

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

Stage-1 Stage-2 Surveillance Re-Certification

Name of Management Organisation : **Turangie Oil Mill – PT PP LONDON SUMATRA INDONESIA, Tbk**
 Plantation Name : **PT PP LONDON SUMATRA INDONESIA consist of Turangie Estate, Pulau Rambung Estate and Bungara Estate**
 Location : **Village of Bandar Telu, Sub District of Salapian, District of Langkat, Province of Sumatera Utara, Indonesia.**
 Certificate Code : **MUTU-RSPO/049**
 Date of Certificate Issue : 9 January 2015 Date of License Issue : 9 January 2017
 Date of Certificate Expiry : 8 January 2020 Date of License Expiry : 8 January 2018

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
ASA-2	17 – 21 October 2016	Ardiansyah (Lead Auditor), Rudi Ramdani, Rizliani Aprianita, Radytio Puspanjana, Sahat Simarmata	Octo HPN Nainggolan	Tony Arifiarachman

Assessment	Approved by MUTUAGUNG LESTARI on:
ASA-2	28 December 2016

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FIGURE

Figure 1. Location Map of PT PP London Sumatra Indonesia, Tbk – Turangie Oil Mill

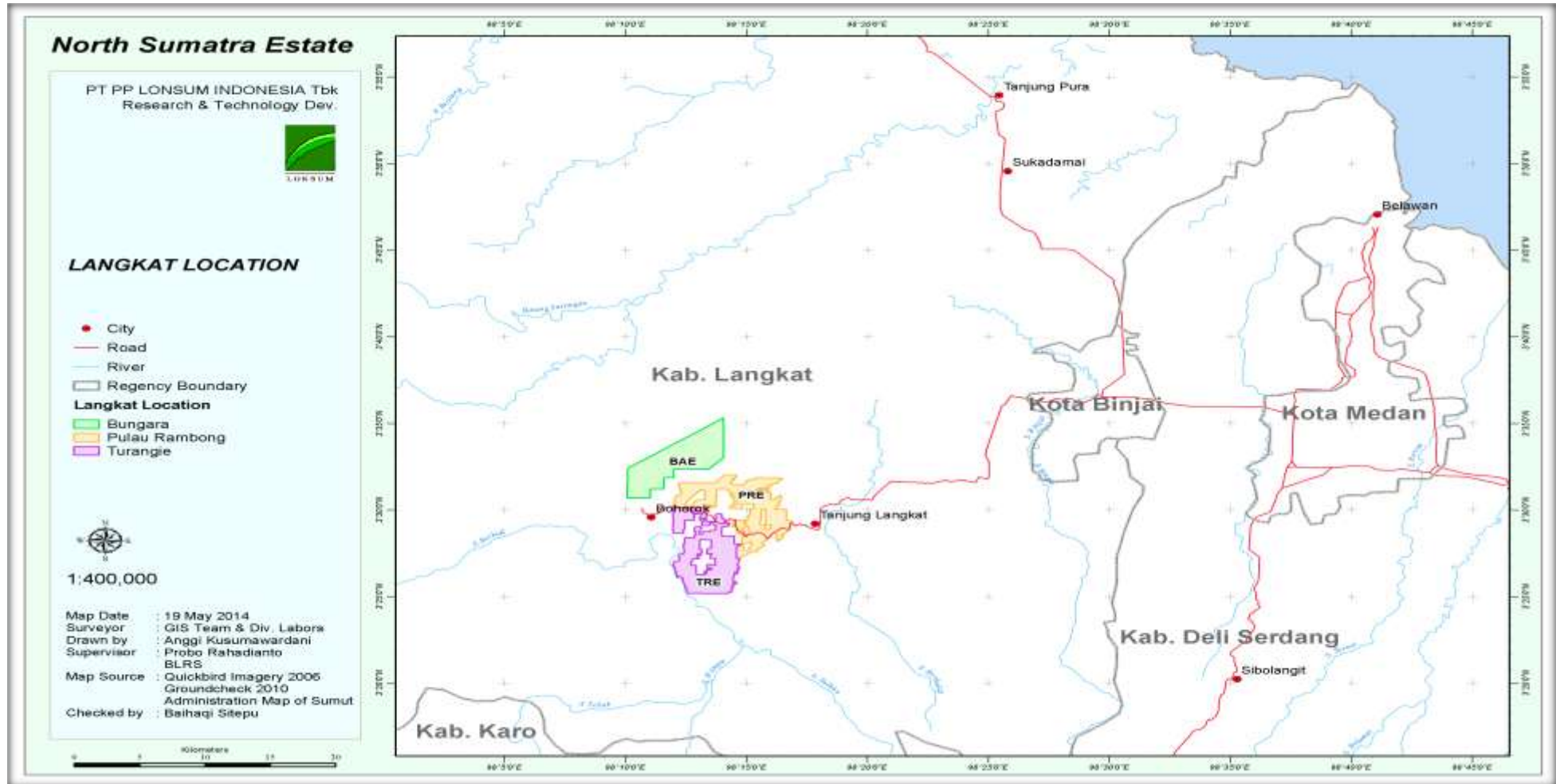


Figure 2. Operational Map of PT PP London Sumatra Indonesia, Tbk – Pulau Rambung Estate

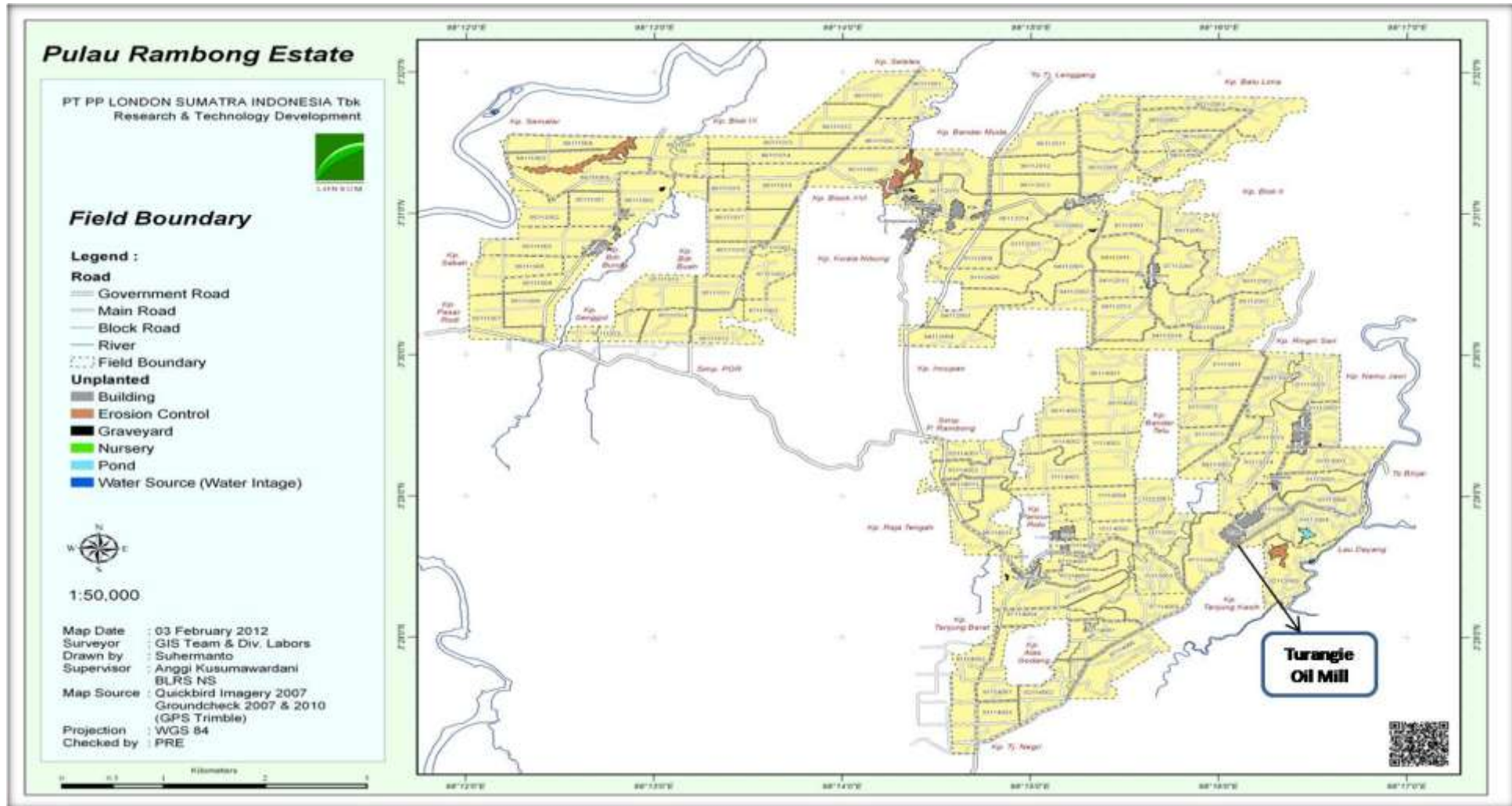


Figure 3. Operational Map of PT PP London Sumatra Indonesia, Tbk – Turangie Estate

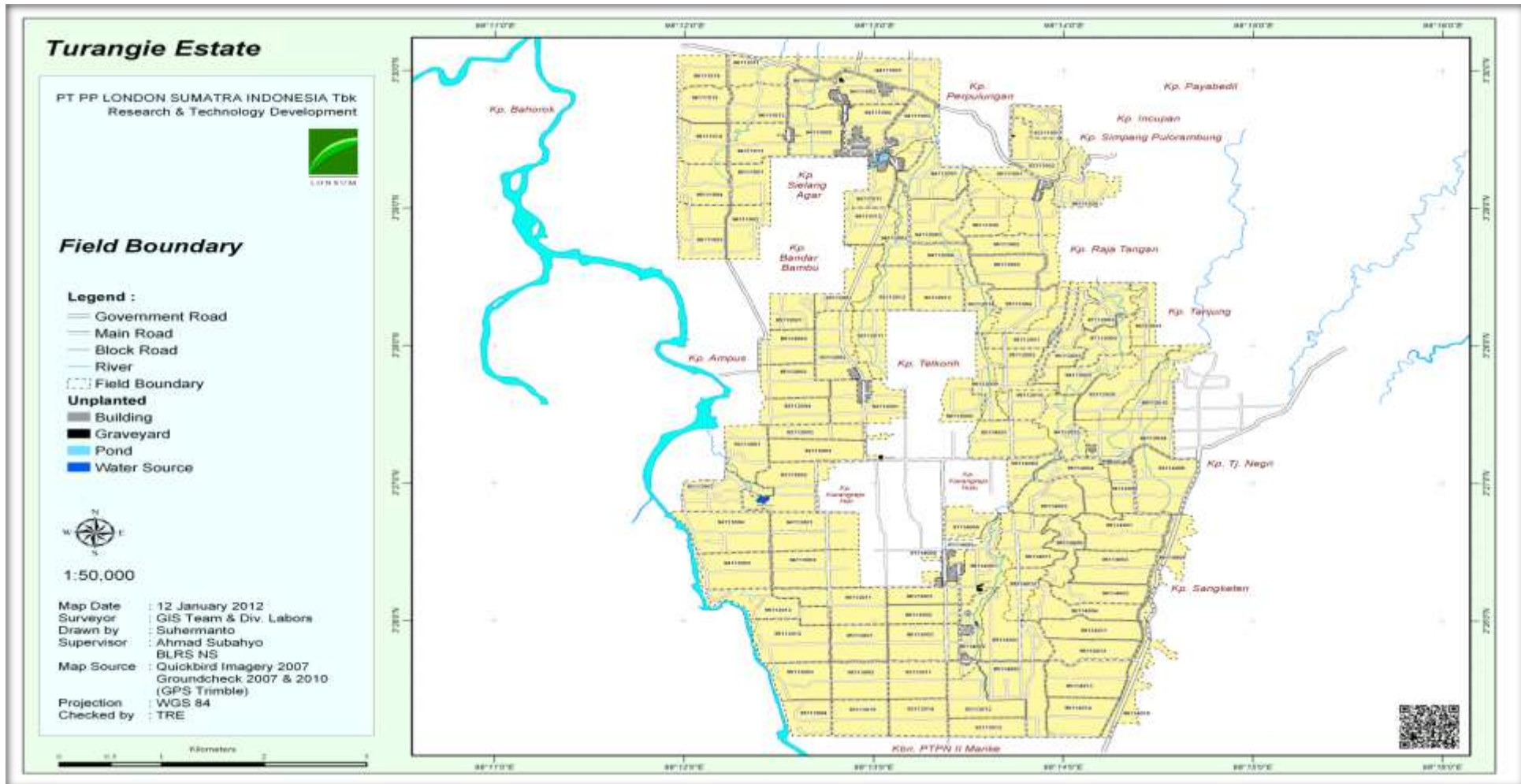
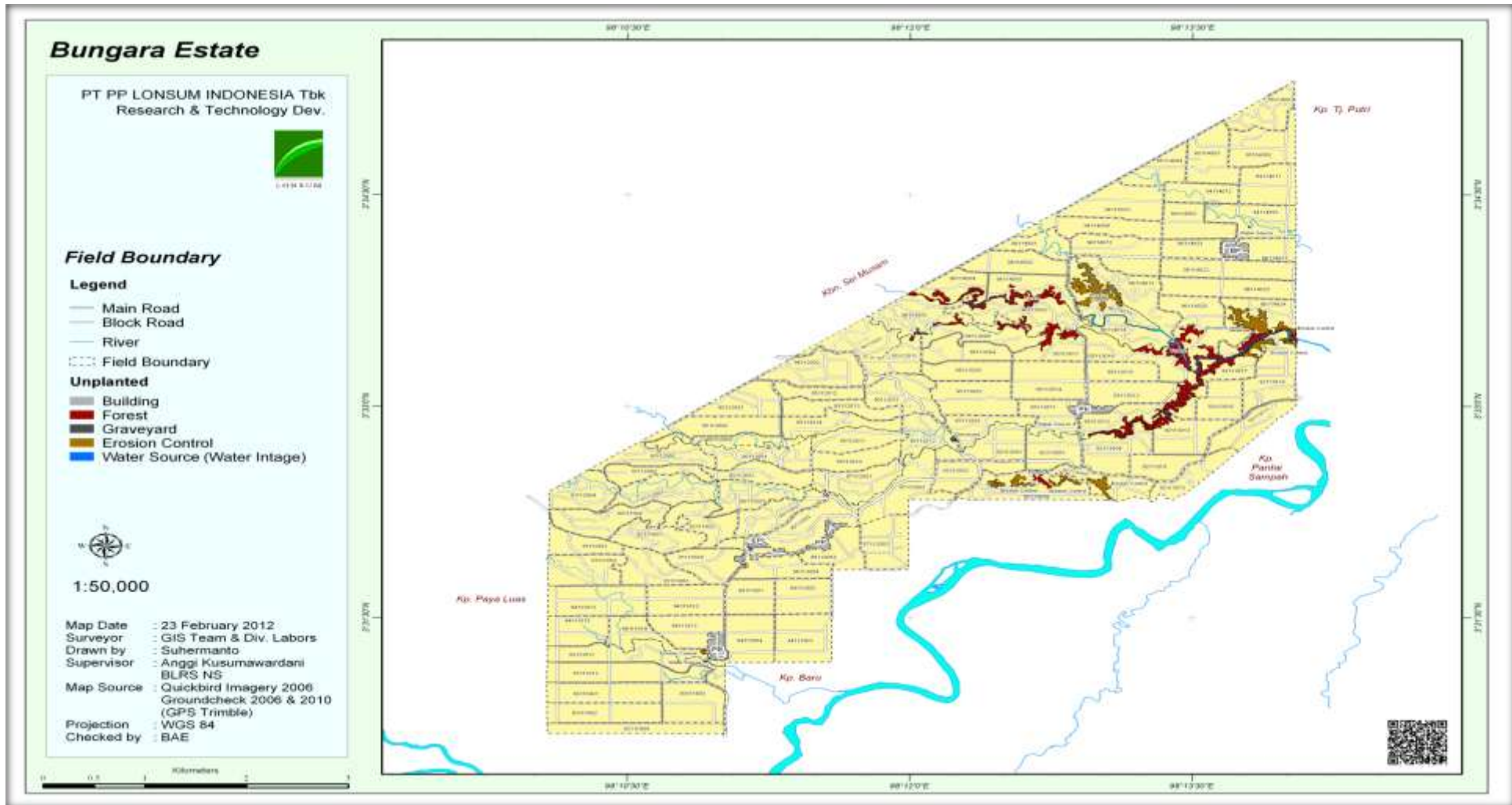


Figure 4. Operational Map of PT PP London Sumatra Indonesia, Tbk – Bungara Estate



Glossary

ASA	: Annual Surveillance Assessment
BAE	: Bungara Estate
BKSPPS	: <i>Badan Kerjasama Perusahaan Perkebunan Sumatera</i> (Association of palm oil plantation company)
BLRS	: Bah Lias Research Station
BPJS	: Badan Penyelenggara Jaminan Sosial (<i>Social Assurance of Labor</i>)
CB	: Certification Body
CITES	: The Convention on International Trade in Endangered Species
CPO	: Crude palm oil
CSPK	: Crude sustainable palm kernel
CSPO	: Crude sustainable palm oil
CSR	: Corporate Social Responsibility
DRP	: Daily Rate Payment
EIA	: Environmental Impact Assessment
EFB	: Empty Fruit Bunch
EWS	: Early warning system
FFA	: Free Fatty Acid
FFB	: Fresh Fruit Bunch
GAP	: Good Agricultural Practices
GHG	: Greenhouse Gas
HCV	: High Conservation Value
HGU	: <i>Hak Guna Usaha</i> (Land Use Title)
IPM	: Integrated Pest Management
ISBPR	: <i>Identifikasi Sumber Bahaya, Pengendalian dan Resiko</i> (Identifying Hazards and Type of Control)
ISPO	: Indonesia Sustainable Palm Oil
KER	: Kernel Extraction Rate
LCC	: Legume Cover Crop
LTA	: Lost Time Accident
MSDS	: Material Safety Data Sheet
NGO	: Non Government Organization
OIA	: Operational Internal Audit
OER	: Oil Extraction Rate
OHS	: Occupational Health and Safety
P2K3	: <i>Panitia Pelaksana Kesehatan dan Keselamatan Kerja</i> (OHS Guiding Committee)
PEL	: <i>Penyajian Evaluasi Lingkungan</i> (presentation of Environmental Evaluation)
PIC	: Person In Charge
PK	: Palm Kernel
POM	: Palm Oil Mill
POME	: Palm Oil Mill Effluent
PPE	: Personal Protective equipment
PRE	: Pulau Rambung Estate
RKL	: <i>Rencana Pengelolaan Lingkungan</i> (Environment Management Plan)
RPL	: <i>Rencana Pemantauan Lingkungan</i> (Environment Monitoring Plan)
RSPO	: Roundtable Sustainable Palm Oil
RTE	: Rare, Threatened or Endangered
SCCS	: Supply Chain Certification Standard
SPO	: sustainable palm oil
SOP	: Standard Operational Procedure
TOM	: Turangie Oil Mill
TRE	: Turangie Estate

WHO	:	World Health Organization
WTP	:	Water Treatment Plant
WWTP	:	Waste Water Treatment Plant

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 D 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	RSPO registered company: Prudential Tower 15th Floor Jl. Jenderal Sudirman Kav. 79 Jakarta, Indonesia 12920 Liaison Office: Prudential Tower 15th Floor Jl. Jenderal Sudirman Kav. 79 Jakarta, Indonesia 12920	
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: Turangie Oil Mill, Turangie Estate, Pulau Rambung Estate, Bungara 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
	Turangie	Village of Bandar Telu, Salapian Sub-district, Langkat District, Sumatera Utara Province, Indonesia	N 3° 28' 41"
			E 98° 16' 05"
1.4.2	Location of Certification Scope of Supply Base		

