

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

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

Plantation Management/Owner : **PT MASKAPAI PERKEBUNAN LEIDONG WEST INDONESIA Subsidiary of SMART Tbk**

Plantation Name : **Leidong West Mill, Leidong West Selatan Estate, dan Leidong West Utara Estate (PT MP LEIDONG WEST INDONESIA, Bukit Intan Estate dan Bukit Mas Estate (PT Bumi Permai Lestari)**

Location : **Sub District of Kelapa, District of West Bangka, Province of Bangka Belitung**

Certificate Code : **MUTU-RSPO/041**

Date of certificate issue : **16 May 2014**

Date of expiry of certificate : **15 May 2015**

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Review by	Approve by
ASA-01	9 – 12 Februari 2015	Taufik Margani (LA Witnessing), Trismadi Nurbayuto (LA Witnessed), I Wayan Sudi antara, Panggading Hariara N, Rudi Ramdani	Octo HPN Nainggolan	Tony Arifiarachman

Assessment	Approved by MUTUAGUNG LESTARI on:
ASA-01	27 March 2015

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Figure 1. Location Map of PT. MP Leidong West Indonesia

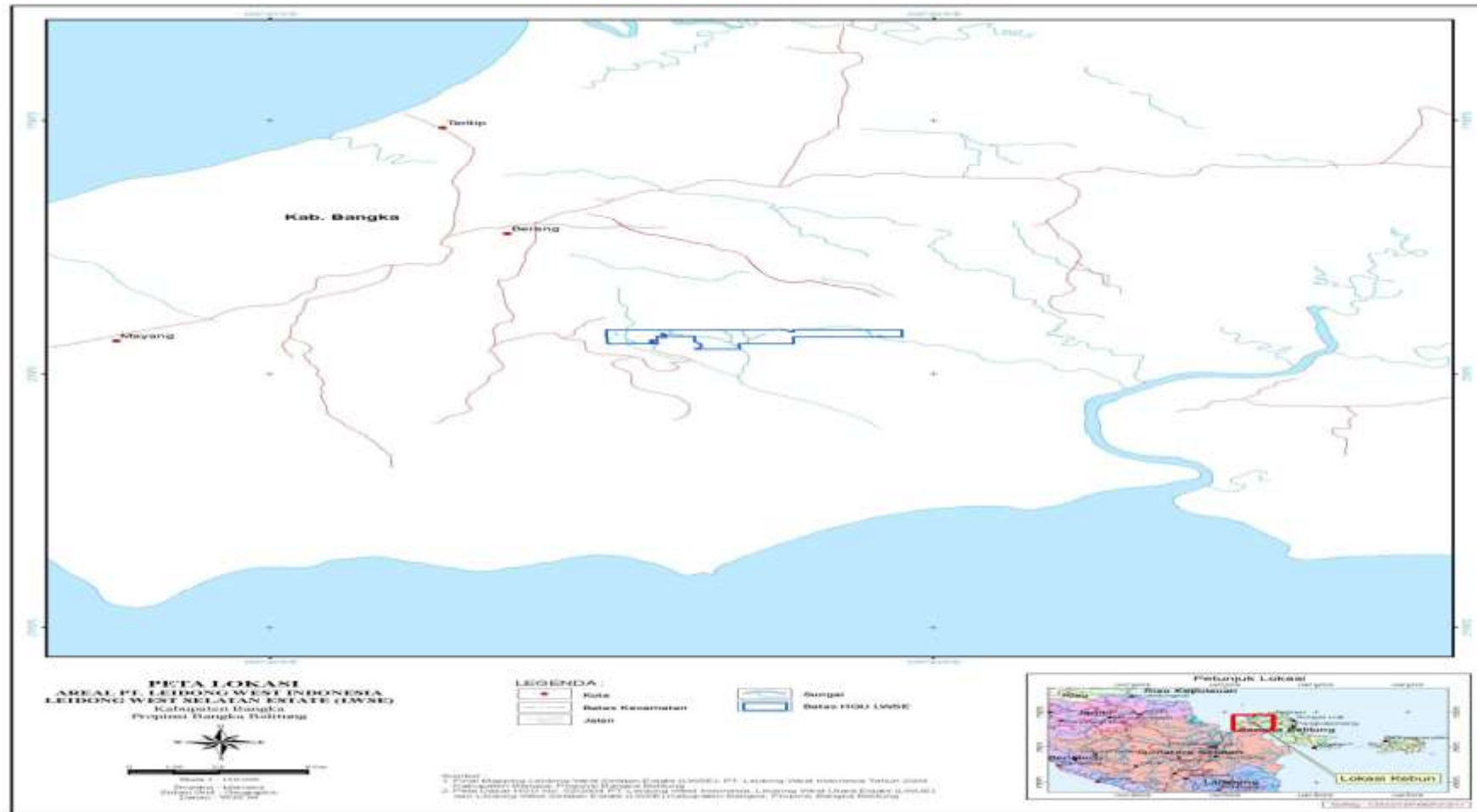
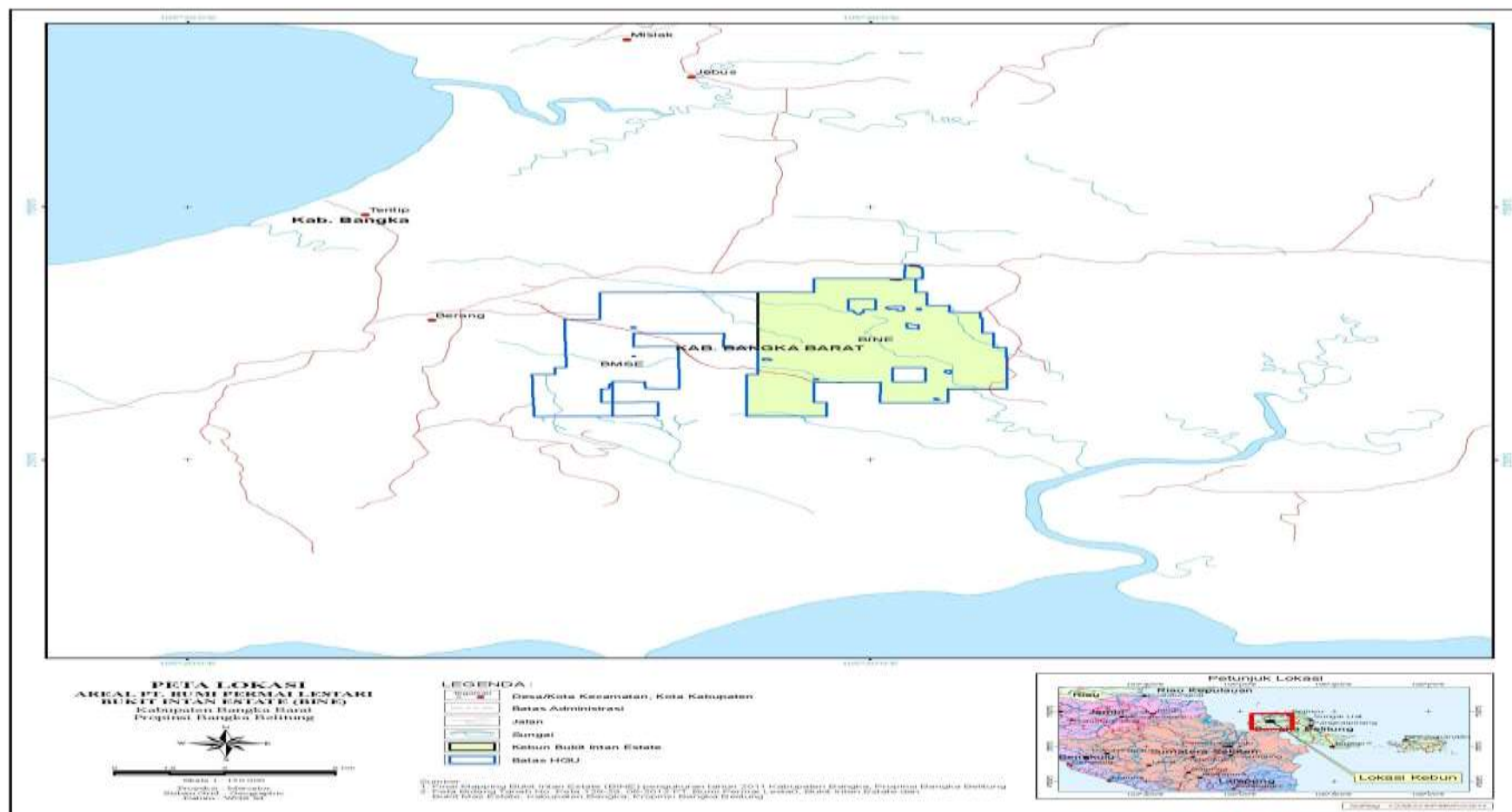


