational 5.2.2 (guide to safe use of pesticides) for spray workers.</p> <p>The conclusion of auditor: 24 August 2016 Based on the corrective evidence which has been given, it could be concluded that the corporate has been giving a complete PPE based on the procedure and the training for spray worker</p>		

CAR No.	Ref. Std.	Findings	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closing date
							<p>regarding to the understanding practice of using the safe pesticide. However, this matter has to be re-verified by doing the field trip to ensure that the comformance between procedure and implementation in the field has been conducted in all estates.</p> <p>Major Verification on 5 October 2016 Based on field visit and interviews with workers spray in the BCE and BEE note the following matters:</p> <ul style="list-style-type: none"> • Spray workers has wearing PPE appropriate to the type of their work (masks, eye protection, gloves, apron, boots) • know the prohibition areas for spraying activity • Knowing how to safe working practices • Knowing the risks of work related to the use of pesticides are used • During the field visit, has provided tools for accommodate pesticed spills when mixing the pesticides. <p>Based on the evidence, the Nonconformity No. 2016.9 is closed.</p>		
2016. 10	4.1.2	<p>Compliance mechanism internal audit findings</p> <p>Companies do not have a</p>	Estate & POM	minor	ASA-2	The company must have a compliance mechanism and the completion of the	<p>Root cause:</p> <p>Corrective action (+evidence)</p>		

CAR No.	Ref. Std.	Findings	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closing date
		mechanism deadline fulfillment and completion of internal audit findings. Until the external audit activities RSPO ASA-1, the management unit has not been able to provide evidence of the improvement of the internal audit in 2015.				internal audit findings.	<p>Preventive action:</p> <p>Auditor conclusion:</p>		
2016.11	4.2.1	Soil fertility management The Company did not carry out efforts to manage soil fertility in BEE and BCE in 2016.	Estate	minor	ASA-2	The company should provide the evidence of carrying out the management of soil fertility to levels which can ensure optimal and sustainable results.	<p>Root cause:</p> <p>Corrective action (+evidence)</p> <p>Preventive action:</p> <p>Auditor conclusion:</p>		
2016.12	4.2.3	Analysis of leaves and soil The Company has not been able to provide the results of analysis of leaves and soil for monitoring changes in nutrient status of the soil and leaf tissue and used for the calculation of the annual fertilizer recommendation.	Estate	minor	ASA-2	Company must be able to provide the results of analysis of leaves and soil for monitoring changes in nutritional status.	<p>Root cause:</p> <p>Corrective action (+evidence)</p> <p>Preventive action:</p> <p>Auditor conclusion:</p>		
2016.13	4.3.1	Soil Maps The company could not provide a map of the soil in sufficient scale, at least 1: 50,000.	Estate	Major	23 August 2016	The company must be provided maps of soil in sufficient scale, at least 1: 50,000.	<p>Root cause: Land map which has been shown during the audit activity still not yet have an available scale.</p> <p>Corrective action (+evidence)</p>	Closed	31 August 2016

CAR No.	Ref. Std.	Findings	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closing date
							<p>23 August 2016 PT PP London Sumatra Indonesia, Tbk has been showing the land map with scale 1: 60.000 for the unit of Batu Cemerlang Estate and Belani Elok Estate.</p> <p>31 August 2016 The corporate has been showing the type of land map with the scale 1:50,000 for unit of Batu Cemerlang Estate and Belani Elok Estate.</p> <p>Preventive Action: Positioning the land map which is available in each estate.</p> <p>The conclusion of auditor: 23 August 2016 The corporate has been showing the type of land map with the scale 1:60,000. However the type of land map with the scale 1 : 50,000 is still not available.</p> <p>31 August 2016 The corporate can show the land map of soil survey result in 2014 with scale 1 : 50,000. The land map which has been sent, assessed has been fulfilled the cartographic rules. Based on the corrective evidence which has been sent, the Noncomformity No. 2016.11 is closed.</p>		

CAR No.	Ref. Std.	Findings	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closing date
2016.14	4.3.3	Road maintenance program Unit management of BEE and BCE can not provide the road maintenance program in 2016.	BCE	minor	ASA-2	BCA plantation should be provide the road maintenance program in 2016.	Root cause: Corrective action (+evidence) Preventive action: Auditor conclusion:		
2016.15	4.4.1	Water Management Plan The company could not show the water resources management plan that includes: <ul style="list-style-type: none"> • Efficient use of water • Renewability of water resources • The impact on water catchment areas and local stakeholders • Access to clean water throughout the year for local communities • Avoid contamination of surface and ground water 	Estate & POM	Minor	ASA-2	The company must be able to show the water resources management plan that used.	Root cause: Corrective action (+evidence) Preventive action: Auditor conclusion:		
2016.16	4.6.5 4.6.9	Completeness MSDS and application of pesticides <ul style="list-style-type: none"> • MSDS are available at the warehouse of pesticides is not appropriate and complete. For example, 	Estate	Major	23 August 2016	<ul style="list-style-type: none"> • MSDS must be provided in accordance with pesticides owned. • Companies should be able to provided 	Root cause: <ul style="list-style-type: none"> • MSDS that there had been using its own format which content come from MSDS vendors that need to be consistency in the provision of the MSDS 	Closed	6 October 2016

CAR No.	Ref. Std.	Findings	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closing date
		<p>MSDS brand Lindomin, Sevin, Matador, Gramoxone, Klerat and Elang in BEE are not from the vendor and found no MSDS for Starlon.</p> <ul style="list-style-type: none"> The management unit has not been monitoring the use of PPE for workers spray. The results of interviews with workers spray in Block 04110751 BEE and at the office of BCE shows that employees do not understand and implement procedures best practice such as, completeness and appropriateness PPE use, hazard risk of pesticide use, areas that are prohibited to carry out spraying and there is no container when mixing pesticides activities in the field. 				<p>evidence of the use of PPE has carried out monitoring of workers spray.</p> <ul style="list-style-type: none"> Company must be able to show proof that employees understand and carry out their work based on established procedures. 	<ul style="list-style-type: none"> Filling System for documents of PPE use monitoring is not well maintained. Lack of awareness of spray worker to the hazard application of pesticide which is not suitable with the standard operational procedure to the health, safety, and environmental. <p>Corrective action 22 August 2016</p> <ul style="list-style-type: none"> PT PP London Sumatra Indonesia, Tbk has given the corrective document in the form of MSDS that was coming from the vendor for every material which has been saved. Unit of BEE and BCE have been showing the documentation of MSDS placing in pesticide warehouse. Unit of BCE and BEE have been showing the document check list of PPE using for spray worker which has been done during the implementation of spray activity. PT PP London Sumatra Indonesia, Tbk has given the document of corrective evidence related to the completeness and conformance of PPE which has been used, the hazard risk for using the pesticide, 		

CAR No.	Ref. Std.	Findings	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closing date
							<p>the forbidden area to do the activity of spraying, such as :</p> <p>a. Unit of BCE has been showing the document of news event for standard operational of procedure 5.2.2 related to the safety guidance to use the pesticide which has been conducted on 16th of August 2016 and followed by the member of spraying and supervisor.</p> <p>b. Unit of BEE has been showing the document of minutes of meeting for training SOP 5.2.2 related to the safety guidance of pesticide which has been conducted on 2 August 2016 and followed by the member of spraying and supervisor.</p> <p>Preventive action:</p> <ul style="list-style-type: none"> • Conduct regular monitoring by warehouse personnel to ensure the MSDS from Vendor always in the proper place. • Provides Filing system for maintenance monitoring documents of PPE use by Spray Operator • Improving supervision when the spraying activity will be held. 		

CAR No.	Ref. Std.	Findings	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closing date
							<p>The conclusion of auditor: 22 August 2016 MSDS</p> <p>The corporate has been showing the evidence of MSDS instalation for agrochemical material which is available in the warehouse of agrochemical material by the photo documentation. Type of MSDS which has been installed, such as :</p> <ul style="list-style-type: none"> • Warehouse of BCE: has been completed the pesticide of MSDS with brand Gramoxone, Starlon, Lindomin, Elang, Metsulindo, and Klerat. • Warehouse of BEE: Gramoxone, Metsulindo, Elang, Decis, Matador, Sevin, Klerat, Top Zonem Agristic, Antracol, Antracol 70 WP, Lindomin, and Starlon. <p>Based on the explanation above, it can be concluded that the corporate has been completed the MSDS in accordance with the pesticide which has been saved in agrochemical material storage. However, this matter will be re-verified in the field, especially for the warehouse storage in the other unit of estate.</p> <p>The using of PPE and The Understanding of Spray Workers</p>		

CAR No.	Ref. Std.	Findings	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closing date
							<p>Regarding to its techinal work</p> <p>The corporate has been showing the documentation monitoring of PPE which is submitting the name of worker, type of PPE, location (estate and division), date, month, and year. Based on the monitoring checklist of PPE, unit of spraying work on 13th of August 2016 have been showing that five of BEE and BCE Spray Workers have been using the complete PPE in accordance with the procedure, such as boot, face protector, rubber gloves, respirator, apron, clothes for spraying. However, the conformance of PPE using in the field and the understanding of spray workers in all units of estate related to its technical would be evidenced by re-verifying in the field.</p> <p>Based on the corrective evidence which has been sent, the Nonconformity No. 2016.11 is not yet closed.</p> <p>Major Verification on 5 October 2016</p> <p>The results of field visits in the warehouse of BCE shows that there are five types of pesticides that lindomin, gramoxone, eagles, metsulindo and starlon. While the results of field visits in the warehouse of BEE shows that there are 12 types of pesticides that</p>		

CAR No.	Ref. Std.	Findings	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closing date
							<p>Gramoxone, Metsulindo, Eagle, Decis, Matador, Sevin, Klerat, Top Zone, Agristic, Antracol, Lindomin and Starlon. The whole of pesticides have been equipped with MSDS</p> <p>Spray workers Based on field visits and the results of interviews with workers spray at BCE and BEE is known the following:</p> <ul style="list-style-type: none"> • Spray workers has wearing PPE appropriate to the type of their work (masks, eye protection, gloves, apron, boots) • know the prohibition areas for spraying activity • Knowing how to safe working practices • Knowing the risks of work related to the use of pesticides are used • During the field visit, has provided tools for accommodate pesticed spills when mixing the pesticides <p>Based on the evidence, the Nonconformity No. 2016.16 is closed. The effectiveness of corrective actions and consistency will be seen in the next audit.</p>		
2016.17	4.6.6	Storage of pesticides and ex pesticide containers should	Estate & POM	Major	23 August	Management unit must show evidence of pesticide	<p>Root cause: Lack of awareness from the society who</p>	Closed	6 October 2016