	Name of Supply Base	Location	Coordinate		
			Latitude	Longitude	
	Turangie	Village of Turangie, Bahorok Sub-district, Langkat District, Sumatera Utara Province, Indonesia	N 3° 29' 52"	E 98° 13' 04"	
	Pulau Rambung	Village of Pulau Rambung and Bandar Telu, Salapian Sub-district, Langkat District, Sumatera Utara Province, Indonesia	N 3° 09' 27"	E 98° 14' 24"	
	Bungara	Village of Bungara, Bahorok Sub-district, Langkat District, Sumatera Utara Province, Indonesia	N 3° 31' 57"	E 98° 11' 17"	
1.5 Description of Area Statement					
1.5.1	Tenure				
	• State			9,032.40 Ha	
	• Community			- Ha	
1.5.2	Area Statement				
	• Total area			9,032.40 Ha	
	• Mature area			8,055.97 Ha	
	• Immature area			- Ha	
	• Mill			8.98 Ha	
	• Building and Emplishment			113.25 Ha	
	• Infrastructure (Road, Bridge)			718.00 Ha	
	• Nursery			4.59 Ha	
	• HCV (Include planted/mature area)			195.25 Ha	
1.6 Planting Year and Cycles					
1.6.1	Age profile of planting year				
	Planting Year	Hectarage (Ha)			
		Turangie	P.Rambung	Bungara	Total
	1985	174.75	-	-	174.75
	1986	121.78	422.21	-	543.99
	1987	57.39	265.53	93.40	416.32
	1988	23.08	212.55	-	235.63
	1989	51.31	143.84	150.66	345.81
	1990	-	-	153.23	153.23
	1991	19.75	464.80	192.84	677.39
	1992	220.01	81.41	365.85	667.27
	1993	376.03	39.24	182.39	597.66

	1994	584.01	198.21	407.37	1,189.59		
	1995	568.48	286.62	535.84	1,390.94		
	1996	639.14	344.73	450.39	1,434.26		
	1997	-	26.21	-	26.21		
	2010	-	18.19	-	18.19		
	2011	-	184.73	-	184.73		
	TOTAL	2,835.73	2,688.27	2,531.97	8,055.97		
1.6.2	New Planting area after January 2010			- Ha			
1.6.3	Planting Cycle			2 nd Cycle			
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 (%)
	Turangie	45	177,748.86	41,075.94	23.12	12,226.84	6.9
	<i>* Source: Production data of mill period October 2015 – September 2016.</i>						
1.7.2	Description of Certification Scope of Supply Base						
	Name of Estates	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/ year)	Yield (tonnes/ha/ year)	Supplied to Mill	
						FFB (tonnes/year)	%
	Turangie	3,156.45	2,835.73	67,279.48	23.73	67,279.48	100
	Pulau Rambung	3,098.47	2,688.27	59,505.55	22.14	59,505.55	100
	Bungara	2,777.48	2,531.97	50,971.44	20.13	50,971.44	100
	TOTAL	9,032.40	8,055.97	177,756.47	22.07	177,756.47	100
	<i>* Source: Production data of mill period October 2015 – September 2016.</i>						
1.7.3	FFB description from other source						
	Name of sources	Organisation	Location	Supplied to Mill			
				FFB (tonnes/year)			
	-	-	-			-	
	TOTAL					-	
	<i>* Source: Production data of mill period October 2015 – September 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 9 January 2016 to 8 January 2017 (tonnes/year)		Actual certified product 9 January 2016 to 17 October 2016 (tonnes/year)	
	• FFB Production			162,691.60		131,105	
	• CPO Production			38,639		30,292	
	• Palm Kernel (PK) Production			11,388		8,972	

1.8.2	Estimate of Certified FFB Claim						
	Name of Estates	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)		
	Turangie	3,156.45	2,835.73	70,893	25.00		
	Pulau Rambung	3,098.47	2,688.27	61,830	23.00		
	Bungara	2,777.48	2,531.97	53,171	21.00		
	TOTAL	9,032.40	8,055.97	185,894	23.08		
	<i>*Projected FFB production from 9 January 2017 – 8 January 2018</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 (%)
	Turangie	45	185,894	44,615	24	12,827	6.9
	<i>*Projected CPO and PK production from 9 January 2017 – 8 January 2018</i>						
1.9	Other Certifications						
	- Certification of Indonesian Sustainable Palm Oil / ISPO						
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				
	Turangie Oil Mill does not receive FFB from associated smallholder or outgrower.				
	Turangie Oil Mill receive supply FFB from the own estate (Turangie Estate, Pulau Rambung Estate and Bungara Estate) that has been certified.				

2.0 ASSESSMENT PROCESS	
2.1 Assessment Team	
ASA-2	<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 and also conduct strategic environmental assessment. He has followed several trainings namely: Management System Certification (ISO 9001-2008/SNI 19011-9001:2008), Environmental Management System (ISO 14001:2004); OHS management system 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. In addition, several workshops have been followed are water resource management in Southeast Asian Region, Oil Palm Growers on Peat, GHG Calculation and raflesia conservation. Several times following audit activities related to sustainable palm oil certification system as a lead auditor and an auditor. During this audit, he assigned to verify legal aspect, SCCS and Land Dispute. Rudi Ramdani (Auditor). Bachelor of Agriculture Majoring in Agronomy, Agriculture Faculty of Bogor Agricultural University. He has experienced more than two years as an operational staff in a private oil palm plantation company in Indonesia. He also followed training he namely: Indonesian Sustainable Palm Oil auditor, RSPO Lead Auditors Training Course endorsed by Proforest and Diameter, Management System Certification (ISO 9001-2008) training and awareness OHSAS. Currently he works for Independent Certification Body.He had involved activities RSPO and ISPO certification assessment as an auditor. During this audit, he assigned to verify long-term plan and OHS aspect. Rizliani Aprianita (Auditor Trainee). Bachelor and Master of Agribusiness. She had followed training such as training Lead / Auditor ISO 9001: 2008, ISO 14001, In House Traing NPP, IHT Palm Oil Processing, IHT Peat Management, IHT Integrated Pest Management, Awareness RSPO and ISPO Auditor/Lead Auditor training. During this audit, she assigned to verify social aspect, worker walfare and transparancy. Radytio Puspanjana (Auditor Trainee). The Agriculture Scholar of Andalas University, Padang, West Sumatera. He was working as honorarium Officer at the Riau Province Plantation Agency in the division of huge estate for 1 year. The participated trainings are Survey and Mapping (GIS) Training which was held by National GMTI, ISPO auditor training and RSPO Awareness In House Training. During this audit, he assigned to verify environment aspect and GHG. Sahat Simarmata (Auditor). Hold a bachelor degree on Agriculture Protection, from Agriculture Faculty of University of North Sumatera Medan and Master of Science (Environmental Biology) School of Environmental Science and Management, University of the Philippines Los Banos, Filipina. He had been worked in Ministry of Agriculture at Directorate of Plantation Ministry for 32 years and has followed the trial/ pra-pilot of RSPO P&C, drafting and experimenting ISPO P&C as well as socializing ISPO. During the assessment he assessing the best agricultural practices and integrated pest management. Taufik Margani (Witnesser). Bachelor of Science in Forestry, majoring in Forest Management. Specialist in Ecology and Environmental. He has led several audits for Sustainable Forest Management in Indonesia (under LEI- Indonesian Ecolabel Institute and FSC- Forest Stewardship Council) and he is a Lead Auditor for FSC chain of custody, Forest Management and RSPO. Other experience: He is IRCA Lead auditor IRCA registered for Environment Management System and Quality Management System. Since 1999 he has been working for independent certification body and has conducted Environment Management System audits in Indonesia and Malaysia. Currently he is the General Manager of Management System Certification.
2.2 Assessment Methodology, Assessment Process and Locations of Assessment	
2.2.1	Figure of person days to implement assessment
ASA-2	<p>Number of auditors : 5 auditors.</p> <p>Number of days for ASA 2 at site : 5 days.</p> <p>Number of working days for ASA 2 at site : 25 Working days.</p>
2.2.2	Assessment Process
ASA-2	The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the

	<p>Turangie Oil Mill of PT PP London Sumatra Indonesia Tbk to the requirements of Principle and Criteria for The Production of Sustainable Palm Oil. Endorsed by RSPO Executive Board and Accepted at The Extraordinary General Assembly by RSPO Members on April 25th 2013 and RSPO Supply Chain Certification Standard for Organizations Seeking or Holding Certification Adopted by The RSPO Board or Governors on November 21st 2014 (Module D for CPO Mill).</p> <p>The assessment was conducted in three methods: (1) document review, aiming to observe the sufficiency of types or substances from required documents; (2) interview, aiming to obtain more detailed information and cross check the information; and (3) field observation, aiming to observe directly the sufficiency of implementation on site.</p> <p>Opportunity for improvement of the results ASA-2 delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment. Improvement of findings from main assessment findings were observed by auditors at this assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of ASA-2.</p>
<p>2.2.3</p>	<p>Location of Assessment</p>
<p>ASA-2</p>	<p>The sampling location determined by using formula $0,8\sqrt{y}$ of the total estate suppliers and consider the issue arose from the review documents and stakeholders consultation that are fundamental and crucial. On this assessment, sample locations is Turangie Estate and Pulau Rambung Estate.</p> <p>Tungarie Oil Mill</p> <ol style="list-style-type: none"> 1. Office. Interview and field visit related to explanation to guest which get in to mill, PPE and emergency signboard 2. Security pos. Observation and interview related to emergency procedures, PPE, working hour, inspection of vehicles in and out. 3. Weighbridge. Interview with worker related to administration of FFB reception and delivery product, SCCS and training. 4. Process Station. Observation and interview with personnel related to FFB's processing into CPO, FFB sortation, capacity each station, personnel understanding over the applicable SOP, fire emergency response facilities and infrastructure in mill, POME management, first aid kits, the implementation of occupational health and safety, company's facilities, trainings from company and worker welfare. 5. Machine room/ turbine and boiler. Observation and interview with operator related to the efficiency of fuel utilization, personnel understanding over the applicable SOP, infrastructure in mill, the implementation of occupational health and safety, medical examination, first aid kits, trainings and worker welfare. 6. Chief Engineering Room. Field observation related to first aid kits. 7. Hydrant No. 1. Simulation fire extinguisher. 8. Aerated composting bunker system. Observation of the FFB composting process and leachate management of these activities. 9. WWTP. Observation of the management of liquid waste from the production process of mill. 10. House of pumps wastewater to the land. Observation the houses and the pump of liquid waste to the land. 11. Workshop. Observations and interviews with workers related to the management and implementation of health safety, and social worker. 12. Hazardous Waste Warehouse. Field observations related to the fulfillment of the attributes health and safety, recording, and the implementation of compliance requirements hazardous waste temporary warehouse. 13. Chemical material warehouse. Field observations related to the fulfillment of health safety as well as interviews with a warehouse clerk of safety health related to OHS and medical examination. 14. WTP. Observations and interviews related to water management, recording of water use, health checks, PPE and waste management. 15. Mill Drainage. Observations mill effluent lines, sanitation mill and flow of leaching mill. <p>Turangie Estate</p> <ol style="list-style-type: none"> 16. Field 93113002. Observations related to the management of HCV area in form of water spring (<i>umbul</i>). 17. Field 93113003. Observations related to the management of HCV area in form of water flow from water spring

- (*umbul*).
18. **Field 93113001.** Observations related to the management of HCV area in form of water flow from water spring (*umbul*).
 19. **Field 93113004.** Observation of HGU pole No. LVIII and No. 1, also observations related to the management of HCV area in form of Wampu Ripairan.
 20. **Field 94111006, Division 1.** Observations and interviews with harvesting and hauling workers related to PPE, OHS and worker welfare. Also observation related to management of HCV area in form of riparian of Pasar Tennis
 21. **Field 93111001, Division 1.** Observation owl nest houses and interviews with the officer of pests and diseases related to pest condition.
 22. **Field 89112004, Division 2.** Observation related to management of slope area.
 23. **Field 94111006, 94111001, Division 1 and 89112000, 89112004, Division 2.** Observation related to beneficial plant.
 24. **Field 89112000, Division 1.** Observation circel and path spraying activity and also interview related to safe working, PPE, medical examination and workers welfare.
 25. **Field 87112003, Division 1.** Observations the application of compost as organic fertilizer.
 26. **Hazardous Waste Warehouse.** Field observations related to the fulfillment of the attributes health and safety, recording, and the implementation of compliance requirements hazardous waste temporary warehouse.
 27. **Chemical Warehouse.** Field observations and interview related storage of PPE, handling hazardous materials, mixing hazardous material and handling hazardous waste.
 28. **Fertilizer Warehouse.** Observations relating to the implementation of storage hazardous material, Health safety and labor management.
 29. **First aid post.** Observation First aid rooms reasonably clean condition, medical waste recording, labormedical check up and work accident.
 30. **Housing divisi 1 (Pondok Kloneng).** Field observations and interviews related to workers facility, electricity, domestic waste, sources offresh water and socialization of company policy.
 31. **Land fill.** Observations related to the implementation procedures of domestic waste bins and disposal site is about 5 kilometers from the settlement.
- Pulau Rambung Estate:**
32. **Field 87114003 & Field 86114012.** Observations related to the management of HCV area in form of *Titi 1* riparian.
 33. **Field 91113001.** Observations related to the management of HCV area in form of *Titi payung* riparian.
 34. **Field 86111003.** Observation related to HGU pole No. 48.
 35. **Field 91113014.** Observation related to HGU pole No. 20 and management of HCV area in form of Dobi Riparian.
 36. **Field 96112016.** Observations related to the management of HCV area in form of area with natural vegetation.
 37. **Kaluci River, Division II (Bandar Telu).** Observation water pump house and water collection point for processing at mill.
 38. **Field 11113001 and 11113002, the Division II (Bandar telu).** Observations management of wastewater to land application.
 39. **Field 114004, Division I (Turangie Lama).** Observations groundwater monitoring wells in land application area.
 40. **Field 11113003, Division 3.** Observations and interviews with harvesting related to PPE, OHS and worker welfare.
 41. **Field 88113001, Division 3.** Observation and interview related to IPM such as ganoderma census and Palm-Leaf Eater Caterpillar census.
 42. **Field 11113003, 88113001, 91113001, Division 3.** Observation related to beneficial plant.
 43. **Field 91113001, Division 3.** Observation related to road maintaining.
 44. **Field 11113003, Division 3.** Observation related to management of slope area.
 45. **Housing Division I (Turangie Lama).** Observation groundwater monitoring wells in residential staff control.
 46. **Hazardous waste warehouse.** Field observations related to the fulfillment of the attributes health and safety, recording, and the implementation of compliance requirements hazardous waste temporary warehouse.
 47. **Housing divisi 2 (Pondok Sepuluh).** Field observations and interviews related to workers facility, electricity, domestic waste, sources offresh water and socialization of company policy.

	<p>48. Generator room. Observation and interview with clerk related to generator system, engine capacity, and possible occurrence of spills to environment, PPE dan Health safety and labor management.</p> <p>49. First aid post. Observation First aid rooms reasonably clean condition, medical waste recording, labor medical check up and work accident.</p> <p>50. Fertilizer Warehouse. Observations relating to the implementation of storage hazardous material, Health safety and labor management.</p> <p>51. Chemical material warehouse. Field observations related to the fulfillment of health safety as well as interviews with a warehouse clerk of safety health related to OHS and medical examination.</p> <p>52. Land fill. Observations related to the implementation procedures of domestic waste bins and disposal site is about 5 kilometers from the settlement.</p> <p>Bungara Estate</p> <p>53. Field 94111014. Observations related to the management of HCV area in form of Gede Riparian.</p> <p>54. Field 93111004. Observation related to HGU pole No. LSI 14-2.</p> <p>55. Field 94111011. Observation and Interview with supervisor and worker in harvesting activity related to harvesting activity, accident insurance and worker welfare.</p> <p>56. Field 92111001. Observation and interview with supervisor and worker in spraying activity related to implementation procedure, PPE, first aid kits, prohibition area for sparying and medical examination.</p> <p>57. Fertilizer Warehouse. Observations relating to the implementation of storage hazardous material, Health safety and labor management.</p> <p>58. Housing divisi 2 (Pondok Pajak). Field observations and interviews related to workers facility, electricity, domestic waste, sources of fresh water and socialization of company policy.</p> <p>59. Landfill. Observations related to the implementation procedures of domestic waste bins and disposal site is about 5 kilometers from the settlement.</p> <p>Stake Holder Consultation</p> <p>60. Institution of governance (District Agencies Government of Langkat consisting of Environment Agency, Labor Agency and Plantation Agency). Interviews related to the issue of environmental pollution, land conflict, the company's contribution to the society and the impact of corporate activities.</p> <p>61. Surrounding Villages (Perkebunan Turangie Village and Bandar Telu Village). Interviews related to the issue of environmental pollution, land conflict, the company's contribution to society, the impact of corporate activities, HCV area and the types of protected animals.</p> <p>62. Worker Organization (Gender Comitte, Labour Union, employee cooperative). Interviews related to the issue of work agreement and the company policy related environment, health, and safety.</p>
2.3 Stakeholder Consultation and Stakeholders Contacted	
2.3.1	Summary of stakeholder consultation process.
ASA-2	<p>The public consultation with stakeholders to PT PP London Sumatra Indonesia Tbk – Turangie Oil Mill is done through:</p> <ul style="list-style-type: none"> • Public announcementat web website MUTU (www.mutucertification.com) on 3 October 2016. • Public consultation meeting with local stakeholder conducted by visits to (Perkebunan Turangie Village and Bandar Telu Village) on 19 October 2016. • Public consultation meeting with gender committe, labour union and employee cooverative on 18 October 2016. • Public consultation with government agency of Langkat District (Enviroment Agency, Plantation Agency; and Labour Agency) by phone on 18 October 2016. • Public consultation by email with NGO (YEL, Walhi, WWF) by email on 6 October 2016. <p>Numbers of input from stakeholders were clarified by PT PP London Sumatra Indonesia Tbk – Turangie Oil Mill.</p>
2.3.2	Stakeholder contacted
	Please find appendix 1

2.4 Determining Next Assessment	
	The next visit (ASA-3) will be determined one year after this ASA-2 (October 2017).

3.0 ASSESSMENT FINDINGS

3.1 Summary of Assessment Report of the RSPO Certification

Mutuagung Lestari has conducted an assessment of Turangie Oil Mill – PT PP London Sumatra Indonesia Tbk. operation consisting of one mill and three estates.

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

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

MUTUAGUNG LESTARI found that Turangie Oil Mill – PT PP London Sumatra Indonesia Tbk 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 D 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>Management has list of stakeholders that consist of government agency, village, local communities, worker organization, NGO etc. Management also has Personnel in Charge (PIC) which is appointed to reform the list of stakeholders every month and to communicate with stakeholders. PIC which is appointed to provide and update information is Head of Environment and CSR assisted by general admin. There are type of information that can be given to the stakeholders include legal information, environmental document, social document, policy and OHSAS program, continuous improvement and etc.</p> <p>Based on interview with community of Perkebunan Turangie and Perkebunan Bandar Telu Villages, if they need information they will submitt a letter to the company. According to them, the company always respondseach letter submitted. Based on verrification of document incoming and outgoing mail, a request for information only in the form request for assistance. For example, letter dated 20 September 2016 no. 124 / BT / SLP / IX / 2016 from Perkebunan Bandar Telu village to request for assistance and haveresponded bythe company on september 24, 2016.</p>	
1.1.2	<p>Management has procedure to respond the stakeholders that contained in SOP Communication. All the communication include information request is kept in the incoming and outgoing mail folder and recorded in the communication form/logbook. The time period to respond information request is 14 working days. Based on verrification and interview with eksternal stakeholders, management always responds the information request no longer than 2 weeks.</p>	
	Status: Comply	
1.2	Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.	