Figure 2. Operational Map of PT. MP Leidong West Indonesia



1.0	SCOPE OF THE CERTIFICATION ASSESSMENT		
1.1	Assessment Standard Used	<i>National Interpretation, RSPO Principles and Criteria (P&C) for Sustainable Palm Oil Production, Republic of Indonesia - RSPO INA-NIWG, May 2008 and RSPO Supply Chain Certification Standard November 2011 for CPO Mill.</i>	
1.2	Organization Information		
1.2.1	Company name	PT MASKAPAI PERKEBUNAN LEIDONG WEST INDONESIA – SMART Tbk.	
1.2.2	Contact person	Ismu Zulfikar	
1.2.3	Company address and site address	<u>Head Office:</u> Plaza BII Tower 2, 30th Floor JL. MH Thamrin No 51 Kav 22 Jakarta 10350 Indonesia <u>Site:</u> Estate & Mill: Sub District of Kelapa, District of Bangka Barat Propinsi Bangka Belitung	
1.2.4	Telephone	(+62-21) 318 1388	
1.2.5	Fax	(+62-21) 318 1389	
1.2.6	E-mail	ismu-zulfikar@smart-tbk.com	
1.2.7	Web page address	www.smart-tbk.com	
1.2.8	Management Representative who completed the application for certification	Ismu Zulfikar (Head of Environmental Departement)	
1.2.9	Registered as RSPO member	PT SMART Tbk, 30 January 2005, 1-0019-05-000-00	
1.3	Type of Assessment		
1.3.1	Scope of Assessment and Number of management unit	Leidong West Mill, Leidong West Selatan Estate, dan Leidong West Utara Estate (PT MP LEIDONG WEST INDONESIA, Bukit Intan Estate dan Bukit Mas Estate (PT Bumi Permai Lestari)	
1.3.2	Type of certificate	Single	
1.3.3	Company names listed in the certificate	PT MASKAPAI PERKEBUNAN LEIDONG WEST INDONESIA – SMART Tbk	
1.4	Locations of Mill, Plantations and Area Statement		
1.4.1	Location of Mill		
	Name of Mill	Location	GPS
			Latitude
			Longitude
	Leidong West Indonesia	Sub District of Kelapa, District of Bangka Barat, Province of Bangka Belitung	01° 54' 05.01" S
			105° 28' 35.09" E

1.4.2	Location of Supply Base						
	Name of Supply Base	Location	GPS				
			Latitude		Longitude		
	Leidong West Selatan Estate (LWUE)	Sub District of Kelapa, District of Bangka Barat, Province of Bangka Belitung	01° 58' 24.29" S		105° 26' 59.71" E		
	Leidong West Utara Estate (LWSE)	Sub District of Kelapa, District of Bangka Barat, Province of Bangka Belitung	01° 44' 17.68" S		105° 29' 53.02" E		
	Bukit Intan Estate (BINE)	Sub District of Kelapa, District of Bangka Barat, Province of Bangka Belitung	01° 52' 33.78" S		105° 30' 35.16" E		
	Bukit Mas Estate (BMSE)	Sub District of Kelapa, District of Bangka Barat, Province of Bangka Belitung	01° 54' 03.40" S		105° 28' 05.95" E		
1.4.3	Tenure						
	• State						
	• PT MP Leidong West Indonesia		- HGU Certificate No. 15 dated 25 September 2004 (areas: 746,52 Ha). - HGU Certificate No. 16 dated 25 September 2014 (areas: 642,72 Ha.)				
	• PT Bumi Permai Lestari		- HGU Certificate No.1/R1t/HGU/BPN RI/2013 (areas: 10.900,56 Ha). - HGU Certificate (revision) No.1 dated 8 Agustus 1996 (areas: 8.234, 13 Ha).				
	• Community		- Ha				
1.4.4	Area Statement	PT LEIDONG WEST INDONESIA		PT BUMI PERMAI LESTARI		TOTAL (Ha)	
		LEIDONG WEST UTARA (Ha)	LEIDONG WEST UTARA (Ha)	BUKIT INTAN (Ha)	BUKIT MAS (Ha)		
	• Total area	746.52	642.73	5,050.61	3,183.51	9,623.37	
	• Mature area	661.63	627.12	4,656.87	3,016.77	8,962.39	
	• Immature area	-	-	-	-	-	
	• Mill/Emplacement/Road	27.50	15.61	288.96	145.86	477.93	
	• Unplanted area (drainesse)	37.82	-	15.78	-	53.60	
	• Others area	-	-	-	-	-	
	• HCV	71.15	30.83	96.97	42.53	129.45	
1.5	Description of Supply Base						
1.5.1	Description of Mill						
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/ year)	CPO		Palm Kernel	
				Out put (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)
	Leidong West Indonesia	60	233,538,680	50,558,919	21.65	14,118,500	6.05
	*Source Production Data on 12 months before assessment						