CAR No.	Ref. Std.	Findings	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closing date
		<p>be discarded and not used for other purposes</p> <p>Based on the field in the housing BEE and BCE found ex pesticide containers are discarded and used for other purposes.</p>			2016	disposal in accordance with established procedures.	<p>live around the estate to the hazard of using the ex pesticide containers.</p> <p>Corrective action (+evidence) 23 August 2016 PT PP London Sumatra Indonesia, Tbk has been showing the corrective evidence, such as :</p> <ul style="list-style-type: none"> - Unit of BCE has been showing the evidence in the form of socialization document of used pesticide containers management which had been held on 16 August 2016 to the worker and society who live in the housing of estate and change the containers of used pesticide in the housing with plastic bucket. - Unit of BEE has been showing the evidence in the form of socialization document of used pesticide containers management on 25 July 2016 to worker and society who live in the housing of estate and change the used pesticide containers in the housing with plastic bucket. - Provide awareness to the community in the estate related to the dangers of using pesticide containers <p>Preventive action: Change the packaging of used pesticide in the housing with plastic bucket.</p>		

CAR No.	Ref. Std.	Findings	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closing date
							<p>The conclusion of auditor: 23 August 2016 The corporate has been showing the evidence of socialization regarding to the hazard of using the used pesticide container which exploited with plastic container that was provided by corporate. Based on the corrective evidence which has been sent, the Nonconformity 2016.17 is not yet closed due to the needs of re-verified in the field to ensure that the used pesticide packaging disposed with responsible.</p> <p>Major Verification on 5 October 2016 Auditors have conducted field visits to ensure that former of pesticide containers are not reused in housing. The results of the field verification and interview is known that the former pesticide containers are no longer used in employee housing.</p> <p>The Company has shown the documents in form of internal memo about the ban on the hazardous waste use (No. 0125 / BEE / EST / X / 2016) to all employees. In addition, the company will perform the inspection program to housing for the use of hazardous waste materials and domestic waste. Based on the evidence,</p>		

CAR No.	Ref. Std.	Findings	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closing date
							the Nonconformity No. 2016.17 is closed. The effectiveness of corrective actions and consistency will be seen in the next audit.		
2016.18	4.6.11	Annual medical supervision for pesticide operators Based on a review of documents and field visits in Belani Elok Estate and Batu Cemerlang Estate, company has not made specific health checks to all pesticide operators (35 BEE and 60 BCE).	Estate & POM	Major	23 August 2016	Management unit must conduct annual medical supervision to all operators of pesticides.	Root cause: The medical examination has not been scheduled in detail so that the provision of funds not coordinated well. Corrective action: 24 August 2016 Unit of estate of PT PP London Sumatra Indonesia, Tbk has been showing the result of medical check up (cholinesterase) for BCE and BEE spray workers which was held by UPTD Hiperkes and occupational health department of labour South Sumatra Province on 15 August 2016 Preventive action: Improve control by estate and HS Dept on a schedule of periodic health examination. Auditor conclusion: 24 August 2016 Unit of estate of PT PP London Sumatra Indonesia, Tbk has been showing the document result of medical check up (cholinesterase) for BCE and BEE spray	Closed with observation	6 October 2016

CAR No.	Ref. Std.	Findings	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closing date
							<p>workers which has been held by UPTD Hiperkes and Department of Labor of Occupational Safety of South Sumatra Province on 15 August 2016. Based on the data, it's known that there are ten spray workers of BEE and sixteen spray workers of BCE who have been checked of their health. So, there're still some workers who have not been checked, such as:</p> <ul style="list-style-type: none"> - 25 BEE spray workers - 44 BCE spray workers <p>Based on the corrective evidence which has been given, it's known that not all the operator of pesticide have been checked periodically.</p> <p>22 September 2016 The Company showed a letter from the UPTD Hiperkes and Department of Labor of Occupational Safety of South Sumatra Province No.070 / 085 / UPTD / BHP / 2016 dated 8 September 2016 about Implementation of the Periodic Health Examination for Labor to be conducted on 19 September 2016.</p> <p>Based on the corrective evidence which has been given, field verification needs to be done to ensure that annual medical surveillance has been carried to all</p>		

CAR No.	Ref. Std.	Findings	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closing date
							<p>operators of pesticides.</p> <p>Major Verification on 6 October 2016 According to interviews with spray workers of Division II BCE known that they had examined the health in August 2016. The company has also demonstrated the attendance list for health checks on 44 spray workers of BCE which conducted by UPTD Hiperkes and Department of Labor of Occupational Safety of South Sumatra Province, but the result not yet published.</p> <p>According to interviews with spray workers of Division II BEE known that they had examined the health in September 2016. The company has also demonstrated the attendance list for health checks on 36 spray workers of BEE which conducted by UPTD Hiperkes and Department of Labor of Occupational Safety of South Sumatra Province, but the result not yet published.</p> <p>Results of interviews with estate personnel and HS departments known that for health checks on pesticide operator has been understood by each party and coordinate regularly via email.</p> <p>Based on major verification</p>		

CAR No.	Ref. Std.	Findings	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closing date
							Nonconformity No. 2016.18 is closed and will be observe again related to the result of Health Examination.		
2016.19	4.7.3	Safe working practices <ul style="list-style-type: none"> Management can not show that all heavy vehicle operator in BCE and BEE already get safe working practices. Field visit in estate shows that there are some workers undisciplined in PPE use at working place Field visit in POM known that workers in sterilization station using cotton to covers the ears 	Estate & POM	Major	23 August 2016	Management unit should be able to show evidence of all workers have been trained in safe working practices and PPE	<p>Root cause: Lack of awareness of the estate and mill workers with the safety work implementation.</p> <p>Corrective action (+evidence) 23 August 2016 Unit of estate of PT PP London Sumatra Indonesia, Tbk has been showing the corrective document, such as:</p> <ul style="list-style-type: none"> Unit of BCE has been showing the internal of memorandum regarding to the training request for the lift and haul operator No 007/BBC-EM/HRD/VIII/2016 on 10 August 2016. Unit of BEE has been showing the internal of memorandum regarding to the training request for the lift and haul operator No 087/BEE/HR-PBO/VIII/2016 on 10 August 2016. Which is based on this request, has been followed up by the human resource department No 151/HRD/TR/IN/VIII/2016 in regard to the training invitation "Certification for Lift and Haul Operator" which will be held on 19-23 September 2016. Increase awareness of employees on 	Closed	6 October 2016

CAR No.	Ref. Std.	Findings	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closing date
							<p>the use of PPE that has been set by the company in the work, by giving socialization the hazard if not using the PPE has been held on 25 July 2016 in BEE, 18 July 2016 in BE POM and 16 August 2016 in BCE.</p> <p>Preventive action:</p> <ul style="list-style-type: none"> Evaluating the implementation of the training program needs in the estate and mill Inspection the completeness of PPE by direct supervisor. <p>Auditor conclusion: 23 August 2016 The corporate has been showing the socialization evidence for workers to upgrading awareness of using the PPE, in the form of minutes of meeting, attendance and photo, such as :</p> <ul style="list-style-type: none"> Hazard socialization for not using the PPE for 25 workers in BCE on 16 August 2016. Hazard socialization for not using the PPE for 22 workers in BEE on 25 July 2016. Hazard socialization for not using the PPE for 8 workers in Belani Elok POM on 18 July 2016. <p>In the socialization minutes of meeting,</p>		

CAR No.	Ref. Std.	Findings	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closing date																																		
							<p>has been explained that the workers must be used the PPE, the workers must be measuring the condition of PPE before do the work, and explaining the negative impact that will be inflicted if they're not using the PPE.</p> <p>The corporate also has been showing the training invitation for lift and haul operator with the letter from the training and recruitment manager (No. 151/HRD/TR/IN/VIII/2016 on 18 August 2016) which has been submitted that there're 21 of heavy equipment operators (13 operator from BEE and 8 operators from BCE) will do the training "Certification of Lift and Haul Operator" on 19-23 September 2016. Due to the implementation of training will be verified furthermore on the next assessment.</p> <p>Major Verification on 6 October 2016 Based on the document review "list Lift and Haul Operator in BCE 2016" finds that there:</p> <table><tr><th rowspan="2">Types of heavy equipment</th><th colspan="2">Unit</th><th colspan="2">license</th><th colspan="2">Without license</th></tr><tr><th>B C E</th><th>B E E</th><th>BC E</th><th>BE E</th><th>BC E</th><th>BE E</th></tr><tr><td>Tractor</td><td>2</td><td>2</td><td>1</td><td>2</td><td>1</td><td>-</td></tr><tr><td>Excavacator</td><td>2</td><td>1</td><td>1</td><td>1</td><td>1</td><td>-</td></tr><tr><td>Road greader</td><td>1</td><td>1</td><td>1</td><td>1</td><td>-</td><td>-</td></tr></table>	Types of heavy equipment	Unit		license		Without license		B C E	B E E	BC E	BE E	BC E	BE E	Tractor	2	2	1	2	1	-	Excavacator	2	1	1	1	1	-	Road greader	1	1	1	1	-	-		
Types of heavy equipment	Unit		license		Without license																																						
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CAR No.	Ref. Std.	Findings	Location	Grade	Time Limit	Corrective Action	Observation							Status	Closing date														
							<table><tr><td>compactor</td><td>1</td><td>1</td><td>1</td><td>1</td><td>-</td><td>-</td></tr><tr><td>Becholoader</td><td>1</td><td>1</td><td>1</td><td>1</td><td>-</td><td>-</td></tr></table>							compactor	1	1	1	1	-	-	Becholoader	1	1	1	1	-	-		
compactor	1	1	1	1	-	-																							
Becholoader	1	1	1	1	-	-																							
							<p>Based on these data, the company has provided training safe working practices by involving the operator in the training for lift and haul operator. Based on interviews with several employees and operators known that these personnel have to know how to work a safe and how unsafe condition that should be avoided. As for workers who do not have the license is transferred to other part which is helper and given training in safe work performed by internal training (2016).</p> <p>The corporate has been showing the documentation monitoring of PPE which is submitting the name of worker, type of PPE, location (estate and division), date, month, and year. Based on field visit in BCE and BEE shows that spary workers and harvest workers is using the PPE while working.</p> <p>During a visit to BE POM is known that workers in the sterilizer has used ear plugs and other appropriate PPE. The use of PPE by workers in the area of loading ramp, thresher station and the engine room has also been using PPE</p>																						

CAR No.	Ref. Std.	Findings	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closing date
							that are set. Based on field visits and additional documents, Nonconformity No. 2016.19 is closed. The effectiveness of corrective actions and consistency will be seen in the next audit.		
2016.20	4.7.5	Emergency response procedures along with instructions that must be clearly understood by all workers In field observations regarding the functioning hidrant simulation where there is a leaky hose. This is not in accordance with emergency procedures section on the evaluation and implementation of periodic testing. To ensure that the equipment is in decent condition used at any time and preparedness emergency response team in implementing its duties and responsibilities need to be evaluated and periodic testing to evaluate their effectiveness.	POM	Minor	ASA-2	Management unit must reevaluate the related evaluation and periodic testing of emergency response equipment. This is to ensure that the equipment in a condition feasible to use.	Root cause: Corrective action (+evidence) Preventive action: Auditor conclusion:		
2016.21	4.7.6	Accident insurance The company could not show	Estate & POM	Minor	ASA-2	Company must demonstrate that all	Root cause:		