1.2.1	<p>Management has list of documents that can be accessed by the public recorded on the mechanism of communication No. EMS-P05. Type of document which is available to the public such as legal information (location permits, IUP, HGU), environmental document (such as environmental policy, environmental management document, RKL / RPL, evaluation of environmental aspects and impacts, permits of utilization of industrial waste, etc); social document (document of social activities and relationships with the community), policy and OHSAS program, continuous improvement and etc. That documents is kept by Environment Manager for 5 years.</p>
	Status: Comply
1.3	Growers and millers commit to ethical conduct in all business operations and transactions.
1.3.1	<p>Management has code of integrity and ethical behavior that contained in document Good Corporate Governance that appointed on January 20, 2005. That document which is available in bahasa, explains fair business practice to themselves, fellow employees, to customers, to shareholders, business partners, government and community. In addition, the document explains that workers are prohibited from offering and the practice of bribery and corruption and also obey all laws and regulations.</p> <p>Dissemination of code of integrity and ethical behaviour disseminated orally to all level of workers. Based on interview with workers, labor union, representatives of gender committees know about code of integrity and ethical behavior and has been socialized during the briefing in the morning before working.</p>
	Status: Comply
PRINCIPLE #2 COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS	
2.1	There is compliance with all applicable local, national and ratified international laws and regulations.
2.1.1	<p>The Company already has a list of legal requirements associated with farming. Based on the list there are 199 regulations. The type of rules that have been identified by the company have included national regulations, local and international that have been ratified. The entire list is available in soft file laws and is owned by the sustainability department.</p> <p>Based on the results of documents verification and interviews with officers of hazardous waste storage, note that hazardous waste is in licensed temporary storage of each unit has been stored for 1 year and 4 months. The company has sent a letter No. 001 / GSD / G / 43 / VIII / 2016 dated August 22, 2016 to Environmental Agency of Sumatera Utara Province and Environmental Agency of Langkat district on the application for extension of storage life of hazardous waste that produced by the unit, but has not yet provided a reply. Request an extension of the storage period is done because of the transition rules regarding third-party requirements that must be incorporated in form of company, so that contracts that have been available for evacuation can not be executed before a third party legal entities eligible regulations. It is not in accordance with Regulation no. 101 of 2014 which states that the waste generated less than 50 kg / day (category II) is kept up to 365 days. Nonconformity No.2016.01 with Major category.</p>
2.1.2	<p>The company has the SOP Legal Requirements (EMS-P02 dated 10 April 2014) which describes the person responsible for managing the legal document is the Company Secretary / Legal Department. Based on the document Evaluation of SPO Regulations, it is known that all the operational units have carried out an evaluation of regulatory compliance.</p> <p>The results of interviews with staff sustainability department is known that part of the identification of new regulations is a legal part by subscription rules on legal website online. Then the rules notified to the Sustainability via email, for example, information related MenLH No. P.63 / MENLHK / Sekretariat / KU.1 / 7/2016 dated 19 October 2016 that was sent from the legal emailed to the Sustainability section on 19 October, 2016.</p>
2.1.3	

To ensure the implementation of legislation, activities of internal audit compliance 1 year in conjunction with the internal audit ISPO and RSPO. For the year 2016 has been evaluated in September 2016 by the Sustainability Department, which is recorded in the document evaluation of SPO Regulations that describes compliance with 199 laws with 498 key requirement with 368 requirement is fulfilled, 114 requirements are not applicable and 14 requirement that are partly met / have not met at all.

2.1.4

Companies conducting internal audits to ensure compliance with regulations made each year. For the year 2016 has been evaluated in September 2016 by the Sustainability Department, which is recorded in the document Evaluation of SPO Regulations that describes compliance with 199 laws, with 498 key requirement, with 368 requirement is fulfilled, 114 requirements are not applicable and 14 requirement are partly met / have not met at all. Companies can show evidence of implementation of the latest regulatory changes, for example:

- Regulation of the Minister of Environment and Forestry RI No. 63 2016 on the conditions and procedures for B3 waste landfilling in the final disposal of the facility. This regulation states that every person who generate hazardous waste must carry out the hazardous waste management

The results of the field visit showed that each unit mill has done hazardous waste generated in places that have been authorized.

2.1.1	Status: Nonconformity No.2016.01 with Major category.
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2.2

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

2.2.1

Turangie Oil Mill and the supply base has managed 9,032.40 Ha area with 8,055.97 Ha of the planted area. PT PP London Sumatra Indonesia has had the documents of land ownership legality and operational legality in form of Land Use Title (HGU) for 9,032.40 Ha which consisted of 4 HGU Certificate.

2.2.2

The company has the evidence of legal map which contains the boundary of the managed area. Based on the document, there are 222 boundary poles in all HGU of PT PP London Sumatra Indonesia. The company is able to show the evidence of record of boundary pole monitoring for period of 2016 which explain that amount of boundary poles which in good condition and which not available in field. Based on interview is known that the boundary pole monitoring was conducted every 1 years and this is in accordance with the company procedure. Field visit in Turngie Estate shows that boundary pole No. 1 is in good condition. Field visit in Pulau Rambung Estate shows that boundary poles No. 48 and 20 is in good condition. For the boundary pole which is not available in field, the management unit will repair it by replacing the poles. The follow up for the poles which is not available in field will be observe in next surveillance (OFI).

2.2.3; 2.2.4; 2.2.5; 2.2.6

Document review and consultation with the stakeholders (Plantation Agency, Perkebunan Turangie Village, Bandar Telu Village) shows there is no conflict between PT PP London Sumatra Indonesia and the communities. Beside that, 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.

	Status: Comply
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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

According to the result of public consultation with the nearby villages (Turangie Villages and Bandar Telu Village), there is no customary rights nor customary land within the area of PT PP London Sumatra Indonesia. The Company has been operating since 1906, with rubber as commodity. Since the previous assessment (ASA-1) and until ASA-2, the company

did not conduct acquisition for new land or expand area.

Status: Comply

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

3.1

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

3.1.1

The Company has a Long Term Plan document (forward study) in the period 2016-2020 which describes the production of FFB, CPO Production, Production Kernel, OER, KER, operating costs, nursery costing, the financial indicators (income vs. costs), etc. In term plan that includes the cost (cost) for environmental activities (eg testing air quality, wastewater, river, hazardous waste management, reporting RKL / RPL), conservation (eg enrichment vegetation, conservation of riparian) and social management (consulting public). Achievement of the planned long-term work is done each year in the form of documents Forward Study, as demonstrated for the period until 2021.

There is an internal audit department that handles the operational audit of the plantation, as well as the factory and also certification audit. Internal audit carried out each once a year based on an risk analysis. There are example of the internal audit operations plantations on 2 to 8 March 2016, with the findings of 8, for example: the loose fruit left behind, asking the assistant increasing supervision of the harvesters and loaders.

3.1.1

The company has set a plan of re-planting during the next 5 years (206-2020), is described in the following table:

	2016	2017	2018	2019	2020
PRE (Ha)	-	-	92.90	315.08	338.97
BAE (Ha)	-	-	174.70	254.46	212.27
TRE	-	-	145	82,22	121,78

Based on the field audit, it is known that when the company does not undertake replanting activities. Replanting activities in accordance with the company's program will be made in 2018. One of the major considerations in setting the replanting is the achievement of production per block and per year of planting.

Status: Comply

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

4.1

Operating procedures are appropriately documented and consistently implemented and monitored.

4.1.1

The company has had the SOP/Working Instruction of Plant Upkeep, consisting of the Immature Plant Upkeep and the Mature Plant Upkeep. The company also has had procedures of Manuring and Plant Upkeep. The SOP has been in line with Technical Guidance on Development of Oilpalm Plantation year 2006.

The company has had the SOP No. POM-SOP/01 FFB Acceptance at Mill Weigh Bridge that explains security checking prior to weighing and recording of FFB by Weigh Clerk; the SOP No. POM-SOP/01 Examination/Sortation of FFB that explains sortation procedures (sampling and maturity specification when sortation is going on); and Working Instruction Quality (POM-WI/16) that explains specification/standard of products (Point 16.3.0 Oil Quality and Point 16.4.0 Kernel Quality).

The workers has had good understanding on the SOP and has been implemented properly. For instance, standard specification of mill products dated 5th October 2016, i.e. CPO: FFA (< 3,2%), Moisture (< 0,19%), Dirt (< 0,02%) and PK: Moisture (7,35%) and Contamination (7.48%).

4.1.2

The company has undertaken internal audit or Operational Internal Audit (OIA) regularly on yearly basis to assess consistency of procedures implementation. For instance, the OIA at Turangie Estate from August 2015 to February 2016.

It was found that some activities were still need improvement, such as harvest. The company has conducted follow up action on that finding. For instance, improper collection of loose fruits – the average loose fruit left in circle was 3.17 fruits and in 3.75 fruits Harvest Collecting Site. On 31st March 2016, Turangie Estate Manager has instructed Field Assistants to conduct intensive supervision of harvesters. Th harvesters and loaders must collect loosefruits properly.

The company has had mechanism of assessing the compliance of field implementation. For instance, in terms of quality of CPO produced on 4th October 2016 i.e. FFA (3.31 %), Moisture (0.16 %), Dirt (0.021%), and OER (23.13 %). The CPO product has not fulfilled yet the company standard e.g. CPO quality parameters i.e. FFA (< 3 %), Moisture (< 0.2 %), and Dirt (< 0.02). When this condition is found, Mill Manager will conduct evaluation together with Estate Managers.

4.1.3

The company has had the record of procedure and terms and condition. For instance:

- Report of grading (*Daily Sorting Form for Own FFB*) dated 18th October 2016 from Bungara Estate (Division P. Pajak, Block 96112002), vehicle number 22 DT 04, number of Fruit Delivery Order 8122102J16057, total FFB grading 259 bunches. Result of sortation : Unripe 0% : 8 bunches (3.43 %); Normal Ripe 95%: 219 bunches (93.99 %); Over Ripe 5% : 6 bunches (2.59 %); Empty Bunch 0% : 0 bunch (0 %); Long Stalk 0% : 0 bunch (0 %); Abnormal: 26 bunches; Total sample 233 bunches; % loose fruit for delivery note > 6% amounted to 414 kgs (5.74% of 7,210 kgs estimated weight) and actual weight amounted 270 kgs (3.72 % of 7,260 kgs actual weight) and left fruit harvested 4 bunches (1.72%).
- Daily Crop and Production Report dated 5th October 2016, i.e. CPO : Free Fatty Acid (FFA) < 3,2%; Moisture < 0,19%; and Dirt < 0,02%); and PK (Moisture 7,35% and Contamination 7.48%).

The result of consultation with Environmental Agency, District of Langkat shows that the company has submited the report of monitoring and implementation result of any action. For instance, Report of Implementation of Environmental Management Plan – Environmental Monitoring Plan (RKL-RPL) for the first semester of 2016 that recorded result of environmental management and monitoring has been submitted to Environmental Agency, District of Langkat on July 2016.

The field observation on harvesting activity shows that Harverst Clerk has recorded harvest result in Harvest Collecting Site on 19th October 2016 in Block 9411100, Division I, Turangie Estate, i.e. No. of Harvester: 18; No. of **Locis**: 00032863, 00032864, dan 00032865; total number of FFB: 10 bunches (all normal/ripe); and total number of loose fruits (weighted): 18 kgs.

4.1.4

According to the result of document review and interview with the management, there is no FFB sourced from external party.

Status: Comply

4.2

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

4.2.1

The company was able to show evident of implementaion of Good Agricultural Practices (GAP), such as:

- Program and actual plant upkeep in 2016 (up to September). For instance, target of pruning in Pulau Rambung Estate was 3,601.80 Ha and actual was 3.970.20 Ha.
- Program and actual manuring in 2016 (up to September) has been comply with manure recommendation of Department of Research of PT. PP London Sumatra. For instance, manuring program in Turangie Estate, Division I, Block 93111001 (14.99 Ha and 1,162 oilpalm trees) using Urea on April 2016 amounted to 2.015 kg (1,25 kg/tree). On 27th April 2016 has been applied 1,974 kgs Urea(1.25 kg/tree) in area of 14.99 Ha (1,579 oilpalm trees).
- Program and actual compost manuring in 2016. For instance, programme of compost application in Pulau Rambung Estate was 17,822,000 kgs. Up to September 2016 it has been applied of 13,014,410 kgs (28 tons/ha) in area of 869.38 Ha.

Workers of Census of Pest and Disease in Block 88113001, Division III Bandar Telu, Pulau Rambung Estate explained, that until October 2016 there has been 139 oilpalm trees (0.25% of 55,106 total oilpalm trees) infected by *Ganoderma* disease in Division III Bandar Telu, Pulau Rambung Estate. Disease management has been done by uprooting the infected trees, making sanitary hole and treated using biological agent (*Trichoderma*) 200 gr/hole as recommended by Bah Lias Research Station, Department of Research of PT. PP London Sumatra.

4.2.2

The company has had record of manuring in 2016 (up to September) as recommended by Department of Research of PT. PP London Sumatra, i.e. Urea, Rock Phosphate and MOP, 2 rotations per year. Report of fertilizer use was recorded in Fertilizer Recommendation and Realization "Manuring 2016". For instance:

- Actual fertilizer application in the 2nd Semester of 2016 (up to September) in Pulau Rambung Estate, i.e. MOP amounted to 131,835 kgs on the area of 1,512.24 Ha (87.18 kgs/ha); Rock Phosphate amounted to 91,742 kgs on the area of 1,576.60 ha (58.19 kgs/ha); and Urea amounted to 224,005 kgs on the area of 1,539.22 ha (145.53 kg/ha).
- Actual manuring using compost (up to September 2016) in Turangie Estate was 10,466,820 kg on the area of 482.84 Ha (28 tons/ha); and Pulau Rambung Estate amounted to 13,014,410 kg on the area of 869.38 Ha (28 tons/ha).

The Manure Foreman explained, that on September 2016 has been done the second rotation of MOP in Block 96114011, Division IV, Turangie Estate amounted to 2,094 kgs (0.75 kg/tree) on the area of 25.54 Has (2,791 oilpalm trees) as recommended by the Department of Research of PT. PP London Sumatra.

4.2.3

The company has performed annual leaf analysis and soil analysis (every 5 year) in Bah Lias Research Station (BLRS), Department of Research of PT. PP London Sumatra to monitor the changes of nutrient status and to formulate the recommendation of fertilizer need. Manuring recommendation for 2016 has been based on the analysis result of leaf and soil samples in 2015. For instance :

- Leaf samples analysis taken from Block 86111001, Pulau Rambung Estate were: Content of N (2.04%); P (0.121%); K (0.90%); Mg (0.18%); Ca (0.52%); rachis P (0.064%); rachis K (1.27%); rachis Mg (0.06%); and rachis Ca (0.27%);
- Analysis result of soil samples taken from Block 87113001, Division III (plant aged 28 years) Pulau Rambung Estate were: pH (5.10) and content of organic matter (OM) = 2.58 %.

The analysis result of leaf and soil samples has been used as guidance in formulating manuring program in 2016. For instance, manuring program for the First Semester in Pulau Rambung Estate on the area of 1,576.60 Ha are Urea amounted to 230,779 kgs, Rock Phosphate (92,313 kgs), and MOP (138,467 kgs).

The worker of company explains that Department of Research of PT. PP London Sumatra also recommended the use of compost (Enriched Mulch) of 28 ton/ha in the area of >110 trees/ha placed in inter row in strip-shape and 200 kgs/trees in area of <110 trees/ha placed in the edge of plant circle.

4.2.4

The company has maintained soil fertility by processing solid and liquid wastes of POME, such as composting of empty fruit bunches (EFB), land application, and the use of frond residues as mulch. For instance:

- In 2016, it has been conducted the process of empty fruit bunches to be compost (enriched mulch). In September 2016, compost has been available amounted to 25,890.24 tons (produced 25,191.37 kgs and initial stock on January 2016 amounted to 698.87 kgs). Total actual applied (up to early October 2016) were 25,268.18 kgs and the remaining was 622.06 kgs. For instance, target of compost application on July 2016 in Turangie Estate was to 1,500,440 kgs and actual application was 1,273,500 kgs, i.e. 426,200 kgs in Division II Block 85112002 on the area of 26,75 Has (2,451 trees).
- The use of frond residues as mulch. For instance, the field observation in Block 94111006 (18.90 Has), Division I, Turangie Estate and in Block 11113003 (20.95 Has), Division III Bandar Telu, Pulau Rambung Estate shows, that harvesters placed the frond residues in the interrow as mulching.
- Effluent for Land application. Record on September 2016 shows that 7,634 M³ effluent is used for land application

Status: Comply

4.3

Practices minimize and control erosion and degradation of soils.

4.3.1

The company has had soil type map from RISPA Soil Survey Map with ground check in 2006 for all Estates (scale 1:50,000). Based on that map it is known that soil type in area of PT. PP London Sumatra are **yellow podsollic, yellow red podsollic, red brown podsollic, yellow brown podsollic, and alluvial**. These identified soils are **not marginal land or fragile soil**. The whole areas have been manured, applied the empty fruit bunches (compost), built terraces/contour, and planted leguminous cover crops (LCC).

4.3.2

The company has had management strategy of certain sloping areas as described in the following procedures:

- SOP OP 5.10 *High Conservation Value* - program of management and monitoring of HCV including riparian management and the potentially high erosion area.
- SOP OP 543 *Froned Placement on Slope and Terrace* - procedure of placement of frond residues in sloping part of block to resist soil erosion, easy entrance road, and tarping fertilizer within water run-off.
- SOP of management/conservation when doing replanting by making sediment trap in respective area with sloping >15% and > 45% and be monitored everyday.

The company also has had the map of Area Slope (scala 1 : 50,000) in respective Estate issued by the Research and Technology Development dated 26th November 2011. The map shows that in area of PT. PP London Sumatra is not found area with slope >40%.

The management of area susceptible to erosion and soil conservation were done in area with certain slope. For instance, in area sloping >20%, zero burning has to be implemented, growing LCC, constructing contour terrace, managing of frond residues at the edge of terrace following contour, and growing the strengthened plants such as *Vetiver* grass. For instance, prevention of soil erosion in potentially high erosion area i.e. in Block 89112004, Division II, Turangie Estate and Block 11113003, Division III Bandar Telu, Pulau Rambung Estate was done by constructing contour terraces, placing frond residues at the edge of contour terraces, and not slashing or spraying weeds, LCC and fern (*Nephrolepis biserrata*) growing in terraces wall.

4.3.3

The company has had program of road maintenance. For instance, program of main road maintenance in 2016 in Pulau Rambung Estate was 106,602 M and actual (up to September) was 57,814 M. Target of collection road maintenance in Turangie Estate was 119,571 M and actual was 116,705 M.

When field visit was going on, the company was maintaining the main road \pm 1 km length in Block 91113001, Division III Bandar Telu, Pulau Rambung Estate. The work was improving water channel in both sides of the main road using heavy equipment (bekograder and compactor).

4.3.4; 4.3.5

The company has had soil type map from RISPA Soil Survey Map with ground check in 2006 for all Estates (scale 1:50,000). Based on that map it is known that soil type in area of PT. PP London Sumatra are **yellow podsollic, yellow red podsollic, red brown podsollic, yellow brown podsollic, and alluvial** and there is no peat land.

Based on field observation and interview of field workers in Block 94111006, Division I, Turangie Estate and Block 11113003, Division III, Pulau Rambung Estate, it was known that planted area is mineral land and no peat land.

4.3.6

The company also has had Environment Document (*Penyajian Evaluasi Lingkungan*). In chapter III.5 point B. Geology, it is mentioned that based on Geological Map Sheet Medan (Cameron et.all, 1982) the managed area is on sand stone, mud stone, and conglomerate that including *Sereula* formation and some are in *Kentapang* formation that consists of layered sand stone and mud stone. There is no marginal land nor critical land in the cultivated area.

Nevertheless, the company has had management strategy of marginal land and other fragile land. For instance:

- SOP OP 5.10 *High Conservation Value* - Program of management and monitoring of HCV including riparian

management and the potentially high erosion area.
 - SOP OP 543 *Fronnd Placement on Slope and Terrace* - Procedure of placement of frond residues in sloping block.

Status: Comply

4.4

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

4.4.1

The company has a management plan to maintain ground and surface water management plan, such as mill effluent management on POME Pond before applied to the ground (land Application), conservation on riparian area, not using chemical on the riparian area, mill effluent quality test, underground and surface water test routinely and report it to environmental agency. There are rivers in the area turangie, consist of umbul river, bakul tempe river, hukum river, pasar mayat river, Paya I river, Wampu river and Yadi river, in Bungara estate there Pondok bawah river, Kerikit river, Kongsu river, Keder river, B. Putih river, and rivers 1,2,3. Whilst in Pulau rambung estate consist of Gudang river, Titi Besi river, Titi Dobi river, Titi payung river and Titi 1 river. Field observation in Field 93113002 Turangie Estate shows that around the watersources is covered with natural plant and the riparian that will be maintained is 200 m.

4.4.2

The company has implemented water management, is known out from use of water for FFB processing still in accordance with the budget. Based on field observation, known there is no contamination caused by mill and estate activities. The company also conducted mill effluent test and surface water periodically, the result is still appropriate with relevant regulations. According to interviews with environmental agency, until now there are no reports from the public related to environmental pollution caused by mill and estate.

Determine boundaries of riparian strip base on existing regulation

River Wide (m)	Riparian wide (m)
1 – 5	5
5 – 10	10
10 – 20	20
20 – 40	40
40 – 50	50
>50	100

According to the result of observation on polka rivers (Pulau rambung estate), the protection including riparian area is conducted by the company by installing bufferzone boundary signboard, boundary signboard installation on the left and right off the river and installing the signboard of chemicals application prohibition on riparian area.

