

Date: 27 October 2017

**Notification on RSPO Initial Assessment (Stage-2) of Kencana Sari Oil Mill – PT PP LONDON SUMATRA INDONESIA, Tbk (RSPO membership registration number 1-0015-04-000-00).**

Dear Stakeholders,

PT PP London Sumatra Indonesia Tbk has applied to Mutuagung Lestari and will conduct Initial Certification Assessment at Kencana Sari Palm Oil Mill and its supply base, located in Kencana Sari Village, Kikim Sub-district, Lahat District, South Sumatera Province, Indonesia against the requirement of the RSPO Standard i.e. National Interpretation of Roundtable on Sustainable Palm Oil, Principles and Criteria (RSPO INA – NIWG, endorsed by the RSPO Board of Governors 30<sup>th</sup> September 2016) Republic of Indonesia and Supply Chain Requirement for CPO Mill (21 November 2014). The organization has achieved the first RSPO Certification in 30 April 2009.

The organization is a member of RSPO and has been taking an active role in the RSPO certification processes and planned to achieve RSPO Sustainable Palm Oil requirement for all of its production. Mutuagung Lestari has arranged to conduct the assessment to the organization which operating 1 (one) mill and 2 (two) estates on **27 to 30 November 2017**.

Information on production data of Mill and estates to be assessed are as follows:

Name of Mill	Location	GPS Reference		Mill Capacity (Tonnes/hour)	Annual Volume	
		Latitude	Longitude		CPO Output (Tonnes/year)	PK Output (Tonnes/year)
Kencana Sari	Kencana Village, Kikim Sub-district, Lahat District, South Sumatera Province, Indonesia	03° 38' 20" S	103° 26' 55" E	30	7,956.39	2,076.58

\*Source: Production data from May 2017 to June 2017 (Kencana Sari Mill operate since May 2017)

\*\* Kencana Sari Mill also supplied from third party FFBS.

Nama of Estates	Location	GPS Reference		Area (Ha)	Planted Area (Ha)	FFB Production (tonnes/year)
		Latitude	Longitude			
Arta Kencana Estate	Cecar Village, Kikim Sub-district, Lahat District, South Sumatera Province, Indonesia	03° 34' 19" S	103° 24' 26" E	1,680.45	1,517.63	15,971.16
Kencana Sari Estate	Kencana Village, Kikim Sub-district, Lahat District, South Sumatera Province, Indonesia	03° 39' 09" S	103° 26' 47" E	2,976.10	1,586.90	12,129.49
Total				<b>4,656.55</b>	<b>3,104.53</b>	<b>28,100.65</b>

\*Source: Production data from July 2016 to June 2017

Mutuagung Lestari, is also known Mutu Certification International (MUTU), and has started as inspection, laboratory, and Certification body since 1990. As a private national company and supported with highly committed professionals, MUTU has gained recognition nationally and internationally. Since June 2003, MUTU has received recognition from the Ministry of Agriculture, Forestry, and Fishery of Japan (MAFF) as registered overseas certification body (ROCB). MUTU certify and mark products with Japan agriculture standard (JAS) covering Indonesia, Myanmar, Cambodia, Malaysia, Vietnam, Timor Leste, Philippines, Papua New Guinea and China. MUTU is the first ROCB in Asia. National Accreditation Committee has accredited MUTU as Quality Management System certification body (ISO 9001; 2008) and Environmental Management System certification body (ISO 14001;2004). Indonesia Ecolabelling Institute (LEI) has also accredited MUTU as Sustainable Forest Management System certification body, Certification Body of Indonesian Sustainable Palm Oil (ISPO). Since March 2014, MUTU has been accredited by ASI (Accreditation Services International) as a RSPO certification body.

The assessor team for the certification assessment will consist of:

1. **Moh. Arif Yusni** as lead auditor for legal aspect, social aspect and supply chain
2. **Sandra Purba** sebagai auditor for occupational health and safety, worker welfare and social aspect.
3. **Steve Muallim** as auditor for environmental aspect, conservation and waste management.
4. **Haikal Ramadhan Kharismansyah** as auditor for transparency, best management practice and integrated pest management.

PT. Mutuagung Lestari invites stakeholders to provide comments (if any) on any of the following matters related to the site for assessment,

- a. Environmental protection within the estate or mill including use of pesticide and effluent management.
- b. Biodiversity within the estate and mill
- c. Opportunities for employment
- d. Contribution for local development
- e. Provision of housing, sanitation, facility and education support
- f. Other issues related with the assessment

Comments accepted within 30 days from the date of this letter will be considered in the certification assessment. Please include the following details in case we may need to contact for your clarification on any issued raised.

Name : \_\_\_\_\_  
Address : \_\_\_\_\_  
Telephone : \_\_\_\_\_  
Fax : \_\_\_\_\_

If you wish your comments to be treated confidentiality or remain anonymous, please mark your reply 'IN CONFIDENCE'. Please send your comments to:

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We thank you for your comments and feedback.  
Yours faithfully,



**Tony Arifrachman**  
Operations Director  
PT Mutuagung Lestari