CAR No.	Ref. Std.	Findings	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closing date
		that all the employees and contract workers covered by accident insurance.				workers get the protection in medically and accident insurance.	Corrective action (+evidence) Preventive action: Auditor conclusion:		
2016.22	4.7.7	The calculation of Lost Time Accident The Company has not show that all accidents that happen are recorded by using the calculation Lost Time Accident.	Estate & POM	Minor	ASA-2	The Company has should provide that all accidents that happen are recorded by using the calculation Lost Time Accident.	Root cause: Corrective action (+evidence) Preventive action: Auditor conclusion:		
2016.23	4.8.2	The training records for each worker The management unit has not shown that the training records for each worker maintained.	Estate	Minor	ASA-2	Management unit must ensure that every worker training records are documented.	Root cause: Corrective action (+evidence) Preventive action: Auditor conclusion:		
2016.24	5.1.3	Environmental Impact Monitoring Based on the Report of the Environmental Management Plan/Environmental Monitoring Plan 2 nd Semester 2015, the company has not been able to show the monitoring of environmental impacts that carried out in accordance with	Estate & POM	Minor	ASA-2	Company must be able to provide that their environmental management activities are carried out according to Environmental Management Plan/Environmental Monitoring Plan.	Root cause: Corrective action (+evidence) Preventive action: Auditor conclusion:		

CAR No.	Ref. Std.	Findings	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closing date
		<p>Environmental Management Plan/Environmental Monitoring Plan matrix, such as:</p> <ul style="list-style-type: none"> Aspects of the potential fire has not provided the results of the monitoring. Methods of monitoring social aspect have not been realized as planned, by interview with using a questionnaire Public health monitoring methods has not covered the community around the plantation. Companies have not been monitoring air quality in the area of Land Application. Companies do not monitor the quality of the river Rawas. 							
2016.25	5.2.2	<p>Management plan to protect the species RTE</p> <p>The company has had a management plan to protect HCV, but the plan has not been explained about the management of RTE species.</p>	Estate	Major	23 August 2016	Management unit should have a plan to protect the RTE species	<p>Root cause: Planning of management to protect the HCV, still not yet explaining regarding to the planning for RTE species management.</p> <p>Corrective action (+evidence) 22 August 2016 PT PP London Sumatra Indonesia, Tbk has been showing the corrective</p>	Closed with observation	20 Sept 2016

CAR No.	Ref. Std.	Findings	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closing date
							<p>document, such as:</p> <ol style="list-style-type: none"> 1. Planning of HCV management 2. Planning and indicator for HCV monitoring which is explaining related to the planning of RTE species management. <p>Which is inside of the planning has been explaining related to the planning for RTE species management.</p> <p>20 September 2016</p> <p>The corporate has been showing the document of management planning for each type of CV and each of estate. The management planning and monitoring for RTE species (HCV 1.2) have been explaining as below:</p> <ol style="list-style-type: none"> 1. The corporate has been doing the stabilization area which is aim to guarantee the existence of protected area in a long term. The stabilization area has to be efforted and agreed by the parties regarding the condition of social-politic of the society who are dynamic. The recognition of protected area by legally (de jure) will give the guarantee of legal certainty of protected area regarding the status and the limit of area and will minimize the conflict of land using in 		

CAR No.	Ref. Std.	Findings	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closing date
							<p>the future.</p> <p>2. The corporate has been doing the security and protection to the area with all efforts to prevent and limited the harm of protected area which are causing by human activity, livestock, fire, power of nature, pest and disease, also to defend and keep the country's rights over the ecosystem border of river and the value of service, and the shrine/cultural sites.</p> <p>3. The corporate has been implementing the security strategy of estate which are consists of counseling, preventive, action and protecting the flora and fauna, such as:</p> <ul style="list-style-type: none"> • Posting the forbidden board for hunting and forbidden board for damage the plant as a warning for not disturbing flora and fauna within. • Posting the forbidden board for hunting and damage the plant in HCV area which is prone to interference. • Maintaining the forbidden board for hunting and forbidden board for damage the plant in the area of border of river. <p>4. The corporate has been doing the social approach, such as:</p>		

CAR No.	Ref. Std.	Findings	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closing date
							<ul style="list-style-type: none"> • Socialization of HCV which is aim to give the information for all parties regarding to the existence, location and function of border of river. • Counseling to the society routinely regarding the importance of preservation area of border of river, hill, the area around water springs, bufferzone of forest, and shrine/cultural sites, and biodiversity. • Employee training for upgrading the skills of employee of PT PP London Sumatra Indonesia, Tbk. – MUSIRAWAS, especially for the division of environment by joining them in a course in the sector of area management of border of river, and biodiversity, which was held by the related institution. <p>Preventive action: Creating a plan for RTE species management and do the monitoring routinely in accordance to the HCV management plan.</p> <p>Auditor conclusion: 22 August 2016</p>		

CAR No.	Ref. Std.	Findings	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closing date
							<p>The corporate has been showing the plan management of HCV for each type of HCV and each estate. Management plan and monitoring for RTE species (HCV 1.2) has still not yet explaining to:</p> <ul style="list-style-type: none"> Measuring that each law requirement of law which is regarding to the protection of species or habitat has been fulfilled. The area of HCV which is still managed by the society. The species of RTE which is maintained by worker of staff. <p>Based on the corrective evidence which has been given, the nonconformity No. 2016.25 is not yet closed.</p> <p>20 September 2016</p> <p>The corporate has been showing the management plan of HCV and the species of RTE in the operational area. The management plan which has been mentioned, such as the coordination with the related institution, the stabilizing of HCV area with the involvement of all parties, the protection of flora and fauna, etc.</p> <p>Based on the corrective evidence, the Nonconformity No. 2016.25 is closed with observation.</p>		

CAR No.	Ref. Std.	Findings	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closing date
2016.26	5.2.3	Understanding of RTE species and disciplinary action The results of interviews with workers known that they do not understand about the type of RTE species and disciplinary action taken if there is a violation. The management unit has not been monitoring the HCV area to make sure no one lay traps / snares.	Estate	Minor	ASA-2	Management unit should provide an understanding related to RTE species and determine the penalties for infringement.	Root cause: Corrective action (+evidence) Preventive action: Auditor conclusion:		
2016.27	5.2.4	Status monitoring and feedback to the management plan The management unit has conducted monitoring of HCV, but the unit has not documented its actual conditions and have not management plan that has considered the results of monitoring	Estate	Minor	ASA-2	Management unit must conduct monitoring of HCV and the result of monitoring shall be fed back into the next management plan	Root cause: Corrective action (+evidence) Preventive action: Auditor conclusion:		
2016.28	5.2.5	HCV set-aside The management unit has not shown an agreement to protect HCV owned by local communities.	Estate	Minor	ASA-2	Management unit must have an agreement if using HCV owned by local communities.	Root cause: Corrective action (+evidence) Preventive action: Auditor conclusion:		

CAR No.	Ref. Std.	Findings	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closing date
2016.29	5.3.1 5.6.1	Identification of Waste and Pollution Sources Companies have not shown the identification of sources of pollution and emissions generated from operating activities of plantation	Estate	Major	23 August 2016	Company must be able to show the identification of pollution and emissions generated from operating activities of plantation	<p>Root cause: no Filling System which clearly to store the result of identification of pollution and emissions generated from operating activities in estate.</p> <p>Corrective action (+evidence) 29 August 2016 Unit of BCE and BEE of PT PP London Sumatra Indonesia, Tbk has been done the identification for the source of pollution and emission which produced by, resource from Genset, Heavy Equipment, Car, Air Conditioner, Pesticide, and Fertilizer.</p> <p>22 September 2016 Company show the documents of identification of pollution and waste that explains the emission source, type of pollution and type of waste.</p> <p>Preventive action: Do the identification for the source of pollution and emission routinely.</p> <p>Auditor conclusion: 29 August 2016 The corporate has been showing the identification document of pollution and waste sources within explaining the source of emission (heavy equipment, air</p>	Closed	22 Sept 2016

CAR No.	Ref. Std.	Findings	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closing date
							<p>conditioner, genset, pesticide and fertilizer), which can produce the waste and pollution. However, the document still can not explaining the detail type of waste and the pollution which is produced.</p> <p>Based on the explanation above, so the Nonconformity No. 2016.29 is not yet closed.</p> <p>22 September 2016 Company show the documents of identification of pollution and waste that explains the emission source, type of pollution and type of waste.</p> <p>Based on the explanation above, so the Nonconformity No. 2016.29 is closed.</p>		
2016.30	5.3.2	<p>Management of Ex-pesticides Package</p> <p>Based on the results of field visits in BCE housing at 2nd division found that Ex-pesticides Package are not managed in accordance with the procedure:</p> <ul style="list-style-type: none"> Ex-pesticides Package of chemicals used for water storage containers. Ex-pesticides Package Round Up in landfills. 	Estate	Major	23 August 2016	Management unit must manage and ensure that the chemicals packaging waste are managed in accordance with the procedure	<p>Root cause: Lack of awareness from the society who live around the estate to the hazard of using the ex pesticide containers.</p> <p>Corrective action (+evidence) 29 August 2016 PT PP London Sumatra Indonesia, Tbk has been showing the corrective evidence, such as : - Unit of BCE has been showing the evidence in the form of socialization</p>	Closed with observ ation	6 October 2016

CAR No.	Ref. Std.	Findings	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closing date
							<p>document of used pesticide containers management which had been held on 16 August 2016 to the worker and society who live in the housing of estate and change the containers of used pesticide in the housing with plastic bucket.</p> <ul style="list-style-type: none"> - Unit of BEE has been showing the evidence in the form of socialization document of used pesticide containers management on 25 July 2016 to worker and society who live in the housing of estate and change the used pesticide containers in the housing with plastic bucket. - Provide awareness to the community in the estate related to the dangers of using pesticide containers <p>Preventive action: Keep an eye out influx of pesticide containers.</p> <p>Auditor conclusion: 29 August 2016</p> <ul style="list-style-type: none"> • The company can not yet show the latest status of the findings of field conditions (packaging containers of pesticides). • The company showed socialization to workers for pesticide container waste management conducted in 		