4.4.3

The management has tested mill's effluent on inlet and outlet pond regularly every month. The result of the test is recorded on implementation report of environmental management and monitoring and reported to Environmental Agency. The tested parameters are pH, BOD₅, COD, Fat & Oil, Kadmium, Chopper, Lead and Zinc, Nitrogen Total, Amonia, TSS. According to the test result, the quality of effluent is accordance with the quality threshold (Environment Ministry Decree No. 29 Year 2003).

Based on the result of interview with Environment Agency, company has result quality of mill effluent test and reported regularly, for example, for period of July – September 2016. According to the result of interview, there is no issue or report from other parties in term of the negative impacts caused by the mill's effluent management.

4.4.4

The company has implemented water management, known use of water for FFB processing still in accordance with the budget 1,23 m³ / tFFB. According to interview with WTP officer, known officer has been to understand how the monitoring of water usage.

Status: Comply

4.5

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

4.5.1

The company has had the IPM program by implementing Early Warning System (EWS), that is detecting pest (Pest Detection) that attack oil palm, e.g. leaf eater, rodent, pathogenic fungi *Ganoderma* spp. etc. Pest control is done based on the result of pest and disease detection or census and economic threshold level as described in SOP Working Instruction of Detection and Control of Pest and Disease.

The company has conducted detection and control of pest and disease in 2016. Result of pest detection is recorded in Summary Form of Pest Detection. For instance, detection of rodent in August 2016 in Turangie Estate, Division III Block 95115001 (26.65 Ha, total oilpalm 3,291 trees) showed, that 2 oil palm trees (1.35 % out of 148 of sampel trees detected) have been infested. Percentage of infestation was still light (<5%). Prevention has been taken by installing artificial nest box of rat predator – owl of local species (*Tyto alba*), 3 units in Division respectively. The mangement explained that company did not apply pesticide to prevent disease (prophylactic).

The management explained, that herbicide was predominantly used. It is available herbicide list used in 2016 that have been registered in Indonesia Pesticide Commission and has been permitted by the government, such as :

Product Name	Active Ingredient	No. of Registration	Legal Permit
Lindomin 865 SL	2,4-D metil amina 865 g/l	RI 0103011989867	23 June 2015
Elang 480 SL	Isopropil amina glifosat 480 g/l	RI 01030119941170	09 January 2017
Metsulindo 20 WP	Metil metsulfulfuron 20%	RI 0103011989867	23 June 2016

The pesticide used the company is based on Book of Pesticides in Agriculture and Forestry (issued by Indonesia Pesticide Commission) in terms of product name, active ingredient, dose/rate, and target species. For instance, record of herbicide used in 2016 (up to 18th October 2016) in Turangie Estate: Elang 480 SL amounted to 889.12 lt (0.15 lt/ha), area applicated 5,927.46 Ha; Lindomine 865 SL (0.07 lt/Ha) area applicated 3,334.43 Ha; and Metsulindo 20 WP (0.05 kg/Ha) area applicated 2,953.08 Ha.

The company still used paraquat herbicide but the number of herbicide used tends has been significantly decreased. For instance, in 2014 used 42.60 lt and decreased in 2015 (1.10 lt) and no use in 2016. This has been in line with Decree of Dewan Direksi No.038/MGT/S&P/IX/2013, dated 23rd September 2013 regarding Commitment of the Sustainable Agribisnis Practices, among others, *decreasing and stop using of paraquat herbicide gradually.*

4.5.2

The company has conducted gradually the IPM training for workers involved in IPM implementation. For instance:

- Training on the Use of Limited Pesticide conducted by the Fertilizer and Pesticide Inspection Committee, North Sumatra Province dated 30th August 2012 attended by 52 participants. Certificate was available, such as certificate No. 521.4/166-23/PLA.S/VIII/2010 dated 31 August 2012 for Risma Yanti.
- Training on Pest and Disease Management and the Save and Effective Pesticide Application conducted on 2nd September 2014 in Turangie Estate. The certificate was available, such as certificate for Rizal, training participant from Pulo Rambung Estate.
- Socialization on *Ganoderma*, conducted 2 times per year in Turangie Estate, i.e. on April and September 2015 and on April and September 2016 organized by the BLRS, attended by census workers of *Ganoderma*. For instance, in 2016 socialization was follwed by 8 participants. The topic of socialization comprised of *Ganoderma* Disease, Sympton, and Control of *Ganoderma* Disease.

Census Worker of *Ganoderma* in Block 88113001, Division III Bandar Telu, Pulau Rambung Estate claimed that he had never attended yet the IPM training, however, he claimed that had attended the Socialization of *Ganoderma* in Turangie Estate, held on September 2016 conducted by BLRS.

Status: Comply

4.6

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

4.6.1

The company has had policy on safety in using agrochemicals (fertilizer and pesticide). For instance, operators must use Self-Protective Equipment when using agrochemicals, making pesticide solution in chemical house available in Division office, washing Self-Protective Equipment and spraying equipment in special room available in Estate office. The company has had SOP OP 5.1.3: Herbicides for Weed Control in Oil Palm that explains justification of using agrochemicals in every step of farming activity. For instance, weed control in circle and path using glyphosate herbicide (0.5 – 1.0 lt/ha) mixed with 2,4-D amine herbicide (0.15 gr/ha).

The company has had list of pesticides used in 2016, comprising of trade mark, active ingredient, LD50, registration number, legal permit, and target species. For instance, list of pesticides used in 2016 in Pulau Rambung Estate, can be seen in the following Table:

Trade Mark	Active Ingredient	LD50 (mg/kg)	Registration Number	Legal Permit	Target Species
Elang 480 SL	Isoprophyl amina glyphoste 480 g/l	5,600	RI01030119941170	9 January 2017	Mixed weeds
Metsulindo 20 WP	Methyl metsulphuron 20%	>5,000	RI 01030119991484	23 June 2016	Mixed weeds
Lindomin 865 SL	2,4-D methyl amine 865 g/l	2,872	RI 0103011989867	23 June 2016	Mixed weeds
Decis 25 EC	Deltametrin 25 g/liter	416	RI 2653/12-2006/T	4 January 2018	Leaf eater

The use of herbicide has been done in rotation. For instance, weed control in 2016 in Turangie Estate herbicides Elang 480 SL (Isoprophyl amina glyphosate), Lindomin 865 SL (2,4-D methyl amine), and Metsulindo 20 WP (methyl metsulphuron) and in Pulau Rambung Estate used Elang 480 SL (Isoprophyl amina glyphosate) and Lindomin 865 SL (2,4-D methyl amine) were used intercept.

Based on field observation and Spraying Foreman interview and Herbicide Operator in Block 89112000, Division II, Turangie Estate it was known that the company has implemented the policy on safety use of pesticides, i.e. facilitating Spraying Foreman with Work Instruction and Herbicide Applicator with Self-Protective Equipment (eyeglasses, helmet with eye protector, “Y”-Shape respiratory masker, gloves, safety shoes, apron, wearpack and the standar sprayer (Micron Herby and Knapsck Sprayer).

4.6.2

The company was able to show the record of pesticide used in 2016 containing information about name of pesticide, active ingredient, content of active ingredient, total applied, LD50, hectarage of application, total of active ingredient, and ratio of active ingredient/Ha. Example :

Estate	Herbicide Name/ Active Ingredient	Content of Active Ingredient	Total of Application (ltr)	LD50 (mg/kg)	Hectarage of Application (Ha)	Total of Active Ingredient (kg)	Ratio of Active Ingredient (kg ai/Ha)
Turangie	Elang 480 SL (Isoprophyl amina glyphosate)	480 gr/L	714.88	5,600	4,765.87	343.14	0.180
Pulau Rambung	Lindomine 865 SL (2,4-D methyl amina)	865 gr/L	173.00	2,872	8.65	149.65	0.045

Field observation and Spraying Foreman interview on 19th October 2016 in Block 89112000, Division II, Turangie Estate showed, that to control mixed weeds in circle, path, and Yield Collecting Site in the area of 19.13 Ha used Elang 480 SL (isoprophyl amina glyphosate, LD50 5,600 mg/kg) amounted to 2.85 lt (0.15 lt/Ha) and sticker (Indostick, 1 ml/lt water). Spraying was done using Micron Herby (5 liter tank capacity).

4.6.3

Pest and disease control was done based on the level of infestation. In the SOP OP 5.2.1 *Overview of Pest and Disease Management* (November 2004), point 6 it is explained that early detection and quickly control is done using 2 methods, i.e. Simple Detection (Harvest Foreman reports pest infestation in his harvest area) and Formal Detection (the special pest detector conducts pest and disease detection by walking in the whole Block area systematically and properly).

In the SOP OP 5.2.7 *Rat Control in Oil Palm*, point 3 is mentioned that census of rodent infestation is routinely done. The

level of infestation are < 5% (rat population <100), 5-20% (100-250 rats), 21-50% (250-500 rats), and >50% (>500 rats).

In the SOP OP 5.2.4 Oil Palm Leaf Eater Control is mentioned the criteria of assessment of infestation level of insect leaf eater, i.e. Light (1 - 5 larvae/tree), Moderate (6 – 10 larvae/tree), and Severe (>10 larvae/tree).

The result of pest and disease detection in 2016 showed, that pest and disease infestation was light. For instance, result of pest detection in Pulau Rambung Estate : In Division II no insect leaf eater detected, percentage of infestation of rodent in Division IV was 0.66%, and percentage of trees infected by *Ganoderma* disease in Division I was 0.17%.

Pest and disease control were done biologically, mechanically and physically since the level of infestation was still light. For instance, control of insect leaf eater in Turangie Estate was done by growing the local species of hostplant of the natural enemies of such insect pest, that is *Turnera subulata* (2,593 plants has been grown in the area of 636.27 Ha).

The company has had record of pesticide used that tends to decrease. For example, the use of Elang 480 SL (isoprophyl amina glyphosate) in Turangie Estate was 1,241.80 lt in 2014; 1,078.24 lt in 2015; and 889.12 lt in 2016 (up to October).

4.6.4

Based on the explanation of Sustainability Officer, the company has known and has had the complete list of pesticides that categorized as World Health Organisation (WHO) Class 1A or 1B, nor stated in Convention of Stockholm or Rotterdam, i.e. List of Materials Prohibited - Fair Trade USA.

The company has had the policy on the use of paraquat herbicide that is Letter of Decree of Dewan Direksi No. 038/MGT/S&P/IX/2013, dated 23rd September 2013 regarding Commitment of the Sustainable Agribisnis Practices, among others, decreasing and stop using of paraquat herbicide gradually.

The company officer explained, that the company still use paraquat herbicide (Pesticide Class 1A and 1B WHO), but already decreased over year. For instance, in 2014 was used of 42.60 lt, in 2015 (1.10 lt) and none in 2016. Application of paraquat herbicide was done by the skilled and certified operators who already attended the Training on the Use of Limited Pesticide performed by the Fertilizer and Pesticide Inspection Committee, North Sumatra Province in Rambong Sialang Training Center. Example, certificate No.521.4/24.13/PLA.S/II/2014 dated 7th February 2014 for Zulvan (operator from Turangie Estate) and Rosma br Barus (operator from Pulo Rambung Estate).

The Spraying Operators interviewed during field visit in Block 8911200, Division II, Turangie Estate claimed that they had never used paraquat herbicide in 2016.

4.6.5

The company has had SOP Handling of Pesticide, i.e. OP 5.2.2 *Guide to the Safe Use of Agro Chemical* and OP 5.1.1 *Spraying Convention and Calibration of Equipment*. The company also has had explanation of procedure of pesticide use that more specific in control of pest, disease and weed. For instance: OP 5.1.3 *Herbicides for Weeds Control in Oil Palm*; OP 5.2.3 *Pesticides Used to Control Pest in Oil Palm*; and OP 5.2.4 *Oil Palm Leaf Eater Control*.

Based on field observation and interview of Spraying Foreman and Operators during field visit in Block 8911200, Division II, Turangie Estate, it is known that :

- Spraying Operators have had good understanding on herbicide application techniques, comprising of dose/rate, use of Self-Protective Equipment, spraying equipment, herbicide mixing, and spraying techniques. They were able also to explain the prohibited things when spraying herbicide due to danger and risk of herbicide, such as spraying contra to wind direction, eating/drinking/smoking, spraying riparian and conservation area (HCV). They also knew that pregnant woman/breast feeding is not allowed to apply herbicide. The PPE for spraying operator is accordance with MSDS such as respirator.
- Spraying Foreman and Operators claimed that they were convenient using Self-Protective Equipment and spraying equipment. The company replaced soon when it is out of order.

The company has trained workers who handle agrochemicals. For instance:

- Training on Control of Pest and Disease and Safe and Effective Pesticide Application held on 2nd September 2014 in Turangie Estate under collaboration with Indoagri. The certificate was available, such as certificate for Ilham Hanafi (participant from Turangie Estate).

- Training and Socialization on Toxic Waste Management attended by officials and Spraying Operators held on 6th September 2014.
- Training on Best Practice Agrochemical Application and Safety Use Training has been conducted gradually for 6 times in 2016 attended by 220 participants under collaboration with Dow AgroSciences, e.g. on 23rd May 2016 done in Turangie Estate attended by 38 participants. The training topic comprised of product stewardships, knowledge on pesticide products generally used, the effective, efficient, economic, and safe use of pesticide, using and maintenance of knapsack sprayer, calibration of knapsack sprayer, understanding on nozzle, swath, spraying width, and walking speed in spraying. The certificate was available, e.g. training certificate dated 23rd May 2016 for Supriadi (participant from Pulo Rambung Estate).

Based on the interview of pesticide store worker in Turangie Estate, it was found that:

- The worker has attended socialization of Agrochemical Handling (knowledge on pesticide, handling of pesticide poisonous and the use of Self-Protective Equipment held in 2013 and Training on Agrochemical in 2014, both were conducted in Rambong Sialang Training Center.
- The worker has had good understanding of label on pesticide container, such as trade mark (product name), active ingredient, dose/rate, target species, and symbols.
- MSDS sheets of each pesticide product were available, easy to read, and worker has had good understanding on it.

4.6.6

The company has provided special place for storage of chemicals materials in mill and estates. There are three chemical storages for estate operations, located in Turangie estate, Pulau Rambung estate and Bungara estate. There is one unit of chemical material storage for Mill. Field visit shows those chemicals storages has met standard requirement according to regulation: separated from other materials including fertilizer, provided first aid kit and emergency equipment, MSDS, PPE, structuring materials on palette and include spill trap, permanently ventilated, complete recording, and all staffs have been trained in chemical material handling.

The company has managed the hazardous material and ex pesticide containers in accordance with SOP which owned, the hazardous material are storage in chemical ware house and ex pesticide container are storage at Hazardous waste warehouse licensed. The ex pesticide containers is periodically transported and disposed to the licensed third party. Based on field observation in housing complex, nothing found ex pesticide containers carelessly and used for other. Based on interviews with environmental agency, the company regularly reports results for Management and Monitoring of hazardous waste.

4.6.7

The company has had SOP Pesticide Handling, i.e. OP 5.2.2 *Guide to the Safe Use of Agro Chemical* and OP 5.1.1 *Spraying Convention and Calibration of Equipment* that has been used as guidance on pesticide application. The SOP explains, among others, the use of Self-Protective Equipment, spraying equipment, and pesticide residue.

The company also has had SOP Toxic Waste Management that explains about storing of chemical ex-container in Temporary Store Site and has to be sold to buyer (company) permitted by the government and record (logbook) has to be made properly.

The company has trained workers who handle and apply pesticide. For instance:

- Training on the Use of Limited Pesticide conducted by the Fertilizer and Pesticide Inspection Committee, North Sumatra Province held in Rambong Sialang Training Center on 30th August 2012 and 6th February 2014. The certificate of training was available, such as certificate No.521.4/166.23/PLA.S/VIII/2012 dated 31st August 2012 for Ronny (worker of Turangie Estate) and certificate No.521.4/24.13/PLA.S/III/2014 dated 7 February 2014 for Irwanto (worker of Pulau Rambung Estate).
- Training on Agrochemical attended by workers who handle agrochemical. The training held in 2014 di Rambong Sialang Training Center. The topic of training comprised of knowledge on pesticide, handling of pesticide poisoned and use of Self-Protective Equipment. The certificate of training was available.

Based on the field observation and interview of Spraying Foreman and Spraying Operators in Block 8911200, Division II, Turangie Estate, it was found that :

- Spraying Foreman has had good understanding on dose/rate, target species and use of herbicide, herbicide mixing (done in Division Store) and filling herbicide solution into sprayer tank in the field.

- Spraying Operators have had good understanding on SOP Spraying and were able to explain spraying techniques, e.g. spraying following wind direction.

Spraying Foreman and Spraying Operators used the standard Self-Protective Equipment and First Aid Box was also available in working site.

4.6.8

The management explained that the company has never done aerial spraying. The Spraying Foreman and Spraying Operators interviewed in Block 8911200, Division II, Turangie Estate claimed that the company has never performed pesticide application from air (aerial spraying).

4.6.9

The management explained that there were no plasma farmers under guidance or collaboration with company. The company has conducted efforts in maintaining skill and competence of workers in handling pesticide, such as by sending workers who handle pesticide to attend training and socialization related to pesticide handling. For instance :

- Training on the Use of Limited Pesticide conducted by the Fertilizer and Pesticide Inspection Committee, North Sumatra Province held in Rambung Sialang Training Center on 30th August 2012 and 6th February 2014.
- Socialisation of Agrochemical Handling held in 2013 in Rambung Sialang Training Center (RSTC).
- Training on Agrochemical for workers who handle agrochemical held in 2014 in Rambung Sialang Training Center. The topic of training consisted of knowledge on pesticide, handling of pesticide poisonous, and the use of Self-Protective Equipment. The certificate of training was available.
- Facilitating Spraying Foreman with Work Instruction as guidance in conducting pesticide application.

The company also has had Material Safety Data Sheet (MSDS) which is easy to read, and worker has had good understanding on it. The MSDS explains about product identification and company, composition and information of content, precautions, first aids, fire extinguish, handling of accident, handling and storing, workers safety, physical and chemical characteristics, stability and reactivity, toxicology data, environmental information, dumping, transport information, and additional information.

Pesticide store worker interviewed in Turangie Estate has had good understanding and was able to explain about label in pesticide container in terms of active ingredient, dose/rate, symbols, use of Self-Protective Equipment (e.g. masker), first aids when workers got poisoned by pesticide, etc.

4.6.10

All pesticides used in plantation have been used in a way that do not endanger health or the environment in accordance with SOP concerning Hazardous Waste Management, issued on June 1, 2011, revision on 10 April 2014 which sets the hazardous waste management including waste from used chemicals and pesticides container conducted three times rinsing.

Based on interviews with storage temporary hazardous officers known officer has understand if hazardous waste produced by unit must be placed on storage temporary hazardous comply with SOP Number EMS-P14 about Management of Hazardous and toxic materials and waste. Knowledge about of used pesticide containers after application, is always informed to the worker every briefing morning.

The field verification showed that the company has been managing agrochemical waste including used pesticide container properly in accordance with applicable regulations. All chemical waste are stored in a licensed temporary storage before transported and disposed by licensed third party. All hazardous waste management records are maintained and reported to local environmental offices of Langkat District.

4.6.11

The Company has a list of workers spray for each unit, namely:

- Rambung Island Estate: 24 people (one warehouse and 23 employees).
- Turangie Estate: 35 (5 foremen and 30 workers)

The Company has procedures for monitoring Employee Health Screening estate / factory / research / office (P-21, dated 15 Sept 2011). This procedure explains that the health checks are categorized into initial medical examination, periodic medical examinations and special medical examinations. Initial medical examination conducted for prospective employees before being accepted to work in the company. periodic checks conducted for employees working in high-risk locations within a period of one year. Special examination carried out as a follow up of the results of periodic health examination if found abnormalities or health problems.

The Company has conducted medical examinations to workers spray collaboration with Clinical Specialist Anugerah Ibu (LSSM-044-IDN). Tests done for workers spray is a cholinesterase testing with the number of workers spray medically examined are:

- Pulo Rambung Estate: 44 people, conducted on October 17, 2016. For the examination results have not been published. Based absent in mind that there are two people spray operator (per the list of workers spray) is not a health check that Misno and sugianto. Based on the attendance list in mind that the two workers are absent from work due to illness and leave.
- Turangie Estate: 35 (5 foremen and 30 workers). conducted on October 17, 2016. For the examination results have not been published.

Field observations and interviews with spraying operator in Turangie Estate, field No.89112000 and Bungara Estate Field No. 92111001 obtained information that the workers understand how to practice safe work, are equipped with adequate PPE (helmet goggles, rubber gloves, masks muzzle, apron, boots). They also state that there are no indication of workers exposed to pesticide (like skin disease or itches) and the result of last medical examination shows that spraying team in good condition. Female workers had found out about the ban on working with chemicals for pregnant and lactating women.

The company has conducted health checks for pesticide operator, but at the time of the examination conducted there were two people who did not follow the operator because of Sick and Leave. The company have a program to conduct medical examination on 24 – 28 October 2016 for the 2 workers. The result of examination will be observe in next surveillance (OFI).

4.6.12

Company shows an example of a letter document number 49a / BA / INT / VII / 2009 dated August 3, 2009 for instructions regarding the prohibition to employ pregnant and nursing mothers as follows:

- Do not justified doing the spraying of herbicides, pesticides and fungicides.
- Do not justifiably do the job fertilization.
- Do not justifiably do the job mix of herbicides, pesticides and fungicides.
- Provide sufficient opportunity for women workers may nurse their children.

Field observations and interviews with spray teams consisting of 5 female workers and one male worker spraying in Turangie Estate, field no.89.11.2000 obtained information that the workers understand how to practice safe work, are equipped with adequate PPE (helmet goggles, rubber gloves, muzzle mask, apron, boots). Female workers had found out about the ban on working with chemicals for pregnant and lactating women. Examination of a part women workers spray every month at the clinic to determine the presence of working women who were in a state of pregnancy.

Status: Comply

4.7

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

4.7.1

OHS policy unchanged as described in the report ASA-1. The company has set a work programme for K3 as of the realization :

- Monthly Meeting P2K3.
- Identify the source of potential hazards and programmed training in January.
- Periodic medical examination of workers May-June 2016.
- Special Examination of workers in February 2016.

- Identification of occupational disease in March 2016.
- General workplace inspections three times a year.
- Socialization (fire extinguisher and Hydrant; earthquakes) one year.
- Simulation (firefighters; earthquakes) once a year.
- Examination of toxic flame tube every month.
- Examination hydrant, pump, hose, connector, P3K every month.
- Audit 1 times a year

Based on field interview with sprayin team in Field 89112000, Turangie Estate and Field 92111001, Bungara Estate, it is known that workers equipped with appropriate PPE (helmet goggles, rubber gloves, masks muzzle, apron, boots) and warning sign board in the spraying field activity as part of the SHE socialization plan. Workers have been briefed at muster morning that PPE is obligation for workers, as of at the time of spraying. In the other hand, there is also sign board of SHE in the workers housing. The company has also undertaken internal audit or Operational Internal Audit (OIA) regularly on yearly basis to assess consistency of procedures implementation, including health and safety aspects.

4.7.2

The Company has assessed the risks that are described in the document identifying hazards and type of control (ISBPR). The company can show documents ISBPR period in 2016. The document informs descriptions of activities, potential hazards, risk assessment prior to the control (opportunities, impacts and risk level), risk control, risk assessment after control (opportunities, impacts and risk level) and the person in charge. The risk assessment is based on a matrix of opportunities, the accident rate, the frequency of occurrence of accidents and hazards / losses incurred. Based on a study document on the document ISBPR PRE, TOM and BAE note that all activities were in identifiably potential dangers and a source of danger.

ISBPR document owned by each unit has explained about one of the control is done using PPE, but PPE use has not been described in detail in the document. Companies may improve the quality of hazard identification, assessment and control of risks by detailing the types and criteria used PPE (Observation). When closing, explained that the company has had a document issued about the PPE Standard.

The results of field visits in the harvesting and spraying in Turangie and Pulo Rambung Estate note that the worker has to know the potential hazards that may occur and the PPE used to prevent hazards and actions to be taken to avoid danger.

4.7.3

Training of safe working practices:

- Dissemination phases of spraying work that was done on 8 September 2016 to 6 persons (1 foreman and 6 employees).

The results of field visits in the plantation showed that workers can explain how the safe and there is WI at each station. In addition there are also workers who have had training from external such as heavy equipment operator training, boiler operator, operator of the engine room / turbine and electrical technicians. Evidence of training of these activities there is a certificate issued by the competent authority.

Socialization PPE and safety Equipment for Langkat Area/Group dated March 15, 2016 which was attended by 28 people (assistants, managers, assistant chief, HS, Plant, transprot, traction clerk; clerk; P2K3; foreman harvest; warehouse clerk; mechanical workshop). The results of the field visit showed that farm workers and factory workers have been using PPE. Based on interviews with workers note that if there PPE is damaged then the workers will report to the head unit and the APD will be replaced with new PPE.

Example handover of PPE :

Rambung Island Estate: PPE handover of shoes, helmets and goggles dated March 24, 2016 to the late harvesting Sukarman, Suparman, Sarimin, Syafaruddin, etc.

The company has SOP of PPE (P-02) September 15, 2011 of which describes:

- The company must ensure that the PPE has been provided in the workplace.
- If there is a defect or damage to personal protective equipment, which resulted in that the PPE can not be used properly, it must be recorded and if necessary replaced with proper PPE.

4.7.4

The party responsible for the Committee of OHS is P2K3 committee provided in each unit and plantation. Following ratification P2K3 structure for the unit, example as:

- Turangie Estate: SK Manpower No. 566-1130.4 / Manpower / 2016 on the establishment P2K3 Turangie Estate dated August 12, 2016 set by the secretary's. Tuwito. Available evidence K3 officer training in the form of an Tuwito certificate issued by the Ministry of Manpower Decree No: Ser.12.1523 / PK3 / U / V / 2012 dated May 4, 2012 issue.
- Rambung Island Estate: SK Ka Kab Disnakertrans langkat No. 566-905.4 / Manpower / 2014 on the establishment P2K3 Rambung Island Estate, dated August 12, 2014. The Secretary P2K3 on behalf Nurhaimi been expertly K3 with certificate No: Ser.12.1522 / PK3 / U / V / 2012 dated May 4, 2012 published by the Ministry of Manpower RI.
- PRE has also proposed changes in the structure P2K3 on 3 October 2016 to the department of labor to change with the proposed Imran Taufik SP as secretary. There SKP of Manpower No. KEP.P.2589 / M / DJPPK / IV / 2015 dated April 8, 2015 on the appointment of the general AK Imran Taufik SP with company PT PP London Sumatra Indonesia; which is valid for 3 years. Today, the structure had not been ratified and strukktur same (S-2) is still valid.
- Bungara Estate: SK Manpower No. 01 / BAE / Manpower / XI / 2015 concerning the establishment P2K3 Bungara Estate specified date 30 November 2015, with the secretary P2K3 listed on these structures is an expert K3 Nicky Princess. SKP available for P2K3 secretary of Manpower No. KEP.3000 / M / DJPPK / IX / 2013 dated September 3, 2013.
- Turangie Mill: Manpower Decree No. 566.938.4 / Manpower / 2014 regarding the determination of P2K3 Turangie Palm Oil Mill, set on 22 August 2015. The Secretary P2K3 is Edy Suhartono, certificate No. Ser. 12.1525 / PK3 / U / V / 2012.

Meeting to discuss OHS is done by P2K3 regularly every month. The company can show the minutes of the meeting, as follows:

- Turangie Mill: for example, on September 29, 2016, with the number of participants as many as 14 people to discuss among other evaluation activities last month, reporting and analysis of workplace accidents, lectures / discussions and others.
- Turangie Estate: eg meeting on October 4, 2016, the number of 30 people, discusses the progress of work and job evaluation of september evaluation team, supervision, research, emergency response, training and health and programs for the future.
- Pulo Rambung Estate: For example, meetings held on 1st September 2016 the number of participants of 25 people discussed the P2K3 work program, the work program in September 2016 and reports from each team P2K3.

4.7.5

The Company has procedures occupational accidents and emergency response, as described in the report ASA-1.

The Company has conducted simulated emergencies, such as those carried out on June 25, 2016 in Turangie POM for earthquake simulation activity and evacuation. In this activity was also conducted training giving first aid to the victim. According to interviews with workers in the plant show that they have understood the mechanism of emergency response and evacuation.

The company has facilities first aid kit posts in each unit, post first aid kit are served by paramedics companies already certified Hyperkes, for example:

- Rambung Island: Hyperkes paramedic on behalf Nurlaili No: 8943 / PM-VII / 08, published in March 2008.
- Turangie Estate: Hyperkes paramedic on behalf Fevi Andriani as a nurse. No: 8942 / PM-VII / 08, published in March 2008; Hyperkes paramedic on behalf Suprihatin as a midwife. No: 8554 / PM-VII / 07, published April 2007.

Results of interviews with Mrs. Vevi andriani (a clinical nurse emplacement Turangie) note that the field foreman comes with a first aid kit bag and fill the bag filled by a clinical nurse and the other parties are not allowed to add their own bag. The bags are checked each month and if there are items that are used up, the workers should report to the clinic.

The results of the field visit showed that the foreman had been equipped with first aid kit bag containing 9 items. Also

described by the foreman if there is an accident that can not be handled by the equipment in the bag, it will be brought to the nearest clinic/post to be of help. The travel time required to reach the first aid post is + 10 minutes away from the location of the plantation furthest block.

The accident report has been described in reports P2K3 who regularly sent to the relevant agencies.

4.7.6

Management was able to show the evidence of payment of contributions for accident insurance period September 2016 that were included in the *BPJS Ketenagakerjaan* for all workers. Based on interviews with workers, they have a *BPJS Ketenagakerjaan* membership card. For medical care of employees, the company also registers the workers in the membership of *BPJS kesehatan*.

Management showed example of *BPJS ketenagakerjaan* claims. There are work accident report phase II dated 15 June 2016. According to management, they have completed the filling requirements of compensation and still in the process in *BPJS ketenagakerjaan*.

4.7.7

LTA calculation is usually done once a year. LTA following calculation results for 2015:

- Turangie POM: the number of accidents: 3 cases; days are gone; 33 days; Total employees: 120; SR: 12.50; FR: 137.50.
- Rambung Island: the number of accidents: 19 cases; days are gone; 62 days; Total employees: 358; SR: 86.59; FR: 26.54

Status: Comply

4.8

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

4.8.1

Management showed training program include training about health and environmental risks, productivity and management practices in 2016 that planned to all workers for example :

- Best Practise Agronomical Application and Safety use Training.
- Socialization and checking treatment and census of ganoderma
- Sustainability audit surveillance ISPO, RSPO and proper
- Dissemination of pest and disease
- The use of PPE dissemination
- QMS ISO 9001; 2015
- RSPO supply chain and e-trace
- Etc

4.8.2

Management showed evidence of training, for example:

- The use of PPE dissemination on March 15, 2016 attended by 23 participants
- Best Practise Agronomical Application and Safety use Training on May 23, 2016 attended by 34 participants.
- RSPO supply chain and e-trace on August 4-5, 2016 attended 22 participants

Based on interview with management and workers, Company programmed training activities every year.

Status: Comply

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

5.1

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

5.1.1

PT. PP London Sumatra have prepared environmental documents in the form of presentation of Environmental Evaluation (PEL) No. RC 220/699/13 / IV / 94, for Oil Palm Plantation, Rubber Plantation, Palm Oil Mill and Crumb Rubber in Bahorok Subdistrict - Langkat district of North Sumatra province. The capacity of Palm Oil Mill is 45 ton FFB/ hour and Crumb Rubber Production 20 tons KK / Day. The potential impacts that must be managed and monitored are: erosion, water pollution by effluent, Plant Pests and Diseases, Social Conflict, and job vacancy.

There are some activities that have not been identified in the PEL document / Environmental Management and Monitoring Plan (RKL / RPL) in 1994 and haven't become a reference endorsed by relevant agencies, such as: replanting activities which is done in each estate (eg BAE in 2014, PRE and TRE 2015), and composting with a capacity of 300 tons / day in the POM. Related to this thing, company has applied for an environmental permit changes to the Environmental Agency June 30, 2014. Then the letter was issued by Environmental Agency District. Langkat Number: 660-1229 / Environmental Agency-Sekre.II / 2014 on 12 September 2014 which states that:

- PT. PP London Sumatra Indonesia, Tbk is obligated to request changes in the environmental permit, to replace the PEL documen and an Environmental Management and Monitoring Plan approval which is equivalent to the environmental permit.
- In relation to the things above, the environmental permit of PT PP London Sumatra Indonesia Tbk, is currently in the process of waiting for the issuance of the decree of langkat regent related to Environmental permit. Thus the company has to conduct environmental management and monitoring reports periodically to the Environment Agency District. Langkat and related agencies in every six months.

Based on interview with the environmental agency, known PEL document has been sent to the environmental agency but the agency has not done the discussion of Addendum PEL (Presentation of Environmental Evaluation). Companies showed a letter of application or recommendation Evaluation document environment (DELH).

5.1.2

List of environment impacts and and related management plan are as follows:

- Reduction in surface water quality
- Preventif about pests and diseases plant.
- Monitoring the quality of water and soil
- Social gap
- Monitoring species flora dan fauna

Implementation of environmental management conducted by company can be seen from the results of field visits and interview, for example:

- Based on field observation in WWTP pond and land application, there is no flowing water (run off) to rivers
- According to interview with boiler operator, the boiler has been equipped with instalasi multicyclon and maintained regularly.
- According to interview with local community, companies often provide assistance to the religious, sport, education, road improvements and provide employment and business opportunities.
- There is monitoring of flora and fauna that are described in the HCV report.
- Management and monitoring air emissions.

5.1.3

Implementation of environmental monitoring conducted by company can be seen from the results of field visits and interview, for example surface water periodically. The parameters tested in accordance with the relevant regulations. According to interviews with environmental agency, until now there are no reports from the public related to environmental pollution caused by mill and estate.

The implementation monitoring has been recorded and reviewed every six months, then used as input for the management and monitoring of the next period and after that reported to environment agency, for example on July 15 2016 (recorded in implementation report of RKL/RPL).

	Status: Comply	
<p>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</p>		
<p>5.2.1 The Company has Document revision Identification of HCV in May, 1- 2 2014 based on the Toolkit Identification of High Conservation Values in Indonesia. Based on that report, HCV and RTE Turangie estate, HCV consist of riparian, conservation area, and cemetery total of 44.99 hectare. The identification results HCV and RTE Pulau Rambung estate covering 42.552 hectare and Bungara estate is 86.454 hectare. RTE consist of 9 species fauna. There HCV Distribution map with a scale of 1: 50,000 for identification of conservation area.</p> <p>5.2.2 The Company has a management plan HCV consist of sign board of endangered species, water sources, riparian limit signs board, prohibition spray on riparian and socialization of the management plan HCV. The company has been monitoring HCV / RTE regularly, then recorded in the report of management and monitoring of an annual HCV, such as reports July 15 2016. The identification results HCV and RTE Pulau Rambung estate covering 42.55 hectare, Turangie estate is 44.99 hectare and Bungara estate is 86.45 hectare. The Company has a management plan that includes HCV water sources. Identified the types of fauna are protected namely Cekakak Belukar (<i>Halcyon smyrnensis</i>) dan Beruang madu kelapa (<i>Anthreptes malacensis</i>).</p> <p>Based on interviews with workers and foremen sprayer that there are limits to riparian spray ban in Turangie estate Block 94111006, division 1 and spray workers do not apply pesticides in the riparian, there is a sign board banned hunting of animals that are installed in the area employee access to the workplace to inform ban on hunting protected animals.</p> <p>5.2.3 The company has socializing HCV and RTE species to workers and communities surrounding villages, for example socialization on 6 October 2016. Based on interviews with workers and communities surrounding villages, they already known the HCV and RTE species. Based on monitoring reports HCV / RTE and filed observation to HCV area and housing complex, there was no indication of hunting and catching RTE species.</p> <p>There is monitoring and monitoring of important species that exist within the concession companies conducted by periodically.</p> <p>5.2.4 HCV activity area management and RTE species, for example:</p> <ul style="list-style-type: none"> - Socialization for workers and surrounding communities about the area HCV and RTE species in accordance with Government Regulation No. 7/199, CITES and IUCN Redlist. - The installation of an appeal board HCV & RTE protection warning area, - Periodic monitoring of RTE species <p>Company conducted monitoring of flora and fauna in the operational area described in report of RKL and RPL. The bird species are protected as such <i>raja udang meninting</i>, <i>madu kelapa</i>, <i>kipasan belang</i>, <i>cekakak belukar</i>, and <i>madu sriganti</i>.</p> <p>5.2.5 There HCV related to society, consist of water resoucer for surrounding communities. Companies and communities around doing maintenance on water sources. Surrounding communities use water sources to subsistence.</p>		
	Status: Comply	
<p>5.3 Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.</p>		

5.3.1

The company has document identifying sources of waste and pollution generated from plantations and palm oil mills operation, under the following document Implementation report of RKL & RPL which lists the major sources of waste from palm oil mill and plantation operations, especially solid waste, POME and emissions.

While for emissions from the Mill, (Boilers) types of emissions produced include; levels of dust, exhaust emissions, noise. In the report explains that the treatment system as an example; multi cyclone installation to catch dust, elevating boiler chimney more than 10 x diameter. Management of exhaust emissions such as regular engine maintenance and periodic, controlling the adequacy of fuel, Noise is managed by means of routine engine maintenance, training and the socialization and use of PPE.

5.3.2

The company has provided licensed storage for hazardous waste (including ex chemical container), as follows:

1. Hazardous waste storage in Turangie POM, license obtained through decree of Bupati Langkat number 660.3-08/K/2013, on June 21 2013, valid for 5 years.
2. Hazardous waste storage in Pulau rambung estate, license obtained through decree of Bupati Langkat number 660-06/K/2014, on June 30 2014, valid for 5 years.
3. Hazardous waste storage in Bungara estate, license obtained through decree of Bupati Langkat number 660-04/K/2014, on June 30 2014, valid for 5 years.
4. Hazardous waste storage in Turangie estate, license obtained through decree of Bupati Langkat number 660-05/K/2014, on June 30 2014, valid for 5 years.

Based on interviews with Environmental Agency of Langkat District is known that hazardous waste storage which is owned by the company are still valid and in accordance with the designation.

The company has been managing agrochemical waste including pesticides waste in accordance with the applicable regulations which is the hazardous waste are store in licensed hazardous waste warehouse then be distributed to licensed collectors of hazardous waste. The record of hazardous waste storage and distribution is reported to the environmental agency district Langkat which conducted periodically every three month. For example, reporting quarterly 1 Number. 013/GR/E/ IV/2016 reported on 29 April 2016.

5.3.3

Observed that in order to avoid environmental pollution, company has established a plan of waste disposal, for example:

- Implementation report of RKL & RPL 1st semester of 2016 which contain management plan of several major pollution sources from estate and mill operation such as liquid waste, hazardous waste and emission. All produced POME used for land application.
- SOP regarding management of hazardous waste under SOP EMS-P14 latest revision was on June, 02 2011. Revision April, 10 2014.
- SOP regarding management of liquid waste and working instructions for control the liquid waste so that no overflow.
- SOP of Waste Management – POM Effluent Management (PRS-04-03-01) for processing and utilization. Procedures explain about the use fiber, EFB and shell for renewable energy.
- SOP 5.8 about waste management. The SOP explained about domestic waste management that resulting from housing of employee. Domestic waste is prohibit to burn and domestic waste need to be separate of domestic waste organic and inorganic after that disposed of in landfill.

Based on Field Visits block 11.3001 and 3002, the Division of Bandar Teluk, Pulau Rambung Estate, known that there effluent applications into land, wastewater drainage system using overflow and there are currently no runoff wastewater out of application block. Based on field visits at the Mill known that fiber and shell utilized as a boiler fuel, fiber and shell are placed in a room.

Based on field visit and interview in Housing division 1 (PondokKloneng) Turangie Estate, Housing division 2 (PondokSepuluh) PulauRambung Estate, Housing division 2 (PondokPajak) Bungara Estate, found the prohibition to burn domestic waste in housing, organic and inorganic waste is separated and placed at the trash bin afterwards disposed of

in landfill.

Example of hazardous waste management records sighted in the audit are:

- Logbook of incoming and outgoing hazardous waste from storage
- Monthly balance sheet of total produced and disposed hazardous waste, from all category of waste. The balance sheet has been reported periodically to local environmental office. For example, reporting results for management and monitoring Hazardous waste Turangie Mill, On October 6, 2016.
- Manifest of hazardous waste by a licensed contractor. At the time of the surveillance assessment 02, the company shows manifest for the period July 2015, until now has not done sending hazardous waste because Request an extension of the storage period to environmental agency.