CAR No.	Ref. Std.	Findings	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closing date
							<p>BEE on July 25, 2016 with 22 workers and BCE on August 16, 2016 to 25 workers. In this socialization explained that pesticide containers should not be reused for other uses such as water containers, trash can and all packaging must be marked with the former red paint and kept at hazardous waste warehouse.</p> <p>Based on the improvements will need to be carried out field verification to ensure the implementation of waste management.</p> <p>Major Verification on 6 October 2016 Auditors have conducted field visits to ensure that former of pesticide containers are not reused in housing. The results of the field verification and interview is known that the former pesticide containers are no longer used in employee housing.</p> <p>The Company has shown the documents in form of internal memo about the ban on the hazardous waste use (No. 0125 / BEE / EST / X / 2016) to all employees. In addition, the company will perform the inspection program every 3 months to housing for the use of hazardous waste materials and domestic waste. Based on</p>		

CAR No.	Ref. Std.	Findings	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closing date
							the evidence, the Nonconformity No. 2016.30 is closed. The effectiveness of corrective actions and consistency will be seen in the next audit.		
2016.31	5.3.3 5.6.2 7.8.2	Plans and Implementation to Minimize Pollution <ul style="list-style-type: none"> The company has not shown plans and implementation to minimize pollution generated from operating activities of plantation. Based on a visit to the diesel fuel tank in BCE, there are spills of diesel fuel in the charging area which lead contamination in the soil. Based on the field observation of housing in division 2, domestic waste dumped behind the house and burned. This is not in accordance with EMS - WI - 8 on waste management that organic domestic waste managed buried in a pit with min distance of 500 meters from water bodies, fenced and marked. 	Estate	Major	23 August 2016	Company must present a plan to minimize the pollution of all operations and implemented.	Root cause: <ul style="list-style-type: none"> No Filling System which clearly to store the result of plan and implementation to minimize pollution from operating activities in estate. Lack of awareness of fuel charging officer into the car tank to prevent spills Lack of understanding related to the effort for minimizing the pollution. Corrective action (+evidence) 29 August 2016 PT PP London Sumatra Indonesia, Tbk has been showing the corrective document, as below: <ul style="list-style-type: none"> Unit of BCE and BEE have been showing the planning and implementation for minimizing the pollution that produced, and the action which has been done, such as: <ul style="list-style-type: none"> ➤ Maintenance or routine service due to the machine which is the source of pollution. ➤ Planting species of trees. ➤ Socialization or warning 	Closed with observ ation	5 October 2016

CAR No.	Ref. Std.	Findings	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closing date
							<p>regarding to the efficiency of energy and the forbidden warning for burning of the household trash.</p> <ul style="list-style-type: none"> Unit of BCE has been showing the documentation of the removal of former spilled diesel which is in the area of gas station. Unit of BCE has been showing minutes of meeting of socialization for the employee and society who lives in BCE housing, related to the management of domestic waste and has been held on 16 August 2016. Unit of BEE has been showing the document of minutes of meeting of socialization to the employee and society who lives in BEE housing, related to the management of domestic waste which has been held on 4 August 2016. <p>23 September 2016</p> <ul style="list-style-type: none"> The company showed Work Instruksion of admissions process of diesel fuel and Work Instruksion of filling process and also documentation of installation of Work Instruksion in the area around the diesel fuel tank which used by workers as a guide for does not cause pollution of soil. 		

CAR No.	Ref. Std.	Findings	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closing date
							<ul style="list-style-type: none"> The company showed a location map of the landfill that situated in the estate. <p>Preventive action:</p> <ul style="list-style-type: none"> Provides Filing System for maintaining document of plan and realization of pollution and GHG mitigation Provides an understanding the procedures for solar charging to prevent spills Provide awareness to the community who live in housing about the impact of pollution for life and the sources of pollution as well as efforts to minimize the pollution. <p>Auditor conclusion: 29 August 2016 The corporate has been showing the corrective evidence, such as:</p> <ul style="list-style-type: none"> The corporate has been showing the planning and realization of pollution and GHG mitigation for 2016 with kind of type, such as: <ul style="list-style-type: none"> ➤ Planting trees which is planned on December 2016. ➤ Repairing of air conditioner which is done three times in a year and has been realized on March and July 2016. 		

CAR No.	Ref. Std.	Findings	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closing date
							<ul style="list-style-type: none"> ➤ Improvement and maintenance of heavy equipment and genset which have been done every month. ➤ Socialization for the efficiency of electricity. ➤ Forbidden burning of household trash. ➤ Planting of LCC in the new area. • The corporate has been showing the photo of clearance in the fuel tank area which is leak. • The corporate has been showing the socialization regarding to the domestic waste management and agronomy in accordance with the SOP to 40 workers in BCE on 16 August 2016 and in BEE on 4 August 2016 to 15 workers. In the minutes of meeting has been mentioned that the domestic waste is managed by separating the type of waste (organic waste and inorganic waste); for the organic waste, it can be discarded in a special place to be used as mulching; and for the inorganic waste has to be buried with the range 500 meter from the water body. The company could not prove that inorganic waste has to be buried with the range 500 meter from the water body. 		

CAR No.	Ref. Std.	Findings	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closing date
							<p>Based on the explanation above, so the nonconformity No. 2016.31 is not yet closed.</p> <p>23 September 2016</p> <ul style="list-style-type: none"> The Company shows WI-00 dated 17 September 2016 on the process of filling the fuel which describes the prevention of fuel spills by providing the collecting bucket of fuel at the stop valves / connections. The company showed location map of the final disposal (landfill) situated in the estate. For BCE distance between the landfill with water bodies within ± 4 km. While the BCE distance landfill by water bodies within ± 900 meters. <p>Based on the evidence, this needs to be confirmed again during field visits.</p> <p>Major verification on 5 October 2016 BCE and BEE field visit showed that:</p> <ul style="list-style-type: none"> The results of field visits in BCE fuel tank showed that the fuel nozzle has been given a container of the drum to accommodate if there are droplets of diesel fuel. Domestic waste in BCE and BEE had not dumped behind the house and also not burnt. In housing are 		

CAR No.	Ref. Std.	Findings	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closing date
							<p>provided trash bags (organic and organic).</p> <ul style="list-style-type: none"> Domestic waste that produced in housing are transported every 2-3 days to landfills in block 320 division 2 BCE and away from water bodies. <p>The Company has shown the documents in form of internal memo about the ban on the hazardous waste use (No. 0125 / BEE / EST / X / 2016) to all employees. In addition, the company will perform the inspection program every 3 months to housing for the use of hazardous waste materials and domestic waste. Based on the evidence, the Nonconformity No. 2016.32 is closed. The effectiveness of corrective actions and consistency will be seen in the next audit.</p>		
2016.32	6.1.2 6.1.5 7.1.1	<p>Particular Concern for Scheme Smallholder</p> <p>The company could not show that the social impact assessment in 2015 conducted by involving smallholder.</p>	Estate & POM	Major	23 August 2016	Company must be able to show that the social impact assessment has made by involving all relevant stakeholders.	<p>Root cause: Assessment document of social impact which is owned still not involving the smallholders.</p> <p>Corrective action (+evidence) 23 August 2016 PT PP London Sumatra Indonesia, Tbk has been showing the document result of interview and list of attendance the assessment of social impact which was involving the smallholders and has been</p>	Closed	5 October 2016

CAR No.	Ref. Std.	Findings	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closing date
							<p>held on 1 July 2016.</p> <p>Preventive action: Creating the list of stakeholders who were related in the assessment of social impact.</p> <p>Auditor conclusion: 23 August 2016 The corporate has been showing the interview result with the representative of smallholders from Air Bening Region Village Cooperative Unit on July 2016. The corporate must can be showing the result assessment of social impact which was based on the interview result with smallholders.</p> <p>Based on the explanation above, so the Nonconformity No. 2016.32 is not yet closed.</p> <p>Major Verification on 5 October 2016 The company has show SIA reports to the smallholder that include describes issues that developed, positive impacts, negative impacts and efforts made to reduce the negative impact.</p> <p>Based on the explanation, Nonconformity No. 2016.32 is closed.</p>		

CAR No.	Ref. Std.	Findings	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closing date
2016.33	6.5.2	<p>Calculation overtime of unpermanent workers</p> <p>The management unit has not been able to demonstrate clearly the calculation of the overtime hours. Based on interviews with workers at the mill grading Belani Elok, overtime per hour is $1/7 \times HK$. This is not in accordance with the regulations Ministerial Decree 102 of 2004 concerning overtime and overtime pay.</p>	Estate & POM	Major	23 August 2016	Company must be able to demonstrate a basic reference to the calculation of overtime to unpermanent workers in accordance with the regulations.	<p>Root cause:</p> <p>Shortage of permanent worker in resolving operational work, while daily workers work based on working days</p> <p>Corrective action 23 Agustus 2016 PT PP London Sumatra Indonesia, Tbk has been showing the document of internal of memorandum No. 017/HRD/CIR-G/VIII/2016 on 14 August 2016 regarding the overtime for laborer, which is if the laborer has been finished their work in the outside of work hour, so the overtime will be given in accordance with the labor applicable regulation.</p> <p>Preventive action:</p> <p>The implementation over the internal memo for the calculation of over time for laborer in accordance with applicable regulation.</p> <p>Auditor conclusion: 23 August 2016 The corporate has been showing the internal of memorandum No. 017/HRD/CIR-G/VIII/2016 on 14 August 2016 related to the overtime for laborer, however still can not explaining such as:</p> <ul style="list-style-type: none"> - What kind of labor regulation which is used as the indicator for the 	Closed	5 October 2016

CAR No.	Ref. Std.	Findings	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closing date
							<p>calculation of overtime.</p> <ul style="list-style-type: none"> - How is the type of socialization from the internal memo to the worker. - How is the detail calculation of over time which has been mentioned in the internal memo. - How did the corporate can show that the internal memo has been implemented in the field. <p>Based on the explanation above, the Nonconformity No. 2016.33 is not yet closed.</p> <p>Major verification o 5 October 2016 Based on interviews with HR and Head Section known that labor legislation referred to is Manpower Minister Decree No. 102 of 2004, but is not written specifically for accommodating the case of regulatory changes on the calculation of overtime.</p> <p>The POM has demonstrated submission form overtime made by each employee. This form describes the date, hours of work, overtime approval and percentage of overtime hours. Based on the salary slip Employee No. P81800074 as FFB sorting workers is known overtime wages paid in accordance with the applicable labor legislation, namely the first overtime</p>		