Status: Comply

5.4

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

5.4.1

The use of renewable energy to reduce the use of fossil fuels has been programmed within the standards for waste management of the plan that is by utilizing all fiber, EFB and shells produced as fuel for the boiler. Based on field visit at the location of the generator room, operators has been monitoring the use of renewable energy (fiber, EFB and shell) and fuel regularly.

The use of renewable energy (fiber, EFB and shell) has been regularly monitored by the mill. In addition to monitoring of fiber, EFB and shell use, the company has also conducted evaluation on the efficiency of renewable energy through identification of energy produced (Kwh) / Ton of CPO. Records of recent energy usage and efficiency analysis shows that average conversion of energy produced per ton processed FFB is 20 Kwh/Ton FFB. The company carries out monitoring of the efficiency of fossil fuel use (diesel fuel) and energy saving. For year 2016, the average of produced energy is 0,96 Kwh / liter diesel fuel.

Status: Comply

5.5

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

5.5.1, 5.5.2

The Company has a SOP 2.8 about Land Preparation -Strategies and Parameters, associated with land clearing without the use of fire and also it has been states that the use of fire for any reason is prohibited, such as land preparation activities in the area of new development and or replanting.

Field visit to the Turangie Estate, Pulau Rambung Estate and Bungara Estate in 2016 there is no replanting activities and there is no indication use of fire for waste disposal.

Status: Comply

5.6

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

5.6.1.

The company has identified all sources of pollution in plantation and mill operations. The identification result has been incorporated included in the document:

- Based on implementation report of RKL&RPL 1st semester of 2016. Pollution or emissions sourced from fossil fuel consumption, generator activities, boiler activities, use fibers, EFB and shell, transportation, FFB processing, POME etc.
- There is inventory in GHG report for example, land conversion, the use of fertilizers, N₂O from fertilizer, crop sequestration and fuel consumption.while an inventory of emission sources with (Calculator ISPO Ver 8.0) such as; diesel oil consumption, fertilizers, pesticide and in the Mill diesel oil consumption, electricity, water, lubricants and

chemical.

5.6.2

All important documents related to GHG emission calculation have been well identified such as: POME production data, use of renewable energy (fiber, EFB and shells), the use of fossil fuel, and fertilizer. GHG Inventory has been carried out with the guidance from RSPO Palm GHG calculator.

The company has conducted an inventory of GHG sources and relevant mitigation plan, as follows:

- Transportation, mitigation measures: proper maintenance and monitoring of vehicles transporting fruit to the plant, the transport workers. For reduction of diesel consumption.
- Dust from boiler chimney and kernel cyclone, mitigation measures: inspection of the chimney - every 6 months and boiler emissions testing.
- The use of diesel fuel for generators, mitigation measures: scheduled maintenance to minimize the use of solar, solar usage monitoring (Kwh / liter diesel), GHG emissions in diesel usage are CO₂, CH₄ and NO₂.
- The use of fiber EFB and shell, mitigation measures: use of fiber and shells in the boiler to reduce the use of diesel fuel.

POME management procedures has been recorded properly. Observed that WWTP is generally well maintained. No indication of leakage or overflow to the environment / water bodies, flometer functioning properly to monitor wastewater discharge for land application and proceed composting. Based on interviews with environmental agency of Langkat District, it is known that Land Application Permit for still valid. There is no complaints so far and from neighboring communities or stakeholders about the negative impact of land application.

Based on field visits in Turangie Oil Mill known has been planted by woody plants such as *mahoni*, *meranti* and *trembesi* effort to reduce pollution.

5.6.3

The company has evidences of emission monitoring including GHGs from mill and estate operation, through several means as follows:

- Periodic monitoring on emission from stationary sources (boilers and generators) with reference to implementation report of RKL&RPL 1st semester of 2016. The periodic report to environmental agency of Langkat District.
- The company has conducted emission calculations period 2015 – 2016 make use of Palm GHG Version 2.1.1. Calculation for 2016 has been submitted to the RSPO in April 2016. **Total emissions produced by POM and supply base is 1, 23 tCO₂e/t product.**
- the company has also done the inventory of GHG emissions by using the ISPO standard for Greenhouse Gas Emissions inventory.

Status: Comply

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

6.1

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

6.1.1

The management of PT London Sumatera has document of Social Impact Assessment. The assessment process has been done on October 2016 and the scope of study are impact of plantation and mill operation to workers and community neighboring of operation area. The assessment and reported was carry out by internal assessment team. These document was explained of negative and positive impact of plantation and mill operation to social aspect and the recommendation for negative impact reduction and increasing of positive impact. There was showed also the minutes meeting of consultation process with community surround. The evidence was consist of Attendant List of village member on Focus Group Discussion as phase of data gathering for Social Impact Assessment Report

6.1.2

The Social Impact Assessment has been done with involve of related party, consist of communities around the company's operation, head of village and informal leader (customary leader). There was showed documentation of assessment process, for example the attendant list of data gathering in several village surround on October 2016.

6.1.3

The company has been performed efforts to minimize negative social impact that appear because of operational activities such as:

- CSR programs to the communities
- Empowerment of communities' economy
- Improving the quality of public education
- Management of infrastructure

Realization of the efforts to minimize negatif sosial impact such as:

- Implementation of CSR programs to the communities such as assistance of water provision on March 16, 2016 to perkebunan Bandar Telu village.
- Assistance heavy equipment for making trench on January 3, 2016.
- Recruitment for local workers. For example, based on document verification, there are 224 workers in Pulau Rambung Estate that are from local communities or about 60 percents workers in Pulau Rambung Estate are from local communities.

6.1.4

Because of social impact assessment is done on October 2016, so management has not done the evaluation of reduction of negative sosial impact plans. Evaluation of social impact assessment will be done for next assessment. In addition, although social impact assessment is done on October 2016, there is management plan of social aspects that contained in environment management plan (RKL) and environmental monitoring plan (RPL) report first semester (January to June) of 2016. The management and monitoring plan that include social aspect is conducted twice a year.

6.1.5

Until Surveillance assessment (ASA 2), management not yet has shceme /associated smallholder.

Status: Comply

6.2

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

6.2.1

Management has procedure of communication and consultation that contained in SOP Communication, document no. EMS-P05 that has been revised and be valid since 25 August 2016. The documents explains communication procedures with staff and interested parties on issues of environmental management and or implementation of sustainable palm oil (SPO). Management has socialized that SOP (mechanism of communication and consultation) orally to stakeholders. Based on interview with villagers of Perkebunan Bandar Telu and Perkebunan Turangie, they have understood mecanism of communication and consultation. Normally, head of the village or communities will send a letter as a form of communicaton. For example, there was a letter no. 124/BT/SLP/IX/2016 dated 20 September 2016 and have been responded on 24 September 2016.

6.2.2

Management of PT PP London Sumatera has a PIC which is appointed to communicate with stakeholders. PIC which is appointed to respond the stakeholders is Public relations staff. The position of that PIC is made officially to communicate with stakeholders, namely:

1. Tuwito (PIC of communication/consultation for Turangie Estate) according to the letter no. . 177/TRE/DIV/VII/2014.
2. Sopanul Hidayat (PIC of communication/consultation for Turangie POM) according to the letter no. . 004/TOM/KARY/II/2015.

3. Jeki Sembiring (PIC of communication/consultation for Pulau Rambong Estate) according to the letter no. . 026/PR/DIV/XII/2013.

Based on interview with local community of Perkebunan Turangie and Perkebunan Bandar Telu village, they have known the personnel which is appointed to communicate with them.

6.2.3

Management has list of stakeholders that consist of government agency, village, local communities, worker organization, NGO etc. All the records of communication from stakeholders and records to respond stakeholders is kept in the incoming and outgoing mail folder and recorded in the communication form/logbook. For example, letter dated 8 August 2016 no. no. 01/PAN.HUT RI-17/PI/VII, record of response from management in the form of letter no. 231/TOM/PROP/2016 dated 10 August 2016.

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 has Procedures for handling complaints that contained in Internal memorandum no. 028 / HRD / CIR / 2011. Based on the procedures, stages of the mechanism as follows:

1. The mechanism is preceded by a written report by the victim
2. Immediate supervisor has the responsibility in the completion of the first level complaint.
3. Managers have a responsibility in the completion of the second level complaint.
4. Senior managers have a responsibility in the resolution of complaints third level.
5. Directors have a responsibility in the resolution of complaints fourth level.
6. And If it does not finish, it will be resolved through legal appeal.

Based with workers and labor union, local community of Perkebunan Turangie and Perkebunan Bandar Telu village, they have known the procedures for handling complaints. For workers, socialization of the procedure delivered through morning briefing. For eksternal stakeholders, the procedure delivered orally by the company when there is a meeting with local community.

6.3.2

Based on verification of Logbook of communication that include complaints and information, that known in period of one year until ASA-2, there was no complaints among the company and the other parties include internal stakeholder. Stakeholder consultation with external stakeholders, consist related agency in Langkat District, community around the plantation area (Perkebunan Bandar Telu Village and Perkebunan Turangie Village), and also with internal stakeholder (Gender Committee and Workers Union), there was no complaint from related parties

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

PT PP London Sumatra Indonesia has had procedure to identify legal, customary or use as described on SOP of land acquisition and compensation which approve on 1 December 2012.

6.4.2; 6.4.3

PT PP London Sumatra Indonesia did not expand operational area, It is supported by the result of public consultation with the locals communities and government agency (Perkebunan Turangie Village, Bandar Telu Village and Plantation Agency).

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 management showed Payroll List that explains workers' basic wage, overtime and additional salary. Based on that documents, it is known that the payment of wages in accordance with the regulations even more than the regulation. The wage that applied on the management refers to the Governor Decree no. 188.44/544/KPTS/2015. Based on the decree, the province minimum wage of Rp1.811.875. Based on verification of payroll list and letter no. 46/BKS-PPS/2016, minimum wage that applied by the management amounted to Rp. 2.178.625. The result of interview with workers and Labor Union, the management had paid wages in accordance with the regulation and worker can explain how the calculation of overtime in accordance with the regulations.

6.5.2
 Labor laws that explain payments and working conditions contained in the Collective Labor Agreement from 2015 to 2017 made between the company and Worker Unions, and was approved by Decree Letter of the Director General of Industrial Relations and Social Security Labor, with No. Kep.88/PHIJSK-PKKAD/PKB/2015 on June 18, 2015. In addition, the company showed an example of work agreement that was published in bahasa and signed by both parties (the company and the employee).

Management need to ensure statement of the work agreement in accordance with the work being done and ensure the implementation of the internal memo proposing daily workers becomes DRP and Internal Memo regarding the evaluation of labor ratio (Observation)

6.5.3
 The company has demonstrated its efforts in providing adequate housing and public facilities such as electricity, water supply, medical services, daycare facilities and etc. Based on visits to the employee housing, it is known that housing and public facilities are still in livable condition and functioning properly.

6.5.4
 Based on the field visit in the employee housing and interviews with workers, Company provides an opportunity for residents of the housing for selling daily necessities.

Status: Comply

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
 Management Unit has a policy that respects the rights of all employees to form and join a Labor Unions which is contained in the Internal Memorandum No 006/HRD/CIR/I/2014 dated on January 7, 2014. The result of the policy is formation of Labor Unions which is still active until audit took place. Based on interview with Labor Union, management provides freedom to all workers to establish labor unions. There are no migrant workers who work in the company and all employees (include daily workers) have had work agreement. The result of an agreement between the labor unions and the company in the form of Collective Labor Agreement which has been implemented by the company.

6.6.2
 There are meeting record of Labor Union, such as:

- Minutes of meeting about health services on Desember, 17 2016 attended by 30 participants.
- Records of organization structure formation of Labor Union in Pulau Rambung Estate on Februari, 17 2011
- Records of endorsement structure organization of Labor Union on March 22, 2016.

Status: Comply

6.7 Children are not employed or exploited.		
6.7.1 Management has a policy related to the requirements of worker's age which is contained in Internal Memorandum no. 006/HRD/CIR/I/2014 on January 7, 2014 that company requires a minimum age of workers is 18 years old. Based on verification of Employee List Report, there is no workers which is employed under 18 years old.. This is in accordance with the results of the interview with labor union and workers that there is no underage worker. Based on filed observations block 11113003 division 3 Bandar Telu was not found the use of labor under 18 years old.		
	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 Management has a Policy to provide equal opportunity to develop career that contained in Director Decree no. No 001/DIR/IX/2014. Based on verification of the workers' list document and interview, the workers come from different regions and ethnics for example bataknes, javanese, and malay. Company provides opportunities and equal treatment in employment. Based on interview with local community such as Perkebunan Turangie and perkebunan Bandar telu Village, company has communicated the policy. According with them, there are many villagers who work in the company.		
6.8.2 According to interviews with workers, committee gender, labor union and local community there is no discrimination done by the company. Company provide equal treatment and opportunities of workers in employment. In addition,, there are no complaints submitted related to allegations of discrimination. Logbook of communication that include complaints contains request for assistance .		
6.8.3 Recruitment and promotion of workers in PT PP london Sumatera based on skills, capabilities, and qualities. Based on interview with management, workers and labor union, company recruits and promotes employees through performance assessmentsuch as skills, capabilities, attendance and health check. The candidates who can pass the assessment will be hired or promoted by company. All the recruitment and promotion document are kept by the company.		
	Status: Comply	
6.9 There is no harassment or abuse in the work place, and reproductive rights are protected.		
6.9.1 and 6.9.2 The management has a policy to protect reproductive rights and prevent all forms of sexual harassment and violence. The policy contained in in Sustainable Management Policy of PT PP London Sumatra Indonesia. It explains the company guarantee and protect the reproductive rights of employees and protect employees from sexual harassment. One of the implementation of the policy is the formation of gender committe. The committe gender has socialized to the employees, for example on October 8, 2016 attended by 23 partipants and the representatives of the committee gender are available in each division. Based on interview with workers and committee gender, the policy had disseminated to workers through gender committee meetings with workers and also done at morning briefing.		
6.9.3 Protection of anonymity and protect complainants contained in the code of conduct policy. Based on interview with workers, the gender committee, labor unionthere has never complaint regarding violence and sexual harassment.		
	Status: Comply	
6.10 Growers and mills deal fairly and transparently with smallholders and other local businesses.		

6.10.1 & 6.10.2	
There is no smallholder scheme partnerships and companies do not buy FFB from outside parties.	
6.10.3 & 6.10.4	
There is no smallholder scheme partnerships and companies do not buy FFB from outside parties. Based on the information management staff that at the moment there are already ASA-3 work with contractors.	
Status: Comply	
6.11	
Growers and millers contribute to local sustainable development wherever appropriate.	
6.11.1	
<p>The need for local development is given by the company in the form of CSR. CSR programs compiled annually and based on meeting social (stakeholder meeting), with participants from communities around the village (society leaders, village officials), carried out the delivery of programs of Lonsum and digging aspirations of the people. Recently conducted on October 3, 2016, attended by 20 participants from community representatives (village heads Bungara plantation, village head Namotongan, village head Bandar Telu, village head Perkebunan Turangie, village head Pancur Ido, 6 staff of the company as well as 9 other community leaders / farmers, etc.). In the meeting known to have some input from stakeholders about and how these will be addressed by the community.</p> <p>PT PP Lonsum Tbk is known to have completed the construction of smart homes in the Pulau Rambung Estate in January 2016. Construction of the smart home as one of the company's contribution in the field of education for the surrounding communities.</p> <p>The facility contained therein include: library, 6 computers, 1 set of DVD and LCD, the center played 23 types of games, as well as craft centers.</p>	
6.11.2	
There is no farmer partnership smallholder scheme and the company does not buy FFB from outside parties. Based on the information from management staff that at the moment of ASA3, there are already no work with outside contractors.	
Status: Comply	
6.12	
No forms of forced or trafficked labour are used.	
6.12.1; 6.12.2; 6.12.3	
<p>Based on interviews with unit management, workers in the field and worker union, up to the audit conducted no foreign workers who worked as an operational unit.</p> <p>Field observation in Bungara Estate, Turangie Estate and Pulau Rambung Estate there were not any harvester which accompanied by the wife or children. That is supported by results of interview with internal stakeholders such as labor union and workers, there is no indication of force labor</p>	
Status: Comply	
6.13	
Growers and millers respect human rights	
6.13	
<p>Management has a policy to respect human rights that contained in Director Decree no. 001/DIR/IX/2014 that explains that company respects human rights and will give sanctions to parties who violate of human rights. The company has socialized the policy through morning briefing. In addition, socialization is also in the form of pamphlets on display at the office of the estates and mill. Based on interview with workers, they have known policy to respect human rights and there is no case of human rights violation.</p>	
Status: Comply	
PRINCIPLE #7 Responsible development of new plantings	

7.1		
A comprehensive and participatory independent social and environmental assessment is undertaken prior to establishing new plantings or operations, or expanding existing ones, and the results incorporated into planning, management and operations.		
7.1.1; 7.1.2; 7.1.3		
Document review, field visit and interview with the management, Turangie Estate, Pulau Rambung Estate and Bungara Estate did not conduct new planting or expand the area after the last assessment (ASA-1).		
	Status: Comply	
7.2		
Soil surveys and topographic information are used for site planning in the establishment of new plantings, and the results are incorporated into plans and operations.		
7.2.1; 7.1.2		
Document review, field visit and interview with the management, Turangie Estate, Pulau Rambung Estate and Bungara Estate did not conduct new planting or expand the area after the last assessment (ASA-1).		
	Status: Comply	
7.3		
New plantings since November 2005, have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values.		
7.3.1; 7.3.2		
Based in interview, document review and field visit shows that PT PP London Sumatra Indonesia Tbk not performed land clearing after 1 November 2005. PT PP London Sumatra Indonesia Tbk has conducted disclouser of liability in accordance with email on 19 September 2014 which explained all units under PT PP London Sumatra Indonesia Tbk in Sumatera Utara Province, Sumatera Selatan Province dan Kalimantan Timur Province of Indonesia.		
7.3.3; 7.3.4 & 7.3.5		
The results of document review, field visits and interviews found that Turangie Oil Mill and supply base (Turangie Estate, Bungara Estate and Pulau Rambung Estate) did not convert or conduct new planting since ASA-1.		
	Status: Comply	
7.4		
Extensive planting on steep terrain, and/or on marginal and fragile soils, is avoided.		
7.4.1; 7.4.2		
Document review, field visit and interview with the management, Turangie Estate, Pulau Rambung Estate and Bungara Estate did not conduct new planting or expand the area after the last assessment (ASA-1).		
	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		
Document review, field visit and interview with the management, Turangie Estate, Pulau Rambung Estate and Bungara Estate did not conduct new planting or expand the area after the last assessment (ASA-1).		
	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.		

<p>7.6.1; 7.6.2; 7.6.3; 7.6.4; 7.6.5; 7.6.6 Document review, field visit and interview with the management, Turangie Estate, Pulau Rambung Estate and Bungara Estate did not conduct new planting or expand the area after the last assessment (ASA-1).</p>	
<p>Status: Comply</p>	
<p>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.</p>	
<p>7.7.1 and 7.7.2. Document review, field visit and interview with the management, Turangie Estate, Pulau Rambung Estate and Bungara Estate did not conduct new planting or expand the area after the last assessment (ASA-1).</p>	
<p>Status: Comply</p>	
<p>7.8 New plantation developments are designed to minimise net greenhouse gas emissions.</p>	
<p>7.8.1 & 7.8.2. Document review, field visit and interview with the management, Turangie Estate, Pulau Rambung Estate and Bungara Estate did not conduct new planting or expand the area after the last assessment (ASA-1).</p>	
<p>Status: Comply</p>	
<p>PRINCIPLE #8 Commitment to continuous improvement in key areas of activity</p>	
<p>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.</p>	
<p>The company has implemented commitment to reduce environment impacts on the regular action plan. For example:</p> <ul style="list-style-type: none"> - Effluent management and monitoring. WWTP pond management, effluent quality test and report it to Langkat District Environment Agency. - Air quality management and monitoring. Road maintenance, air quality test and report it to Langkat District Environment Agency. - Ground water management and monitoring. Testing ground water quality and report it to Langkat District Environment Agency. - Hazardous waste management. Storing hazardous waste at the permitted hazardous waste, managing and monitoring hazardous waste and conducted by Langkat District Environment Agency. - Green House Gas (GHG). Implementing <i>zero burning</i> policy, proper manuring action, utilization of shell, EFB and fiber to replace petroleum fuel, regular machine maintenance, regular emission quality test and GHG calculation with the result of 1.23 for CPO and PK, tCO₂e/t product. <p>Beside that, the company also monitoring the impact from operation activities such as based on monitoring of social issue in 2015-2016 there is no issue and the company has realized the mitigation for social impact such as provide water supply.</p> <p>The improvement in best practices is reduce the use of paraquat since 2014 and for 2016 the company not use paraquat.</p> <p>The company also provide PPE to ensure the workers do not get negative impact, such as PPE for spraying team use consist of glass helmet, goggles, wearpack, gloves and boots.</p>	
<p>Status: Comply</p>	

3.2 Summary of Assessment Report of Supply Chain Requirements.

Clause	(Module D) CPO Mills – Identity Preserved Requirements																																																				
D1	Definition																																																				
<p>D.1.1 A mill is deemed to be Identity Preserved (IP) if the FFB used by the mill are sourced from its own supply base certified to the RSPO Principles and Criteria (RSPO P&C). Certification for CPO mills is necessary to verify the volumes and sources of certified FFB entering the mill, the implementation of any processing controls (for example, if physical separation is used), and volume sales of RSPO certified products. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. If a mill processes certified and uncertified FFB without physically separating the material then only Module E is applicable.</p>																																																					
<p>Turangie Oil Mill is used RSPO supply chain of Identity Preserved module because only received FFB from the estate which has been certified with RSPO.</p>																																																					
<p style="text-align: right;">Status: Comply</p>																																																					
D.2	Explanation																																																				
<p>D.2.1 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 Turangie Oil Mill obtained from the data of 12 months before the audit activities and have been described in this ASA-2 report.</p>																																																					
<p style="text-align: right;">Status: Comply</p>																																																					
<p>D.2.2 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_PO1000002367 • Certified CPO sold to each buyer period of 9 Jan 2016 to 17 Oct 2016: Via greenpalm 																																																					
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• **Certified Palm Kernel sold to each buyer period of 9 Jan 2016 to 17 Oct 2016: Via greenpalm**

Date	Buyer	Volume (Ton)
1-Apr-16	Indevex AB	25
8-Apr-16	Mary Kay Inc	42
13-Apr-16	CMC Consumer Medical Care GmbH	32
13-Apr-16	Trevali Cooperlat Soc Coop AGR	25
14-Apr-16	The Bama Companies Inc	4
21 Juni 2016	United Biscuits	500
24 Juni 2016	Albaad Deustchland GmbH	13
Total		641

• **Certified Palm Kernel sold to each buyer period of 9 Jan 2016 to 17 Oct 2016: Via etrace**

Date	Buyer	Volume (Ton)
27 Juli 2016	Musimas	400
Total		400

Status: Comply

D.3 Documented procedures

D.3.1

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

- a. Complete and up to date procedures covering the implementation of all the elements in these requirements;
- b. The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site procedures for the implementation of this standard.

Turangie Oil Mill has had SOP of CSPO Supply Chain which described the duties and responsibilities of each part; the identification of raw materials and products; and performs supply chain system. The results of interviews with security and weighbridge operator showed that they understand about inspection of vehicles and granting stamp (RSPO) for delivery document.

Status: Comply

D.3.2

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

Turangie Oil Mill has had SOP of CSPO Supply Chain, among others, described about the process of FFB reception from the supply base. Based on the procedure, all FFB comes from the estate must be labeled on the Delivery Note in the form of stamp FFB CERTIFIED RSPO. Field visits and document review showed that Delivery Note did has been stamp with FFB CERTIFIED RSPO.

Status: Comply

D.4 Purchasing and goods in

D.4.1

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

• **Certified and non-certified FFB received period of 9 Jan 2016 to 17 October 2016**

Month	FFB		
	RSPO Certified	Non Certified	Total
9 – 31 Jan 2016	10,448		10,448
Feb 2016	13,402	-	13,402

Mar 2016	15,595	-	15,595
Apr 2016	13,689	-	13,689
May 2016	12,912	-	12,912
June 2016	15,935	-	15,935
Juli 2016	12,982	-	12,982
August 2016	12,714	-	12,714
Sept 2016	16,057	-	16,057
1 – 17 Oct 2016	7,371	-	7,371
Total	131,105	-	131,105

Status: Comply

D.4.2

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

Turangie Oil Mill has had SCCs guidelines that describes the provision of information to CB if there is excess production of RSPO-certified products. Based on the attachment of RSPO ASA-1 certificate, its known that the projected production of CSPO was 38,639 Ton and CSPK was 11,388 Ton. Meanwhile CSPO and CSPK production from 9 January 2016 to 17 October 2016 was 30,293 Ton CSPO and 8,973 Ton CSPK.

Status: Comply

D.5

Record keeping

D.5.1

The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a three-monthly basis.

Turangie Oil Mill has recorded the entire RSPO certified FFB which enter the mill and deliveries of RSPO certified product (CPO and PK). Here the record deliveries of RSPO certified product with monthly basis.

No	Period	CPO Production (Ton)			CPO despatch (Ton)	
		Cert	Non-Cert	Total	RSPO	Non-Certified
1	9 – 31 Jan 16	2,483	-	2,483	-	2,974.24
2	Feb 16	3,094	-	3,094	-	3,267.49
3	Mar 16	3,692	-	3,692	-	3,553.19
4	Apr 16	3,180	-	3,180	-	3,179.32
5	May 16	3,025	-	3,025	-	2,998.80
6	June 16	3,589	-	3,589	-	3,418.04
7	July 16	3,009	-	3,009	-	2,227.17
8	August 16	2,907	-	2,907	-	3,907.46
9	Sept 16	3,630	-	3,630	-	2,587.47
10	1 – 17 Oct 16	1,683	-	1,683	-	1,842.18
	TOTAL	30,292	-	30,292	-	29,955

No	Period	Production PK (Ton)			PK despatch (Ton)	
		Cert	Non-Cert	Total	RSPO	Non-Certified
1	9 – 31 Jan 16	732	-	732	-	794.80
2	Feb 16	931	-	931	-	894.38
3	Mar 16	1,062	-	1,062	-	1,070.74
4	Apr 16	930	-	930	-	898.99
5	May 16	848	-	848	-	890.45
6	June 16	1,109	-	1,109	-	1,093.99
7	July 16	852	-	852	-	801.40
8	August 16	875	-	875	400	483.27
9	Sept 16	1,142	-	1,142	-	579.10
10	1 – 17 Oct 16	491	-	491	-	590.71

	TOTAL	8,972	-	8,972	400	8,098
	Status: Comply					
D.6	Processing					
D.6.1	The site shall assure and verify through documented procedures and record keeping that the RSPO certified oil palm product is kept segregated from non-certified material including during transport and storage					
	Turangie Oil Mill only processes FFB from RSPO certified estate, subsequently, the entire product is CSPO and CSPK.					
	Status: Comply					
D.6.2	The objective is for 100 % segregated material to be reached					
	Turangie Oil Mill only processes FFB from RSPO certified estate.					
	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-2	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-2	The company does not use RSPO logo.	√
3.	Implementation of Certificate and Logo is not used on product	X or√
ASA-2	The company does not use RSPO logo.	√
4.	Controlling of Certificate and Logo, including withdrawing inappropriate logo.	X or√
ASA-2	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: Comply	
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: Comply	
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 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	√

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

	<p>Pahu Makmur POM – Kutai Barat 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 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: Comply	
7.6	Local people are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.	X or√
	<p>Pahu Makmur POM – Kutai Barat 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 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: Comply	

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

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

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
2015.1	2.2.2	<p>Signs of legal boundaries are clearly demarcated and maintained.</p> <p>Maintenance of the legal boundaries (LUT Poles) is done on a periodic basis, results of field visits (Bungara and Pulau Rambung Estate), it was noted that the maintenance of boundary pole have not been conducted in accordance with legal documents (map of Land Use Title) and there are several boundary pole identity that can not be legible.</p> <p>LUT identity pole in the block 92113012, and 92113006 illegible, Bungara Estate</p>	Estate	Minor	ASA-2	Companies must be able to ensure legal evidence / legal boundaries signs that are clearly demarcated and maintained	<ul style="list-style-type: none"> Root Cause: Maintenance the boundary pole once a year using paint so easily worn out and cracked by climate Corrective Action (+Evidence) Make improvements, making assign according to the code of BPN, and re-checking it thus clearly demarcated and visibly maintained. Preventive Action: Regular maintenance and repairing, if found pole boundary that are damaged or not clearly visible. To socialize, increase awareness and provision of budget for upkeep boundaries. Auditors Verification dated December 23, 2015. The Company had maintained the HGU poles, repainting the poles (black - white). HGU Pole in block 92113012, and 92113006 Bungara Estate has been maintained. 	Closed	Dec 23, 2015

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
2015.2	3.1.1	<p>The plan aimed to achieve financial security in long term.</p> <p>The company has had a Long Term Plan document (forward study) take into account the production of FFB, CPO Production, Kernel Production, OER, KER, along with operational costs of the period from 2016 to 2020, but the plan did not cover the financial indicators (income vs. expenses).</p>	Estate and Mill (Financial Department)	Major	23 December 2015	Companies must be able to show evidence that it has had a long-term plan that has included indicators of financial information (income vs. expenses).	<ul style="list-style-type: none"> Root Cause: Long-term plans covered Cost / FFB and Cost / CPO, overhead costs, the company's assets, accounts payable and others is available in Jakarta (Head office). Long-term plans are Private & Confidential Data so inaccessible and duplicated (limited access and the authority of the head office). Corrective Action Demonstrating a long-term plan that has included indicators of financial information (income vs. expenses). Preventive Action: Coordinating with head office staff, regarding to long-term plan to meet the principles and criteria <p>Auditor Verification dated December 21, 2015. The Company has a long-term plan (executive summary forward study of 2015 until 2020) which includes cost of production for Bungara Estate, Turangie Estate, Pulo rambung Estate and Turangie POM. And also covered cost for environmental (e.g. air quality, wastewater, river testing, hazardous waste management, EIA reports, conservation (e.g. rehabilitation)</p>	Closed	Dec 21, 2015

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
2015.3	4.7.4	<p>Person who is responsible for OHS</p> <p>Bungara Estate has had GCOHS structure which has been endorsed by relevant agencies, but the secretary of GCOHS registered on the structure hasn't been an OHS expert. This is not in accordance with Regulation of Labor Ministry No. 4 1987 on GCOHS</p>	Estate	Major	23 Decem ber 2015	The company should be able to show evidence that the secretary of GCOHS has been listed as OHS expert.	<ul style="list-style-type: none"> • Root Cause: Staff who is the secretary Guiding Committee Of Occupational Safety & Health certified experts of health & safety managemet transferred to another unit, secretary Guiding Committee Of Occupational Safety & Health substitutes have been registered to follow expert training health & safety managemet but not yet implemented. • Corrective Action Appoint a substitute secretary Guiding Committee Of Occupational Safety & Health personnel which has been certified expert of health & safety managemet. • Preventive Action: <ul style="list-style-type: none"> - Ensuring that every board Guiding Committee Of Occupational Safety & Health already have the required competence. - Anticipating mutations listed in the management staff Guiding Committee Of Occupational Safety & Health by preparing competent replacement personnel in accordance with the requirements in the management structure Guiding Committee Of Occupational Safety & Health 	Closed	Dec 21, 2015

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							<p>Auditor Verification dated December 21, 2015. Secretary P2K3 already has registered as an expert of health & safety management, which is the name of the appropriate certificate Nicky Putri Pratama certificate number 13.321/AK3/U/IX/2013 dated September 3, 2013 and the letter of appointment number KEP.3000/M/DJPPK/IX/2013 dated September 3, 2013.</p> <p>The old organizational structure has been revised in accordance Letter 01/BAE/Disnaker/XI/2015 dated November 30, 2015 and registered with the Labor Agency</p> <p>Based on the explanation of the non-conformance 2015.03 has been closed.</p>		
2015.4	5.2.2	<p>HCV Management</p> <p>Steps in HCV management have been listed in SOP No. OP5.10 of HCV including riparian management by not doing the application of chemicals in the area. Based on the results of the visit to riparian of Titi Dobi river, Division Bandar Telu (Pulau Rambung</p>	Estate	Major	23 December 2015	Companies must be able to show the steps to keep the riparian, one of them by marking boundaries the application of chemicals in accordance with the SOP that has been set.	<ul style="list-style-type: none"> Root Cause: Instructions and a boundary marker chemical applications require improvements and additions due to the large number of applications boundary marker chemicals that have been damaged or lost. Corrective Action Fix the boundary markers and complete the application instructions of the 	Closed	Dec 23, 2015

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
		Estate) and Riparian 2, Division Batu Putih (Bungara Estate) It was known that it hasn't been installed ban area sign for chemical application as stated in the applicable SOP.					<p>chemical in accordance with established procedures</p> <ul style="list-style-type: none"> • Preventive Action: <ul style="list-style-type: none"> - Perform maintenance on the boundary markers and guide the application of chemicals along the border river. - Socializing and briefings to officers regarding marking sprayer application of chemicals along the border river <p>Auditor Verification dated December 23, 2015. Border River Titi Dobi, Bandar Telu Division (Pulau Rambung Estate) dan border river Sungai 2, Batu Putih Division (Bungara Estate) already done marking limit the application of chemicals as a whole in the form of red and white.</p> <p>There is also a socialization to force employees spray / spraying dated December 21, 2015 (available list of attendees).</p> <p>Based on the explanation of the non-conformance 2015.04 has been closed.</p>		
2015.5	6.1.3	Implementation of Social Impact Monitoring Plan	Mill & Estate	Major	23 December	Companies must implement social monitoring plan that has been prepared in social	<ul style="list-style-type: none"> • Root Cause: <ul style="list-style-type: none"> - Document Preparation Environment is still in progress 	Closed	Dec 23, 2015

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
		The Company has had a Social Impact Monitoring Plan stated in the Environmental Evaluation Presentation (PEL) and document Monitoring and Environmental Management (RKL / RPL) in 1994	(Social Division)		2015	document.	<ul style="list-style-type: none"> - Substitution stewardship of the Environment Bodies, so that the policy change and the need to start the study from the beginning. • Corrective Action Submit evidence of the progress of the preparation of environmental documents • Preventive Action: Increase Awareness related EIA <p>Auditor Verification dated December 23, 2015. Social impact monitoring plan recorded in the document PEL is being prepared by a consultant service provider, PT Sucofindo, Medan. Based on the letter from the consultant services provider known that the environmental document is currently in the process of drafting and waiting time for hearings and discussions in the EIA commission Langkat district. Along with that, the company also has applied for the discussion of environmental documents to Environment Bodies Langkat District, received on December 22, 2015.</p> <p>Implementation of social impact monitoring plan will be recorded later on the report of RKL / RPL semester along with data /</p>		

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							evidence of measurable monitoring. Based on the explanation, the NC No. 2015.05 has been closed by observation report on the implementation of RKL / RPL at next audit.		
2015.6	8.1 5.1.1 6.1.1	<p>Follow-up to the revision of the environmental and social documents (PEL (Environmental Evaluation Presentation) and Environmental Management and Monitoring Plan (RKL/RPL))</p> <p>The Company has a reference to social management in the form of PEL and RKL / RPL 1994 (includes social and environmental impact assessment). In addition the company also has a social impact report in January 2014 for Mill and Estate (include assessment of the impact in education, occupation, religion and culture). In fact company is currently conducting a study on changes in activity in the estate, and particularly the Social Analysis of public health impact.</p>	Mill & Estate (Sustainability Division)	Major	23 December 2015	Companies must demonstrate positive progress on the revision of the environmental and social documents (PEL and RKL / RPL)	<ul style="list-style-type: none"> • Root Cause: <ul style="list-style-type: none"> - Document Preparation Environment is still in progress - Substitution stewardship of the Environment Bodies, so that the policy change and the need to start the study from the beginning. • Corrective Action Submit evidence of the progress of the preparation of environmental documents • Preventive Action: Increase Awareness related EIA <p>Auditor Verification dated December 23, 2015. Social impact monitoring plan recorded in the document PEL is being prepared by a consultant service provider, PT Sucofindo, Medan. Based on the letter from the consultant services provider known that the environmental document is currently in the process of drafting and waiting time for</p>	Closed	Dec 23, 2015

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
		<p>Related to the above things, the company has collaborated with consultants and coordinating with Environmental Agency District. Langkat on 12 September 2014. However, until the implementation of audit ASA-1, the company has not been able to show positive progress in revision of the environmental and social documents</p>					<p>hearings and discussions in the EIA commission Langkat district. Along with that, the company also has applied for the discussion of environmental documents to Environment Bodies Langkat District, received on December 22, 2015.</p> <p>Implementation of social impact monitoring plan will be recorded later on the report of RKL / RPL semester along with data / evidence of measurable monitoring.</p> <p>Based on the explanation, the NC No. 2015.05 has been closed by observation report on the implementation of RKL / RPL at next audit.</p>		

3.5.2 Identification of Findings, Corrective Actions and Observations at ASA-2 Assessment.

NCR No.	: 2016.1	Issued by	: Radytio Puspanjana
Date Issued	: 21 October 2016	Time Limit	: 20 December 2016
NC Grade	: Major	Date of Closing	: 20 December 2016
Standard Ref. & Requirement	: 2.1.1 Evidence of compliance with relevant legal requirements shall be available.		
Non-Conformance Description & Evidence observed (filled by auditor): Based on the results of documents verification and interviews with officers of hazardous waste storage, note that hazardous waste is in licensed temporary storage of each unit has been stored for 1 year and 4 months. The company has sent a letter No. 001 / GSD / G / 43 / VIII / 2016 dated August 22, 2016 to Environmental Agency of Sumatera Utara Province and Environmental Agency of Langkat district on the application for extension of storage life of hazardous waste that produced by the unit, but has not yet provided a reply. Request an extension of the storage period is done because of the transition rules regarding third-party requirements that must be incorporated in form of company, so that contracts that have been available for evacuation can not be executed before a third party legal entities eligible regulations. It is not in accordance with Regulation no. 101 of 2014 which states that the waste generated less than 50 kg / day (category II) is kept up to 365 days.			
Root Cause Analysis (filled by organization audited): <ol style="list-style-type: none"> 1. Contracts with Third Party has expired. 2. Transitional in national regulations that requiring organization of hazardous waste transporter / management must be "PT". 3. Based on the verification of the many parties of hazardous waste management, in the area of North Sumatra yet that meets regulatory requirements, while other areas have not fulfilled quota in the transport. 4. Company conducted communication with environmental agency of district, environmental agency of province and ministry of environment. The Company has not obtained such information. 			
Corrective Action (filled by organization audited): <ol style="list-style-type: none"> 1. Establish Agreement contract with the third party and the the hazardous waste mangement. 2. Checking the appropriate regulatory requirements for management hazardous waste. 			
Preventive Action (filled by organization audited): <ol style="list-style-type: none"> 1. Verify permit, regulatory compliance and the management of hazardous waste at least every 3 months. 2. Checking and extended the contract before 3 months. 3. Perform Communication and periodic reporting to stakeholder. 			
Assessor Evaluation and Conclusion (filled by auditor): <p>The company has work agreement of hazardous waste management for "PT. PP. London Sumatra Indonesia, TBK and PT. Amindy Barokah Number OUT/0068/DGS/XII/2016 on December 5 2016. Work agreement of hazardous waste management explained "PT. Amindy Barokah" to be responsible for transport and hazardous management waste According to national regulation. Work agreement valid for 2 years and can be extended.</p> <p>Implementation of management of hazardous waste management :</p> <ul style="list-style-type: none"> - Manifest and transfer record of hazardous waste in Turangie POM on December 13, 2016 which consist of used oil (Manifest No. AVT 0000020), used oil filter (Manifest No. AVT 0000021), used rags (Manifest No. AVT 0000022), used dry battery (Manifest No. AVT 0000056), used wet battery (Manifest No. AVT 0000023), used catridge(Manifest No. AVT 0000024), used lamp (Manifest No. AVT 0000025), medical waste (Manifest No. AVT 0000027) , ex pesticide container (Manifest No. AVT 0000026). - Manifest and transfer record of hazardous waste in Bungara Estate on December 13, 2016 which consist of used oil filter (Manifest No. AVT 0000035), used dry battery and wet battery (Manifest No. AVT 0000037), medical waste (Manifest 			

No. AVT 0000041), ex pesticide container (Manifest No. AVT 0000040), used cartridge and toner (Manifest No. AVT 0000038) and used lamp (Manifest No. AVT 0000039).