CAR No.	Ref. Std.	Findings	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closing date
							<p>hours multiplied by 150% and the second hour multiplied by 200%. Overtime values is obtained from the minimum wages / 173.</p> <p>Overtime calculation has been implemented since July 2016 (paid in August 2016). Based on the explanation, Nonconformity No. 2016.33 is closed.</p>		
2016.34	6.6.2	Minutes of meeting Worker Unions The company can not show evidence of registration of union meetings that have been implemented.	Estate & POM	Minor	ASA-2	Company must be able to show the results of meeting minutes worker unions have been documented.	Root cause: Corrective action (+evidence) Preventive action: Auditor conclusion:		
2016.35	6.9.1	The policy to prevent all forms of abuse and sexual violence Based on a review of documents, interviews with unions as well as interviews with workers can be informed that the current in mill and estate has not provided forum /gender committee specifically related to issues of interest to women. This committee, which should consist of representatives from all areas of work, will consider issues related to women in the	Estate & POM	Major	23 August 2016	Company must be able to show that they has had a Gender Committee as a forum to handling of women's rights.	Root cause: Having the female worker who has been choosen as the representative to delivering the problem which is related to female, however still not yet in the form of a gender committee structure. Corrective action (+evidence) 29 August 2016 PT PP London Sumatra Indonesia, Tbk has been showing the structure of Committee Gender of Woman Protection in the form of flow chart. The highest structure was start from the level of	Closed	6 October 2016

CAR No.	Ref. Std.	Findings	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closing date
		workplace.					<p>builder, Chairman, Secretary, Division of Service, Division of Health for Mother and Children, Division of Counseling Service, and Counseling. The committee structure was formed based on :</p> <ul style="list-style-type: none"> Unit of BCE was formed based on the regulation No. 01/BCE/SK/VIII/2016 on 13 August 2016 which was established by the Estate Manager and the Department of Labour. Unit of BEE was formed based on the regulation No. 01/BEE/SK/VIII/2016 on 1 August 2016 which was established by the Estate Manager and The Department of Labour. Unit of Belani Elok POM was joining in the structure of gender committee in BCE due to there're only three women worker who work in BE-POM. <p>23 September 2016</p> <ul style="list-style-type: none"> The company showed Committee Gender Structure of Women's Protection of BHE is in the structure of the Secretary Mr. Herman Jaya is representative of BEPOM. The company showed documentation of gender socialization committee by attaching 		

CAR No.	Ref. Std.	Findings	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closing date
							<p>a gender committee structure at the division office and first aid post to be known by workers.</p> <p>Preventive action: Creating the work programme for gender committee that has been build.</p> <p>Auditor conclusion: 29 August 2016 The corporate has been showing the organizational structure and the establishment of gender committee in BCE and BEE. However, the corporate has still can not show that the workers have been known the existence of gender committee as the place for handling the women rights.</p> <p>Based on the corrective evidence which has been sent, the non conformance No. 2016.35 is not yet closed.</p> <p>23 September 2016</p> <ul style="list-style-type: none"> The company showed Committee Gender Structure of Women's Protection of BHE is in the structure of the Secretary Mr. Herman Jaya is representative of BEPOM. <p>The company showed documentation of gender socialization committee by attaching a gender committee structure</p>		

CAR No.	Ref. Std.	Findings	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closing date
							<p>at the division office and first aid post to be known by workers.</p> <p>Major verification on 5 October 2016 Based on interviews with women working in the BEE, BCE and BEPOM, it is known that workers already know the gender committee structure and the things what to do in case of sexual harassment.</p> <p>Based on the evidence, the Nonconformity No. 2016.35 is closed. The effectiveness of corrective actions and consistency will be seen in the next audit.</p>		
2016.36	6.10.4	Payments on time The company could not show information of payment FFB to smallholders are paid on time.	Estate & POM	Minor	ASA-2	Company must be able to show the documents of FFB payments to smallholders/cooperatives and conducted in accordance with the agreement.	Root cause: Corrective action (+evidence) Preventive action: Auditor conclusion:		
2016.37	6.13.1	Socialization of Human Rights The Company has not been able to show evidence socialization of human rights for management unit BCE	Estate	Major	23 August 2016	The company must be able to show the evidence socialization of human rights to the workers as a whole.	Root cause: Regarding the human rights contained in the policy of Business Conduct Instruction has been known by all staff and communicated to all employees by their respective superiors, but not well documented.	Closed	5 October 2016

CAR No.	Ref. Std.	Findings	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closing date
							<p>Corrective action (+evidence) 22 August 2016 PT PP London Sumatra Indonesia, Tbk Unit of BCE has been showing the evidence document of human rights socialization which has been held on 16 August 2016.</p> <p>20 September 2016 The corporate has been showing the document of human rights socialization for other unit of estate, such as:</p> <ol style="list-style-type: none"> 1. BHE has been implemented the socialization of human rights on 16 September 2016. 2. Ketapat Bening Estate has been implemented the socialization of human rights on 14 September 2016. 3. Sei Kepayang Estate has been implemented the socialization of human rights on 9-14 September 2016. <p>Preventive action: Creating the schedule for socializing the applicable policy in the corporate.</p> <p>Auditor conclusion: 22 August 2016 Based on the corrective evidence which has been sent, the corporate is still in the</p>		

CAR No.	Ref. Std.	Findings	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closing date
							<p>scope of BCE, whereas the corrective action that has been requested was the evidence of human rights socialization for all workers.</p> <p>Based on the corrective evidence which has been sent, the Nonconformity No. 2016.37 is not yet fulfilled.</p> <p>20 September 2016 The corporate has been showing the record evidence for socialization of human rights policy in Bukit Hijau Estate, Ketapat Bening Estate, and Sei Kepayang Estate which have been given to all workers.</p> <p>This matter will be verified during the field visit.</p> <p>5 October 2016 Based on interviews with spray workers, BCE staff, sorting workers, sterilizer workers and operators in the engine room, it is known that the personnel have been trained on human rights and workers understand what is presented related to human rights.</p>		
2016.38	7.2.1	Land suitability maps The Company has not been able to show the map and study the	Estate	Major	23 August 2016	Company must be able to show the map and study the suitability of land for oil	Root cause: Land map which has been shown during the audit activity still not yet have an	Closed	31 August 2016

CAR No.	Ref. Std.	Findings	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closing date
		suitability of land for oil palm cultivation in the area of exploitation permit for the company in a sufficient scale and determine the strategy of land management of the identification results, taking into account the factor of Agronomy and conservation, to develop sustainable palm oil.				palm cultivation in the area of exploitation permit for the company in a sufficient scale and determine the strategy of land management identifikasnyai results, taking into account the factor of Agronomy and conservation, to develop sustainable palm oil.	<p>available scale.</p> <p>Corrective action (+evidence) 23 August 2016 PT PP London Sumatra Indonesia, Tbk has been showing the land map with scale 1: 60.000 for the unit of Batu Cemerlang Estate and Belani Elok Estate.</p> <p>31 August 2016 The corporate has been showing the type of land map with the scale 1:50,000 for unit of Batu Cemerlang Estate and Belani Elok Estate.</p> <p>Preventive Action: Positioning the land map which is available in each estate.</p> <p>The conclusion of auditor: 23 August 2016 The corporate has been showing the type of land map with the scale 1:60,000. However the type of land map with the scale 1 : 50,000 is still not available.</p> <p>31 August 2016 The corporate can show the land map of soil survey result in 2014 with scale 1 : 50,000. The land map which has been sent, assessed has been fulfilled the</p>		

CAR No.	Ref. Std.	Findings	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closing date
							cartographic rules. Based on the corrective evidence which has been sent, the Nonconformity No. 2016.38 is closed.		
2016.39	7.8.1	Carbon Stock Assessment Based on the study document Hectare Statement February 2016, known that there are new land clearing in 2015 covering an area of 11.82 hectares in BHE but the company has not been able to show the carbon stock assessment for the area.	Estate	Major	23 August 2016	Company must be able to show the carbon stock assessment for land clearing on January 2015.	Root cause: The document has still not yet distributed to unit due to during the implementation of document audit was still in the finalization process between the consultant and the related department. Corrective action (+evidence) 29 August 2016 PT PP London Sumatra Indonesia, Tbk has been showing the document result of carbon stock assessment in 2015 for 11,82 of total area in BHE. 20 September 2016 The corporate has been showing based on the carbon stock document and GHG Emission Study in 2015 by Bogor Agricultural University, and the overlay of study document map with map of Bukit Hijau Estate, have been explaining for the site opening area in 2015 for 11,82 Ha of total area in BHE which have two cover sites that was consist of Mix Garden (3,95 Ha) and Old Shrub (7,87 Ha).	Closed	20 Sept 2016

CAR No.	Ref. Std.	Findings	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closing date																				
							<p>Table of Carbon Stok based on type of cover site for the new site of opening area in 2015 with 11,82 Ha of total area</p> <table><tr><td>No</td><td>Land cover</td><td>Area (Ha)</td><td>C Stock (ton C/Ha)</td><td>C Stock (ton C)</td></tr><tr><td>1</td><td>Mix garden</td><td>3.95</td><td>41.10</td><td>162.34</td></tr><tr><td>2</td><td>Old shrub</td><td>7.87</td><td>15.00</td><td>118.05</td></tr><tr><td></td><td>Total</td><td>11.82</td><td></td><td>280.39</td></tr></table> <p>Total of carbon stock for new development area in 2015 with 11,82 Ha of total area are 280,39 ton C, with the average 23,72 ton C per Ha. The highest density of carbon stock was found in Mix Garden as much 41,1 ton C per Ha.</p> <p>Preventive action: Positioning the document result assessment of carbon stock in the unit of estate.</p> <p>Auditor conclusion: 29 August 2016 The corporate has been showing the carbon stock and GHG Emission Study in 2015 by Bogor Agricultural University which was explaining the assessment of carbon stock in BHE by using the IPCC method in 2006.</p>	No	Land cover	Area (Ha)	C Stock (ton C/Ha)	C Stock (ton C)	1	Mix garden	3.95	41.10	162.34	2	Old shrub	7.87	15.00	118.05		Total	11.82		280.39		
No	Land cover	Area (Ha)	C Stock (ton C/Ha)	C Stock (ton C)																									
1	Mix garden	3.95	41.10	162.34																									
2	Old shrub	7.87	15.00	118.05																									
	Total	11.82		280.39																									

CAR No.	Ref. Std.	Findings	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closing date
							<p>The assessment had been done in the operational area of BHE with total area as much 3,765.52 Ha and with total CO2 of emission which have been produced from the cover site change during 2005 until 2016 as much 5,516.41 tons C. The highest change due to the conversion of mix forestry. However, the corporate still not yet showing the carbon stock in the area which has been opened after 1 January 2015. The Nonconformity No. 2016.39 is not yet fulfilled.</p> <p>20 September 2016 The corporate has been showing the result of carbon stock assessment for the area that has been opened after 1 January 2015 as much 11.82 Ha of total area. Based on the assessment result, it's known that the area was consist of mix garden as 3.95 Ha and old shurb as 7.87 Ha with total carbon stock 280.39 ton C.</p> <p>Based on the corrective evidence which has been sent, the Nonconformity No. 2016.39 is closed.</p>		
2016.40	8.1.1	Systematic Failure From the results of non-conformities identified during the ASA-1, auditors team assessed	Estate	Major	23 October 2016	Management Unit must be able to demonstrate continuous improvement of the system to develop and	Root cause: It has not been an analysis of the factors that cause the problems occurred	Closed	6 October 2016