- Manifest and transfer record of hazardous waste in Turangie estate on December 13, 2016 which consist of used dry battery and wet battery (Manifest No. AVT 0000030), used oil filter (Manifest No. AVT 0000029), ex pesticide container ex (Manifest No. AVT 0000033), medical waste (Manifest No. AVT 0000034), used lamp (Manifest No. AVT 0000032), used oil (Manifest No. AVT 0000028) and used toner (Manifest No. AVT 0000031).
- Manifest and transfer record of hazardous waste in Pulau Rambung estate on December 13, 2016 which consist of used dry battery and wet battery (Manifest No. AVT 0000044), used oil filter (Manifest No. AVT 0000043), ex pesticide container (Manifest No. AVT 0000047), medical waste (Manifest No. AVT 0000048), used lamp (Manifest No. AVT 0000046), used oil (Manifest No. AVT 0000042) and used toner (Manifest No. AVT 0000045).

Base on company evidence, Non Conformity Report number **2.1.1 with major categories** has been comply

Verified by : **Radytio Puspanjana**

3.5.3 Opportunities for Improvement.

No	Ref Std	Descriptions
1	2.2.2	Improving HGU poles monitoring and follow up on the results of monitoring that have been implemented
2	4.6.11	Implement medical examination for workers who are unable to attend when the medical examination conducted (Observation)
3	4.7.2	Companies may improve the quality of hazard identification, assessment and risk control by detailing the types and criteria PPE used (Observation).
4	5.3.3	Improving the understanding related workers about hazardous waste that produced from the operating activities (Observation).
5	6.5.2	<ul style="list-style-type: none"> - Ensure the contract in accordance with the work being done - Ensure implementation of the internal memo proposing daily workers becomes DRP and Internal Memo regarding the evaluation of labor ratio (Observation).
6	8.1.1	follow up the findings of the internal audit which was held in October 2016 (Observation).
7	SCCS	Increase understanding SCCSrelated to related parties (Observation).

3.5.4 Noteworthy Positive Components

No	Ref Std	Descriptions
1	-	The commitment of the company to implement the principles of sustainable management of oil palm
2	-	Has obtained the golden flag for OHS management System
3	-	Has obtained the certificate of ISPO (Indonesian Sustainable Palm Oil).

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

Public Issues (Institution/ NGO/Community)	Management Responses	Auditor Responses
<p>Forestry and Plantation agency, Langkat Distric</p> <ol style="list-style-type: none"> 1. Routine reports have been submitted such as Plantation Business Activity Report every 6 months. 2. On 2016, There is no issue of land dispute, No cases of fires based on communities report or mass media. 3. Plantation bussiness assessment of PT PP London Sumatra was conducted on 2012. Although Plantation bussiness assessment on 2015 (3 years) not yet done because the limited national funds. 	<ol style="list-style-type: none"> 1. Management will submit each routine report in accordance with regulation 2. The Company will continue to maintain good relations with all stakeholders, and there is no case of land disputes as well as fires in plantations and mill. 3. The Company has apply in order to Plantation Assessment can be implemented, but until now have not been able to organize the relevant agencies due to limited budget of government. 	<p>The company has provided information in the form of mandatory reports and there is no issue of land dispute and environmental pollution. This is in accordance with the RSPO standard Criteria 1.1; 2.1; 2.2 and 5.5.</p>
<p>Manpower and Transmigration Agency, Langkat Distric</p> <ol style="list-style-type: none"> 1. The Company has reported regular reports such as, Reports Occupational Health and Safety, Compulsory labor reports, accident reports and others. 2. Wage for PT LONSUM is use <i>Badan Kerjasama Perusahaan Perkebunan Sumatera</i> (BKSPPS), which the wage is more than Sectoral Minimum Wage in Langkat Districts. 3. The Company has a company regulations & collective labor agreement which has been approved by related agency on 18 June 2016. 4. At PT Lonsum there contract workers, daily workers and permanent workers. 5. For overtime, the company is follow the national regulation based on <i>Peraturan Menteri Tenaga Kerja</i> No. 102 of 2004. 6. PT Lonsum has registered all employees as participants of BPJS 	<ol style="list-style-type: none"> 1. Management will submit each routine report in accordance with regulation 2. PT. Lonsum implement wage each year based on the agreement with labour union and BKSPPS where the value of wage is higher than the minimum wage from governor and regent. 3. Collective labor agreement of PT. Lonsum has been agreed between BKSPPS with labour union every 2 years in which the results are validated by the Director General of Industrial Relations and Social Security Workers of Manpower and Transmigration Ministry. 4. The company organizational system is made and determined without violating the laws and regulations. 5. As the company's commitment to compliance with laws and regulations 6. As the company's commitment to compliance with laws and 	<p>The company has provided information in the form of mandatory reports. This is in accordance with the RSPO standard Criteria 1.1 and 2.1.</p> <p>The company have to provide wages in accordance with the regulations and there is company regulations & collective labor agreement which regulate the workers and the rights and obligations of employees. This is in accordance with the RSPO standard Criteria 6.5.</p> <p>Companies have registered workers in accident insurance (BPJS). This is in accordance with the RSPO standard Criteria 4.7.</p>

Public Issues (Institution/ NGO/Community)	Management Responses	Auditor Responses
	regulations	
<p>Environmental Agency, Langkat District</p> <ol style="list-style-type: none"> Regular report has been submitted such as RKL-RPL implementation report for Semester I 2016, hazardous waste report for quarterly II 2016 and land fires report for quarterly II 2016. The change of environment document (PEL) of PT PP LONSUM has been reported to environmental agency on August 2016. The change is because there is composting activity in operation area. Environmental agency not yet evaluate, but in environment document has been stated about composting activity. Environmental agency has conducted regular surveillance. The last surveillance is for semester I 2016 which was conducted in May 2016 and for Semester II 2016 will be planned in November 2016. No pollution issue. 	<ol style="list-style-type: none"> Management will submit each routine report in accordance with regulation. The Company remains coordinate with the district environmental agency, provincial environmental agency and environmental ministry as supervisor of the environmental management which is carried out by the company and efforts to improve the continuous improvement. The Company remains coordinate with the district environmental agency of Langkat District as supervisor of the environmental management which is carried out by the company and efforts to improve the continuous improvement. 	<p>The company has provided information in the form of mandatory reports. This is in accordance with the RSPO standard Criteria 2.1.</p> <p>The company has made good environmental management (including waste) and there are no pollution issues. This is in accordance with the RSPO standard Criteria 5.1 and 5.3.</p>
<p>Village of Perkebunan Turangie</p> <ol style="list-style-type: none"> PT Lonsum generally has a good relationship with the Village of Perkebunan Turangie. The community and village leaders already know the mechanism if there are things that they want to consult with the company. The Company responds quickly if there are things that communities want to be consulted. There is no issue of unresolved related land disputes and the company did not use paramilitaries. There are no negative issues related to the negative impact. 	<p>Companies keep maintain good relations with stakeholders, through mechanism that is predetermined and socialized. The relationship coaching is done through a series of community development activities to minimize negative impacts and optimizing the positive impacts, provide opportunities for work and business. And participate in assist the public awareness related to conservation of natural resources and energy.</p>	<p>The company has a good relationship with the surrounding villages. Any incoming letter has been responded by the company and the villagers know how to communicate with the company. This is in accordance with the RSPO standard Criteria 1.1; 6.2 and 6.3.</p> <p>There is no issue of land dispute, fires and environmental pollution. This is in accordance with the RSPO standard Criteria 2.2; 5.1 and 5.5.</p>

Public Issues (Institution/ NGO/Community)	Management Responses	Auditor Responses
<p>from operation activities od PT Lonsum</p> <ol style="list-style-type: none"> 6. There is no land fires issue 7. The Company has socialized the company policies such as the prohibition of hunting of protected wildlife. 8. Villagers participate in a meeting to discuss the social impact assessment as well as the provision of CSR 9. The company provides assistance such as help repair roads, clean water and ambulance. 10. The company has always informed if there is a job information, so many villagers of Perkebunan Turangie who work in PT Lonsum. 		<p>The Company has socialized the company policies such as the prohibition of hunting of protected wildlife and the community has been aware of the policy. This is in accordance with the RSPO standard Criteria 5.2.</p> <p>The company has conduct mitigation to reduce negative impact such provide CSR, road maintenance, water supply, etc. This is in accordance with the RSPO standard Criteria 6.1 and 6.11.</p>
<p>Village of Bandar Telu</p> <ol style="list-style-type: none"> 1. PT Lonsum generally have a good relationship with the Village of Bandar Telu 2. The community and village leaders already know the mechanism if there are things that want to consult with the company. The respond is not over than one week 3. There is no issue unresolved related land disputes and the company did not use para-militaries. 4. There are no negative issues related to the negative impact from operation activities od PT Lonsum 5. There is no land fires issue 6. The Company has socialized the company policies such as the prohibition of hunting of protected wildlife. 7. Villagers participate in a meeting to discuss the social impact assessment as well as the provision of CSR 8. The company provides assistance such as help repair the roads, clean water, construction of schools, donation to underprivileged people and the construction of mosques. 9. The company has always informed if there is a job 	<p>Companies keep maintain good relations with stakeholders, through mechanism the predetermined and socialized. The relationship coaching is done through a series of community development activities to minimize negative impacts and optimizing the positive impacts, provide opportunities for work and business. And participate in assist the public awareness related to conservation of natural resources and energy.</p>	<p>The company has a good relationship with the surrounding villages. Any incoming letter has been responded by the company and the villagers know how to communicate with the company. This is in accordance with the RSPO standard Criteria 1.1; 6.2 and 6.3.</p> <p>There is no issue of land dispute, fires and environmental pollution. This is in accordance with the RSPO standard Criteria 2.2; 5.1 and 5.5.</p> <p>The Company has socialized the company policies such as the prohibition of hunting of protected wildlife and the community has been aware of the policy. This is in accordance with the RSPO standard Criteria 5.2.</p> <p>The company has conduct mitigation to reduce negative impact such provide CSR, road maintenance,</p>

Public Issues (Institution/ NGO/Community)	Management Responses	Auditor Responses
information.		water supply, etc. This is in accordance with the RSPO standard Criteria 6.1 and 6.11.
<p>Workers Cooperative (Koperasi Karyawan Perkasa PT PP LONSUM)</p> <ol style="list-style-type: none"> The Company provides facilities such as buildings for cooperative employees. Almost all employees remain a member of the cooperative The cooperative has activity in the form of micro-credit activities Annual Member Meeting for 2015 was conducted in April 2016 	<ol style="list-style-type: none"> Provision of facilities in accordance with the cooperative request to the company to be given a place of cooperative activities. Not all the employees to be members of the cooperative because cooperative membership is voluntary. In addition to the savings and loan cooperatives also sell essential goods. The annual meeting of members of the cooperative done by the cooperative board of each estate. 	<p>The company has facilitated the establishment of cooperative and does not prohibit workers' organizations. This is in accordance with the RSPO standard Criteria 6.6.</p>
<p>Labor Union (SPSI) of PT PP Lonsum</p> <ol style="list-style-type: none"> The company gives the freedom to workers to assembly and association. The Company has paid wages and overtime in accordance with applicable regulations. Company to respond quickly if there are complaints from workers The Company provides personal protective equipment to workers for free. Workers use the PPE while working Employees have been registered BPJS for employment and health There are no negative issues related to labor The Company has provided adequate facilities for the welfare of workers The company provides opportunities and equal treatment in the work 	<ol style="list-style-type: none"> The company has provided freedom of assembly PT. Lonsum made overtime payments in accordance with the Regulation of Manpower and Transmigration Ministry No. 102 of 2004. The Company has committed to collect and follow up on any complaints of workers who entered in accordance with company policy. The Company is committed and obliged to provide PPE to the workers in accordance with the identification of the risk accidents. As the company's commitment to compliance with laws and regulations The company has committed to labor management as well as possible. The Company has provided clinics, sports facilities, schools, 	<p>The Company provides PPE to workers for free and get accident insurance (BPJS). This is in accordance with the RSPO standard Criteria 4.7.</p> <p>The company to respond quickly if there are complaints from workers and they know complaint mechanism. There are no negative issues related to labour. This is in accordance with the RSPO standard Criteria 6.3.</p> <p>The Company has provided adequate facilities for the welfare of workers and workers are paid a salary in accordance with the regulations. This is in accordance with the RSPO standard Criteria 6.5.</p>

Public Issues (Institution/ NGO/Community)	Management Responses	Auditor Responses
<p>9. There were no fatal accidents, accidents that happen, still minor category</p>	<p>houses of worship and entertainment facilities for workers.</p> <p>8. The company is committed to implementing equality of rights and opportunities and equal treatment in the work.</p> <p>9. The Company is committed to implement a zero accident and if an accident report immediately to the company clinic and then report to the BPJS</p>	<p>The company gives the freedom to workers to assembly and association. This is in accordance with the RSPO standard Criteria 6.6.</p> <p>The company has provides opportunities and equal treatment in the work. This is in accordance with the RSPO standard Criteria 6.8.</p>
<p>Gender Committee</p> <ol style="list-style-type: none"> 1. The Company has had a committee of gender. Each division has a representative gender committee. 2. Has given the socialization of policies on family violence and sexual abuse 3. There were no complaints of sexual harassment and family violence. 4. There are no complaints regarding discrimination between female workers and male workers. 5. The Company has granted reproduction rights such as providing maternity leave and time for breastfeeding. 6. The company facilitates the activities and committee gender meeting such as meeting rooms, rooms for events gender committee, transport etc. 	<ol style="list-style-type: none"> 1. The company has already formed a gender committee in each estate 2. The Company has conducted various forms of socialization, including at the morning breafing and meetings with employees 3. The company has had mechanism of complaints that has been socialized in the form of banners, posters and discussions / socialization directly. 4. The company is still doing recording and management through mechanisms that have been determined and socialized. 5. The Company has granted the protection of women workers in accordance with article 81 and article 82 of Law No.13 / 2003 6. The facilities and infrastructure provided / lent adjusted with the designation and the company's ability 	<p>The Company has granted reproduction rights such as providing maternity leave and time for breastfeeding. Based on interview with workers it is known that they aware about reproduction rights such as maternity leave. This is in accordance with the RSPO standard Criteria 6.5 and 6.9.</p> <p>The company has had policies on family violence and sexual harassment. Since the last audit until ASA-2 There were no complaints of sexual harassment and family violence. This is in accordance with the RSPO standard Criteria 6.9</p>

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 PP London Sumatra, Tbk
Perwakilan Management



Muhammad Waras

Tuesday, 20 December 2016

Mutuagung Lestari
Lead Auditor



Ardiansyah

Tuesday, 20 December 2016

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	Forestry and Plantation Agency	Stabat, Langkat District, Sumatera Utara Province	-	Interview	18 October 2016	√	-
2	Labour and Transmigration Agency	Stabat, Langkat District, Sumatera Utara Province	-	Interview	18 October 2016	√	-
3	Environmental Agency	Stabat, Langkat District, Sumatera Utara Province	-	Interview	18 October 2016	√	-
4	Perkebunan Turangie Village	Perkebunan Turangie Village, Bahorok Sub-district, Langkat District, Sumatera Utara Province	-	Interview	19 October 2016	√	-
5	Bandar Telu Village	Bandar Telu Village, Bahorok Sub-district, Langkat District, Sumatera Utara Province	-	Interview	19 October 2016	√	-
6	Workers cooverative (Koperasi Karyawan Perkasa PT PP LONSUM)	Langkat District, Sumatera Utara Province	-	Interview	18 October 2016	√	-
7	Committee Gender of PT PP LONSUM	Langkat District, Sumatera Utara Province	-	Interview	18 October 2016	√	-
8	Labour Union of PT PP LONSUM (SPSI)	Langkat District, Sumatera Utara Province	-	Interview	18 October 2016	√	-
9	YEL (Yayasan Ekosistem Lestari)	Indonesia	office@yel.or.id	email	6 October 2016	-	√
10	Walhi (Wahana Lingkungan Hidup Indonesia)	Indonesia	informasi@walhi.or.id	email	6 October 2016	-	√
11	WWF(World Wildlife Fund)	Indonesia	wwf-indonesia@wwf.or.id	email	6 October 2016	-	√

Appendix 2. Assessment Program

DATE	17 – 21 October 2016	
PLANNED TIME	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
Monday, 17 October 2016		
06.00 - 09.00	Jakarta → Medan (Kualanamu)	• ARD / RR / SS / RP / RA / TFK
09.00 – 12.30	Medan (Kualanamu) → Site (Turangie POM)	• ARD / RR / SS / RP / RA / TFK
12.00 – 14.00	LUNCH BREAK	
14.00 – 14.30	Opening Meeting (Brief Introduction, Audit scope confirmation, Standards Use, Audit Objectives and Audit Agenda Explanation)	• ARD / RR / SS / RP / RA / TFK
14.30 – 17.00	Document Review a. Review of Previous Visit Non-conformance (RSPO ASA-01) b. Collect Basic Information (Mill and Estates)	• ARD / RR / SS / RP / RA / TFK • ARD / RR / SS / RP / RA / TFK
Tuesday, 18 October 2016		
08.00 – 12.00	• Public Consultation Related Government Institution & Local NGO (Kab. Langkat)	• SS
10.00 – 12.00	• Document Review Stakeholders Meeting and Consultation: Workers Cooperative, Labor Union, Gender Committee	• ARD / RR / RP / TFK • RA
12.00 – 14.00	LUNCH BREAK	
14.00 – 16.00	Field Observation TURANGIE POM • WWTP (IPAL), IPAL, Hazardous Waste Material (B3) management, Water Treatment Plant (WTP), K3 (OHS) • Supply Chain	• ARD / RR / RP / TFK
15.00 – 17.00	Clarification of Public Consultation and Field Observation	• ARD / RR / SS / RP / TFK
Wednesday, 19 October 2016		
08.00 - 12.00	Field Observation TURANGIE Estate Sub team-1: • Legal Operational (Boundary Poles Monitoring). • Conservation (HCV Area, Soil Erosion) • Land Fire facilities • Waste management (Chemical Storage, Hazardous Waste storage, ect..) Sub team-2: • Best Agricultural Practices (Spraying, Harvesting, Integrated Pest Management, EMU, Health and Safety Implementation) • Worker Welfare (housing, payments, complaint mechanism, Safety and Health, Child Labour, health clinic, clean water, etc..) Stakeholders Meeting and Consultation: • Nearest village and community leader (Villages of Turangie)	• ARD / RP / TFK • SS / RR • RA

DATE	17 – 21 October 2016	
PLANNED TIME	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
12.00 – 14.00	LUNCH BREAK	
14.00 – 17.00	Continue Field Observation and outstanding issue. Document Review and Review of Previous Visit Non-conformance (RSPO ASA-01)	• ARD / RR / SS / RP / RA / TFK
Thursday, 20 October 2016		
08.00 - 12.00	Field Observation PULAU RAMBUNG Estate Sub team-1: <ul style="list-style-type: none"> • Legal Operational (Boundary Poles Monitoring). • Conservation (HCV Area, Soil Erosion) Sub team-2: <ul style="list-style-type: none"> • Best Agricultural Practices (Spraying, Harvesting, Integrated Pest Management, Land Application, Health and Safety Implementation) Sub team-3: <ul style="list-style-type: none"> • Land Fire facilities • Waste management (Chemical Storage, Hazardous Waste storage, ect..) • Worker Welfare (housing, payments, complaint mechanism, Safety and Health, Child Labour, health clinic, clean water, etc..) 	• ARD / TFK • SS / RR • RP / RA
12.00 – 14.00	BREAK	
14.00 – 17.00	<ul style="list-style-type: none"> • Continue Field Observation and outstanding issue. • Completion of checklist 	• ARD / RR / SS / RP / RA / TFK • ARD / RR / SS / RP / RA / TFK
Friday, 21 October 2016		
08.00 - 11.00	Field Observation BUNGARA Estate Sub team-1: <ul style="list-style-type: none"> • Legal Operational (Boundary Poles Monitoring). • Conservation (HCV Area, Soil Erosion) Sub team-2: <ul style="list-style-type: none"> • Best Agricultural Practices (Spraying) • Hazardous Waste storage and Hazardous storage 	• ARD / TFK • RP / RR
13.30 – 15.00	• Audit finding discussion and preparation	• ARD / RR / SS / RP / RA / TFK
15.00 – 17.00	• Closing Meeting at Turangie Estate	• ARD / RR / SS / RP / RA / TFK
18.30 – 21.00	• Site (Turangie POM) → Medan	• ARD / RR / SS / RP / RA / TFK
Saturday, 22 October 2016		
09.00 – 11.00	Medan (Kualanamu) → JAKARTA	• ARD / RR / SS / RP / RA / TFK