CAR No.	Ref. Std.	Findings	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closing date
		that there is systematic failures associated with the recurrence of nonconformity on the results of previous audits (ST-2), such as: 1) The company could not show a legal boundary map that describes all legal boundary markers and boundary markers in monitoring the results of BCE (2.2.2). 2) Based on the field in the housing BEE and BCE found ex pesticide containers are discarded and used for other purposes (4.6.6 and 5.3.2).				insure nonconformities ever arise from a previous audit do not reoccur.	Corrective action (+evidence) 5 October 2016 Using Tools Fishbone (PICA) in analyzing a problem so that effective treatment measures taken and the accompanying precautions so the same problem do not reoccur. Preventive action: Make PICA data sheet available to provide information on the history of effective action ever done of the issues involved, so it can be used as a reference for the analysis of other issues. Auditor conclusion: 5 October 2016 The Company has demonstrated PICA documents that have been reviewed by management. In addition, the company showed a letter of invitation to conduct the management review. Based on the explanation, the Nonconformity No. 2016.40 is closed .		
2016.41	E.3.1	SCCS Implementation Procedures The mill has procedures SCCS however the management unit can not show their implementation of SCCS	POM	NC	23 July 2016	Mill workers must be able to show an understanding of the SCCS procedures	Root cause: Lack of awareness from the employee regarding to SCCS procedure that was owned by the corporate. Corrective action (+evidence)	Closed	5 October 2016

CAR No.	Ref. Std.	Findings	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closing date
		procedures and interviews with mill workers showed that they do not understand about the procedure of SCCS.					<p>23 August 2016 PT PP London Sumatra Indonesia, Tbk. has been showing the document of RSPO Supply Chain and E-trace training which have been held on 4-5 of August 2016 and have been participated by staff and employee of Belani Elok POM.</p> <p>Preventive action: Do the training activity regarding to the owned procedure by the corporate for employee.</p> <p>Auditor conclusion: 23 August 2016 PT PP London Sumatra Indonesia, Tbk has been implementing the supply chain training on 4-5 of August 2016 and has been followed by 70 people. The understanding of SCCS Procedure to the employee will be re-verified by the field visit.</p> <p>5 October 2016 The results of interviews with ECSR staff and clerk of crop in POM known that they already know how to document a separation between FFB that come from certified area and non certified area.</p> <p>Based on the explanation, the Nonconformity No. 2016.41 is closed.</p>		

CAR No.	Ref. Std.	Findings	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closing date
2016.42	E.3.2	<p>Received Procedure FFB Implementation Certified and non-certified</p> <p>The management unit has procedures to split reception SCCS FFB certified and non-certified, but the unit has not able to show the implementation of the SCCS procedures that have been.</p>	POM	NC	23 July 2016	The mill must able to show the implementation of the SCCS procedure.	<p>Root cause: Lack of awareness from the employee regarding to SCCS procedure that was owned by the corporate</p> <p>Corrective action (+evidence) 23 August 2016 PT PP London Sumatra Indonesia, Tbk. has been showing the document of RSPO Supply Chain and E-trace training which have been held on 4-5 of August 2016 and have been participated by staff and employee of Belani Elok POM.</p> <p>Preventive action: Do the training activity regarding to the owned procedure by the corporate for employee.</p> <p>Auditor conclusion: 23 August 2016 The corporate has been showing the implementation of SCCS procedure which is the sign giving in the delivery note in the form of FFB RSPO certified stamp for the FFB which is coming from the estate that has been certified of RSPO and the ungiven stamp for the estate which is coming from the estate that still not yet get the RSPO certified.</p> <p>The corporate still can not explaining</p>	Closed	5 October 2016

CAR No.	Ref. Std.	Findings	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closing date
							<p>since when the implementation of sign using such as stamp of FFB RSPO certified for the FFB which is coming from the estate that has been getting the RSPO certified and the ungiven stamp for the estate which is coming from the estate that still not get the RSPO certified.</p> <p>Based on the explanation above, the Nonconformity No. 2016.42 is not yet closed.</p> <p>Major verification on 5 October 2016 Based on interviews with ECSR staff note that tagging of delivery note can not be applied in Bingin Teluk Location because there are some areas that not include the scope of the RSPO certification and during FFB transport in the field possibility of blocks certified and non-certified mixed. The company has demonstrated Internal Memo No. 39 / ACER-E / PBO / IX / 2016 dated August 22, 2016 to the AMA of Bingin Teluk, AME of Bingin Teluk and Mill Manager related RSPO certified supply chain system. The IM explained about:</p> <ul style="list-style-type: none"> Data clerk in the AMA office prepare the daily data of FFB certified delivery to the mill based on delivery note and block magement. 		

CAR No.	Ref. Std.	Findings	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closing date
							<ul style="list-style-type: none"> The AMA staff check, assess and validate the data of FFB certified delivery. the data of FFB certified delivery is notified to the mills and Mill clerk will keep records of FFB certified reception into daily production report The prouction staff of mill check, assess and validate the data of daily production report. Mill report document daily production report to magement. <p>Based on the explanation above, the Nonconformity No. 2016.42 is closed.</p>		
2016.43	E.4.1	Documentation of amount FFB Certified and non-certified Mill has not shown documentation of amount certified and non certified FFB that received since the mill has been RSPO certified.	POM	NC	23 July 2016	The mill must be able to show documentation of amount FFB certified and non certified received since the mil has been RSPO certified.	Root cause: Lack of awareness from the employee regarding to SCCS procedure that was owned by the corporate Corrective action (+evidence) 23 August 2016 PT PP London Sumatra Indonesia, Tbk. has been showing the document of RSPO Supply Chain and E-trace training which have been held on 4-5 of August 2016 and have been participated by staff and employee of Belani Elok POM. PT PP London Sumatra Indonesia, Tbk has been showing the document of FFB	Closed	5 October 2016

CAR No.	Ref. Std.	Findings	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closing date
							<p>certified registration and non certified for the period of January 2015 until June 2016.</p> <p>Preventive action: Doing the documentation of FFB certified and non certified in each unit of estate and mill.</p> <p>Auditor conclusion: 23 August 2016 The corporate has been showing the separation of volume between the FFB certified and non certified for the period of 2015 and 2016.</p> <p>Unit of management not yet showing the documentation of separation of FFB certified and non certified since getting the RSPO Certificate (18th of September 2015) until the ASA-1 audit activity has been done.</p> <p>Nonconformity No. 2016.43 is not yet closed.</p> <p>Major verification on 5 October 2016 The corporate has been showing the separation of volume between the FFB certified and non certified for the period of daily, monthly and since getting the RSPO Certificate, such as in January</p>		

CAR No.	Ref. Std.	Findings	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closing date
							<p>2016 there is reception of RSPO certified FFB as 4,431.618 tons and non certified FFB as 10,895.402 Ton</p> <p>Based on the explanation above, the Nonconformity No. 2016.43 is closed.</p>		
2016.44	E.4.2	<p>Information to CB if there is excessive production of projections</p> <p>The mill has not shown documentation volume of FFB, CPO and PK RSPO certified and non-certified that produced since the mill has been RSPO certified.</p>	POM	NC	23 July 2016	The mill should shown the documentation volume of FFB, CPO and PK RSPO certified and non-certified that produced since the mill has been RSPO certified.	<p>Root cause: Lack of awareness from the employee regarding to SCCS procedure that was owned by the corporate</p> <p>Corrective action (+evidence) 23 August 2016 PT PP London Sumatra Indonesia, Tbk. has been showing the document of RSPO Supply Chain and E-trace training which have been held on 4-5 of August 2016 and have been participated by staff and employee of Belani Elok POM.</p> <p>The corporate has been showing the separation of FFB reception and production of certified product (CPO and PK) which conducted based on internal memorandum (IM) No. 100/ECSR-JKT/VIII/2016 on 18th of August 2016 regarding to the data acceptance of FFB, production of certified product (CPO and PK) and non certified product.</p> <p>Preventive action:</p>	Closed	5 October 2016

CAR No.	Ref. Std.	Findings	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closing date
							<p>Doing the documentation of FFB certified and non certified in each unit of estate and mill.</p> <p>Auditor conclusion: 23 August 2016 The corporate has been showing the internal of memorandum (IM) No. 100/ECSR-JKT/VIII/2016 on 18th of August 2016 regarding to the data acceptance of FFB, CPO production, and certified PK and non certified of RSPO that must be sent every month to the ECSR department to be informed to the RSPO certification body, if there's an estimation of overage production of total certified of FFB.</p> <p>Unit of management not yet showing the documentation of certified volume of FFB, CPO and PK which produced since the mill get RSPO Certificate (18 September 2016).</p> <p>Nonconformity No. 2016.44 is not yet closed.</p> <p>Major verification on 5 October 2016 The corporate has been showing the documentation of certified volume of FFB, CPO and PK for the period of daily, monthly and during the RSPO Certificate</p>		

CAR No.	Ref. Std.	Findings	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closing date
							<p>period. The company can shows the documentation of certified product (CPO and PK) which produce since mill get RSPO certificate until ASA-1 (23 June 2016) as 8,482.661 Ton CPO dan 2,283.42 Ton PK.</p> <p>Based on the explanation above, the Nonconformity No. 2016.44 is closed.</p>		
2016.45	E.5.1	<p>Balancing of FFB receive and delivery of RSPO-certified products.</p> <p>The mill has not shown documentation RSPO certified volume of FFB reception and delivery of products.</p>	POM	NC	23 July 2016	The mill should shown documentation RSPO certified volume of FFB reception and delivery of products.	<p>Root cause: Lack of awareness from the employee regarding to SCCS procedure that was owned by the corporate</p> <p>Corrective action (+evidence) 23 August 2016 PT PP London Sumatra Indonesia, Tbk. has been showing the document of RSPO Supply Chain and E-trace training which have been held on 4-5 of August 2016 and have been participated by staff and employee of Belani Elok POM.</p> <p>The corporate has been showing the documentation of FFB reception, production of certified product (CPO and PK) and despatch of product.</p> <p>Preventive action: The implementation of FFB acceptance documentation with RSPO certified and</p>	Closed	5 October 2016

CAR No.	Ref. Std.	Findings	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closing date
							<p>non certified of RSPO in each unit of estate and mill.</p> <p>Auditor conclusion: 23 August 2016 The corporate has been showing the documentation of FFB reception, production of certified product (CPO and PK) and despatch of product. But not yet explain regarding the despatch of certified product or non certified product since the mill get RSPO certificate (18 September 2016).</p> <p>Nonconformity No. 2016.45 is not yet closed.</p> <p>Major verification on 5 October 2016 The corporate has been showing the documentation of certified volume of FFB, CPO and PK for the period of daily, monthly and during the RSPO Certificate period. The company also shows the documentation of product despatch as certified product or non certified product since mill get RSPO certificate until ASA-1 (23 June 2016).</p> <p>Based on the explanation above, the Nonconformity No. 2016.45 is closed.</p>		

CAR No.	Ref. Std.	Findings	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closing date
2016.46	RSPO Certification System 4.2.4.e	<p>Partial Certification Identified planting since 1 January 2010 in PT PP LONSUM - Bingin Teluk Location that are outside the scope of certification covering an area of 4,468.45 hectares.</p> <p>This area is yet to be shown evidence of partial certification because it is part of the TBP.</p>	LONSUM	Minor	ASA-2	RSPO members must be able to demonstrate compliance with the partial certification for whole operational area accordance with the RSPO Certification System.	<p>Root cause:</p> <p>Corrective action (+evidence)</p> <p>Preventive action:</p> <p>Auditor conclusion:</p>		

3.5.3 Opportunity for Improvement

No	Ref Std	Descriptions
1	1.2.1	The company can improve type of information that is accessible to the public by detailing the documents in question.
2	4.7.2	The company y have the opportunity to complete the identification of the risk assessment for the operational activities in plantation.
3	6.3.2	The company have the opportunity to documented the whole process of dispute resolution.
4	7.3.1	Progress of ratification for the Remediation and Compensation Plan (RCAP) for the area that clearing since 1 November 2005 without prior identification of HCV in accordance with the Procedure RACP (Observation).
5	7.3.2	Approval progress for Land Use Change Analysis for the area that clearing since 1 November 2005 without prior identification of HCV in accordance with the Procedure RACP (Observation).

3.5.4 Noteworthy Positive Components

No	Ref Std	Descriptions
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3.5.4 Noteworthy Positive Components

No	Ref Std	Descriptions
1	-	The company has been committed to applying the principles of sustainable plantations.

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

Date of Stakeholders Consultation: 17 June 2014			
	Issue from Public	Management Response	Auditor Response
1.	North Musi Rawas District Mining and Environment Agency		
	1) There is no change in operations and environmental document 2) The Company has conducted regular reporting related to environmental management such as reports on environmental management plan and environmental monitoring plan every 6 months, as well as waste management Quarterly Report. 3) There are no issues of environmental pollution. 4) There is a problem symbols and labeling of toxic and hazardous wastes at the time of supervision by the Environment Agency but has been repaired by the company. 5) Permit of Land application and temporary warehouse of hazardous wastes and toxic has been owned and is still within the validity period 6) PT London Sumatra Indonesia have registration documents daily to discharge liquid waste using a flow meter. 7) PT London Sumatra Indonesia has not socialize the types of documents that can be accessed by the public	1) The company will coordinate with Environmental Body of Musi Rawas Utara Regency if it will make changes to the operational activities and changes to the environmental document 2) The Company will continue to regularly send implementation report of RKL-RPL every 6 months, as well as waste management Quarterly Report 3) The company will consistent conduct management and monitoring of environment 4) The Company will remain to put hazardous symbol and the label in accordance with applicable regulations 5) True 6) The Company will remain conduct recoding of daily effluent debit. 7) The company will inform environmental body about public document.	In accordance with criteria 2.1; 4.4; 5.1 and 5.3.
2.	North Musi Rawas District Manpower Agency		
	1) PT London Sumatra Indonesia have had a guiding structure committe of Occupational Safety & health and	1) The Company will continue to regularly send P2K3 report	In accordance with criteria 1.1; 2.1; 4.7; 6.1 and 6.5.

	<p>has reported all activities on a regular basis</p> <ol style="list-style-type: none"> PT London Sumatra Indonesia has worker union Registration of Social Workers Employment Security Agency should be made for the entire status of the worker (permanent employees, Contract Worker or unpermanent daily workers). There is no foreign labor and inter-regional workforce. Companies prefer workers from the local population. The minimum wage must follow the minimum wage South Sumatra Province are applied starting in January 2016. PT London Sumatra Indonesia has not socialized the types of documents that can be accessed by the public. Companies must make agreements with day laborers The District Manpower Agency has had request information by letter on April 6, 2016. Communication between District Manpower Agency and companies are good. 	<ol style="list-style-type: none"> True The company is gradually registering labour social assurance (BPJS Employment) for the entire status of workers. However, currently constrained by the requirements of ID and family card are not owned by the worker. The Company will continue to give priority to workers from the surrounding area. The Company will continue to give wages in accordance with minimum wage of Sumatera Selatan Province. The company will inform the types of documents that can be accessed by the public to Manpower Agency. The Company is gradually are working on creating employment agreement for daily workers, Letter from Manpower Agency of Musi Rawas Utara Regency dated 6 April 2016 regarding Address of Branch Office has been requested to be delivered over because not found in the company's archives and will soon be given its response. The Company will continue to maintain communication with relevant agency 	
3.	North Musi Rawas District Plantation, Agriculture and Forestry Agency		
	<ol style="list-style-type: none"> Report progress on the plantation business conducted regularly every 6 months. Scheme Smallholder that formed by company still operating properly. There is no customary/ indigenous land in the area of company There is no issue of land disputes 	<ol style="list-style-type: none"> The Company will continue to regularly send plantation business development report every six month The Company will continue to foster smallholders which is the company assisted farmers The Company does not perform land acquisition on indigenous land True 	In accordance with criteria 1.1; 2.1; 2.2 and 2.3

4	North Musi Rawas District Plantation, National Land Agency		
	There is no submission / decree on the new land ownership for PT. London Sumatra.	True	In accordance with criteria 2.2
5	Air Bening Village (Chief of Village)		
	<ol style="list-style-type: none"> 1) People do not know about the RSPO, has not received information 2) Acquisition of land is done along with village representatives to ensure the land boundary to be freed. 3) Acquisition of land is done without coercion. 4) There is no land dispute with the Belani village. 5) There is no environmental pollution. 6) Village water supplies are already using the wellbore and not use the river water. 7) Daily Worker from the Belani village just have a few opportunities for employing. 8) Land comes from private land ownership rights and not no indigenous land. 9) Prices for land acquisition established by the company and if the public is willing to sell the land, it can be submitted. So now a lot of public lands that are within the concession company. 10) Currently there is no land claims made by villagers in Belani village. 11) Since land clearance has been given dissemination to the public about that company will make palm oil plantations. 12) Contribution to society must be requested in advance. 13) There have been communications to help rural development in the form of a suspension bridge in the village. 14) The company has been informed about protected animals. 	<ol style="list-style-type: none"> 1) The Company will be socialized on the RSPO to Head of Belani Village 2) The Company will continue to involve representatives of the village to ensure the land boundary that will be acquired 3) True 4) True, Will keep maintain 5) Will keep maintain 6) The Company will continue to manage and monitor the environment. 7) The company provides employment opportunities according to the needs and abilities of workers 8) The Company does not perform land acquisition on indigenous land 9) For land rate to land acquisition, the company use land land price which can accapate by all parties 10) The company will continue maintain a good relation to communities of Belani Village 11) True 12) The company has CSR program to communities which arranged based on SIA 13) The company has approve the propose for build the bridge. Beside that on 2015, the company also has give assisstance to repair the brigde. 14) The company will socialize about protected animals to communities. 15) The company has give socialize regarding to prohibition to land clearing without fires and will 	In accordance with criteria 2.2; 5.1; 5.5; 6.1; 6.4 and 6.11

	<p>15) Land fires have occurred but was immediately addressed by the company.</p> <p>16) The mechanism for complaints submitted to the relevant manager.</p> <p>17) Company has not been informed about the types of documents that can be accessed by the public to the village.</p>	<p>assissatence the communities if there is land fires.</p> <p>16) The company has complaint mechanism</p> <p>17) The company will inform communities about the types of documents that can be accessed by the public.</p>	
6	Desa Pauh I Village (Chief of Village)		
	<p>1) Acquisition of land in 2014 for about 200-300 hectares of land in Batu Cemerlang estate consists of several persons ± 10 people.</p> <p>2) Land acquisition to be involved with (the owner of the land, village representatives, owners of neighboring land) related to land acquisition begins with the identification of land ownership, measured along and clear boundaries.</p> <p>3) There is no environmental pollution.</p> <p>4) The problems are accommodated in the village.</p> <p>5) Villagers do not know the legal limits of companies and areas that have been compensated.</p> <p>6) There are still many areas of society in the area of the concession is not yet released.</p> <p>7) Companies should be coordinated with the villagers if install HGU pole in concession area.</p> <p>8) There was a meeting between the villagers, district and companies to discuss land acquisition costs to build a school.</p> <p>9) Preparation of the CSR's program are not carried along with the villagers.</p> <p>10) Land acquisition was first performed in 1997</p> <p>11) Land comes from private landholders, there are no indigenous land.</p> <p>12) Communication between the villagers and the company</p>	<p>1) True</p> <p>2) The Company will continue to involve representatives of the village (village authority, neighbouring parties) to ensure the land boundary that will be acquired</p> <p>3) The Company will continue to manage and monitor the environment.</p> <p>4) The company will response regarding the issue which caused by the company</p> <p>5) The company will install the legal boundary which owned by the company.</p> <p>6) The company has report to government related to HGU which not yet compsated</p> <p>7) The company will coordinated with the villagers if install HGU pole in concession area.</p> <p>8) True</p> <p>9) The company has CSR program to communities which arranged based on SIA</p> <p>10) True</p> <p>11) The Company does not perform land acquisition on indigenous land</p> <p>12) The Company will repair the communication with communities.</p> <p>13) The company has obstacle because the heavy vehicle is breakdown, the road will maintenance after it fixed</p>	<p>In accordance with criteria 2.2; 5.1; 5.5; 6.1; 6.4 and 6.11</p>

	<p>through the manager and CDO. Communication is not going well.</p> <p>13) Request help for street paving on the road 145 has not been realized and there is no response.</p> <p>14) There is no help if there is a flood. the company deemed to be less concerned</p>	<p>14) On 2016, BCE giving floods assistance to Pauh Village and Batu Kucing Village.</p>	
7	Indonesian Workers Union of Belani Elok Mill		
	<p>1) The company guarantees the right of workers to freedom of association.</p> <p>2) There are no problems related to industrial relations were violated by the company.</p> <p>3) It has been agreed between the two sides over the new Collective Labour Agreement drawn up for the period 2016-2018.</p> <p>4) Company through labor unions establish effective communication with workers. Every issue will be discussed with the workers through workers' representatives meeting with the company, but any outcome of the meeting has not been thoroughly documented.</p>	<p>1) The company give right to freedom to workers to form workers union</p> <p>2) The company will keep remain a good industrial relation.</p> <p>3) The company has had Collective Labour Agreement which arranged based on mutual aggrement</p> <p>4) The company will keep remain a good communication with workers</p>	In accordance with criteria 6.2; 6.3; 6.5; 6.6
8	Gender Committee of BelaniElok Mill		
	<p>The Company has not set up a commission of women who have been structured. But has appointed one person as the officer dealing with the problems of women in May 2016. At present there are no reports of cases related to sexual harassment and abuse issues or problems related to reproductive health.</p>	<p>The company has established the Structure of Committee Gender for Women's Protection in BHE in which Mr. Herman Jaya as Secretary and representative from BE POM. This committee is established to function as a discussion forum of issues related to women protection</p>	In accordance with criteria 6.9
9	Indonesian Workers Union of Belani Elok Estate		
	<p>Interview with chairman of the officials Indonesian Workers Union Belani Elok Estate related industrial relations.</p> <p>1) The company has a good industrial relations with</p>	<p>1) The Company will continue to maintain a conducive industrial relation that has been running well under SPSI board of Belani Elok Estate</p>	In accordance with criteria 6.2; 6.3; 6.5; 6.6

	<p>workers.</p> <p>2) Workers convey the aspirations such as bonus issues, power outages at this time there was an agreement between both parties.</p> <p>3) The meeting between the company and employees in relation to industrial relations is incidental / non-routine.</p> <p>4) There has been no organized documentation and minutes of each meeting.</p> <p>5) Collective Labour Agreement for the period 2016-2018 has been made with mutual agreement, and now is just waiting for approval from the relevant agencies.</p>	<p>2) The Company will continue to follow up any aspirations articulated by workers</p> <p>3) The Company will facilitate each meeting scheduled.</p> <p>4) The company will support any improvements made by SPSI</p> <p>5) Good, no response</p>	
10	Gender Committee of BelaniElok Estate		
	<p>The Company has not established a gender committee that has been structured. But has appointed one person as the officer handling the problems of women on May 21, 2016. Currently there are no reported cases related to violence and sexual harassment issues or problems related to reproductive health.</p>	<p>The company has established the Structure of Committee Gender for Women's Protection in BEE. The committee was established as a discussion forum of issues related to women protection.</p>	<p>In accordance with criteria 6.9</p>
11	Indonesian Workers Union of Batu Cemerlang Estate		
	<p>Interview with chairman of the officials Indonesian Workers Union Belani Elok Estate related industrial relations.</p> <p>1) The company has a good industrial relations with workers.</p> <p>2) Board Indonesian Workers Union was newly appointed in October 2015 so it is still not much doing the program.</p> <p>3) The meeting between the company and employees in relation to industrial relations is incidental / non-routine.</p> <p>4) Each meeting existing documentation and minutes, but still kept by the chairman of the Indonesian Workers Union is currently unavailable.</p> <p>5) Collective Labour Agreement for period of 2016-2018 has been made by mutual agreement, currently just</p>	<p>1. The Company will continue to maintain a conducive industrial relation that has been running well under SPSI board of Belani Elok Estate</p> <p>2. The company will support the all of improvements made by SPSI</p> <p>3. The Company will facilitate every meeting scheduled.</p> <p>4. No response</p> <p>5. Working Agreement period 2016-2018 is still pending waiting the approval from the relevant government agency</p>	<p>In accordance with criteria 6.2; 6.3; 6.5; 6.6</p>

	waiting for approval from the relevant agencies.		
12	Gender Committee of Batu Cemerlang Estate		
	The Company has not set up a gender committee which have been structured. But has appointed one person as the officer handling the problems of women. However, when confirmed by the appointed officers, still have not received the letter of appointment and do not know clearly about its duties and responsibilities. Currently there are no reports of cases related to sexual harassment and abuse issues or problems related to reproductive health.	The company has established the Structure of Committee Gender for Women's Protection in BCE. The committee was established as a discussion forum of issues related to women protection	In accordance with criteria 6.9
13	CV Putra Kembar (kernel transporter)		
	<ol style="list-style-type: none"> 1) When entering the mill then the vehicle will be checked by the administration (such as DO), vehicle condition and completeness of PPE. 2) Wages granted in accordance with work performance 3) Delivery locations in accordance with DO such as Mariana and Tanjung Siapi Api 4) If there are obstacles in plantation area, it will be the responsibility of the company. when in case of obstacles outside of the plantation area will be the responsibility of the contractor. 5) The Contractor hope the time to wait after the loading of FFB is not too long (\pm 2 hours) or given an explanation to the contractor. 	<ol style="list-style-type: none"> 1) The company has a receive procedure of kernel transport vehicles coming into the Mill 2) The company pay its worker's wages in accordance with applicable regulations 3) Well, no response 4) The company will be responsible if there are obstacles obtained by the contractor in plantation. 5) The Company will provide an explanation to the contractor if there are obstacles causing the contractor must wait. 	In accordance with criteria 4.7 and 6.5.

4.0 CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY**4.1 Formal Sign-off of Assessment Findings**

Hereunder sign by management representative from inspected company and audit team to acknowledge a field assessment and agree for all content explained in this assessment report, included of nonconformities issues.

Signed on behalf of:

PT. London Sumatera Indonesia – Bingin
Teluk Location
Management Representative

Mutuagung Lestari
Lead Auditor



Muhammad Waras
Day, date/month/year



Ardiansyah
Day, date/month/year

APPENDICES
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	Mining and Environment Agency	District of Musi Rawas Utara, Province of Sumatera Selatan.	-	Interview	21 June 2016	√	
2	Manpower Agency	District of Musi Rawas Utara, Province of Sumatera Selatan.	-	Interview	21 June 2016	√	
3	Plantation, Agriculture and Forestry Agency	District of Musi Rawas Utara, Province of Sumatera Selatan.	-	Interview	21 June 2016	√	
4	National Land Agency	District of Musi Rawas Utara, Province of Sumatera Selatan.	-	Interview	21 June 2016	√	
5	Belani Village (Chief of Village)	District of Musi Rawas Utara, Province of Sumatera Selatan.	-	Interview	23 June 2016	√	
6	Desa Pauh I Village (Chief of Village)	District of Musi Rawas Utara, Province of Sumatera Selatan.	-	Interview	24 June 2016	√	
7	Indonesian Workers Union of BelaniElok Mill	District of Musi Rawas Utara, Province of Sumatera Selatan.	-	Interview	22 Juni 2016	√	
8	Gender Committee of Belani Elok Mill	District of Musi Rawas Utara, Province of Sumatera Selatan.	-	Interview	22 Juni 2016	√	
9	Indonesian Workers Union of Belani Elok Estate	District of Musi Rawas Utara, Province of Sumatera Selatan.	-	Interview	23 Juni 2016	√	
10	Gender Committee of Belani Elok Estate	District of Musi Rawas Utara, Province of Sumatera Selatan.	-	Interview	23 Juni 2016	√	
11	Indonesian Workers Union of Batu Cemerlang Estate	District of Musi Rawas Utara, Province of Sumatera Selatan.	-	Interview	24 Juni 2016	√	
12	Gender Committee of Batu Cemerlang Estate	District of Musi Rawas Utara, Province of Sumatera Selatan.	-	Interview	24 Juni 2016	√	
13	CV Putra Kembar (Kernel Transporter)	District of Musi Rawas Utara, Province of Sumatera Selatan.	-	Interview	24 Juni 2016	√	
14	Wahana Lingkungan Hidup Indonesia (Walhi)	Jakarta, Indonesia	informasi@walhi.or.id	Email	8 Juni 2016		√
15	Aliansi Masyarakat Adat Nusantara (AMAN)	Jakarta, Indonesia	rumahaman@cbn.net.id	Email	8 Juni 2016		√

Appendix 2. Assessment Program

DATE	20 – 24 June 2016	
TIME	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
Monday, 20 June 2016		
12.35 – 13.45	Jakarta – Lubuk Linggau	• ARD/MRD/DHT/MAR/BMG
14.00 – 15.00	Stakeholder Consultation with BPN	
15.00 – 18.00	Lubuk Linggau – PT. Lonsum	
Tuesday, 21 June 2016		
08.00 – 12.00	Opening meeting	• ARD/MRD/DHT/MAR/BMG
	Stakeholder consultation with Government Institution of Musi Rawas Utara Districts	• MRD
	Stakeholder consultation with surrounding villages	• ARD
	Stakeholder consultation with local contractor, labor union and gender committee	• DHT
	Verification of previous NC (ST-2)	• DHT/MAR/BMG
12.00 – 13.00	Break	• ARD/MRD/DHT/MAR/BMG
13.00 – 16.00	Field observation at Belani Elok POM: <ul style="list-style-type: none">Grading station, process station, boiler and engine roomsecurity, weighbridge, WWTP and SCCSWorkshop, hazardous waste warehouse and chemical warehouse.	• MAR/BMG
		• ARD
		• DHT
	Stakeholder consultation with Government Institution of Musi Rawas Utara Districts	• MRD
	Clarification of Stakeholder consultation	• ARD/MRD/DHT/MAR/BMG
Wednesday, 22 June 2016		
08.00 – 12.00	Field observation at Belani Elok Estate: <ul style="list-style-type: none">BMP (manuring, spraying, harvesting, IPM and Worker Welfare)Facilities (housing, waste management, workshop, hazardous waste warehouse, chemical warehouse, firefighter equipment)	• MAR/BMG
		• DHT
	Boundary pole and HCV	• ARD/MRD
12.00 – 13.00	Break	
13.00– 16.00	Continue of Field observation	• MRD/DHT/MAR/BMG
	Stakeholder consultation with CPO & Kernel transport	• ARD
	Clarification of Stakeholder consultation and Field observation	• ARD/MRD/DHT/MAR/BMG
Thursday, 23 June 2016		
08.00 – 12.00	Field observation at Batu Cemerlang Estate: <ul style="list-style-type: none">BMP (manuring, spraying, harvesting, IPM and Worker Welfare)Facilities (housing, waste management, workshop, hazardous waste warehouse, chemical warehouse, firefighter equipment)	• MAR
		• DHT/ BMG
	Boundary pole and HCV	
12.00 – 13.00	Break	• ARD/MRD

DATE	20 – 24 June 2016	
TIME	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
13.00 – 16.00	Stakeholder consultation with surrounding villages Clarification of Field observation	<ul style="list-style-type: none"> • ARD/MRD • MRD/DHT/MAR/BMG
Friday, 24 June 2016		
08.00 – 10.00	Closing meeting	• ARD/MRD/DHT/MAR/BMG
10.00 – 13.00	PT. LONSUM - Lubuk Linggau	
14.15 – 15.30	Lubuk Linggau - Jakarta	

The audit is based upon a representative sampling method therefore there may be non-conformances within the system that have not been identified during this audit.

Please inform Mutu Certification if you object to the appointment of the auditor or team members stated in this audit plan prior to the audit date

TIM HR melakukan sosialisasi tentang PHL.