1.5.2	Description of Certified Estate(s)						
	Name of Estate(s)	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)	Supplied to Mill	
						FFB (tonnes/year)	%
	Leidong West Selatan Estate	642.73	627.12	14,626.63	23.32	14,626.63	100
	Leidong West Utara Estate	746.52	661.63	15,174.78	22.94	15,174.78	100
	Bukit Intan Estate	5,050.61	4,656.87	105,664.95	22.69	105,664.95	100
	Bukit Mas Estate	3,183.51	3,016.77	71,891.56	23.83	71,891.56	100
	TOTAL	9,623.37	8,962.39	207,357.92	23.14	207,357.92	100
	<i>*Source Production Data on 12 months before assessment</i>						
1.5.3	FFB description from other source						
	Name of source(s)	Member(s)	Location	Supplied to Mill			
				FFB (tonnes/year)	%		
	Bukit Perak Estate (PT. BPL)	Non Certified	District Of Bangka Barat	153.83	0.07		
	Bukit Permata Estate (PT. BPL)	Non Certified	District Of Bangka Barat	24,678.59	11.30		
	Bukit Permai Estate (PT. BPL)	Non Certified	District Of Bangka Barat	1,234.55	0.57		
	Bukit Lestari Estate (PT. BPL)	Non Certified	District Of Bangka Barat	113.79	0.05		
	TOTAL			233,538.68	-		
	<i>*Source Production Data on 12 months before assessment</i>						
1.5.4	Product categories			FFB / CPO / PK			
1.6	Planting Year and Cycles						
1.6.1	Age profile of planting year						
	Planting Year	Hectarage					Total (Ha)
		LWSE (Ha)	LWUE(Ha)	BINE(Ha)	BMSE(Ha)		
	1992	0	0	85.28	0	85.28	
	1993	0	0	4,354.02	2,534.01	6,888.03	
	1994	0	0	156.68	482.76	639.44	
	1995	0	0	60.89	0	60.89	
	1996	627.12	0	0	0	627.12	
	1997	0	341.45	0	0	341.45	
	1998	0	320.18	0	0	320.18	
	TOTAL	627.12	661.63	4,656.87	3,016.77	8,962.39	
1.6.2	New Planting area after January 2010			Ha			
1.6.3	Planting Cycle			1 st /2 nd Cycle Years			
1.7	Approximate Tonnage Certified						
1.7.1	Past Annual Claim Certified Product			Previous Certificate Claim		Actual certified product	

			(tonnes/year)	(tonnes/year)			
	• FFB Production		202,941.19	154,225.93			
	• CPO Production		44,647.06	33,341.89			
	• Palm Kernel (PK) Production		11,669.12	9,416.09			
	** Certificate Claim period 16 May 2014 – 15 May 2015						
	** Actual Claim periode 16 May 2014 – Januari 2015						
1.7.2	Claim Certified of FFB						
	Name of Estate(s)	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)		
	Leidong West Selatan Estate	642.73	627.12	15,386	24.53		
	Leidong West Utara Estate	746.52	661.63	16,305	24.64		
	Bukit Intan Estate	5,050.61	4,656.87	113,080	24.28		
	Bukit Mas Estate	3,183.51	3,016.77	74,013	24.53		
	TOTAL	9,623.37	8,962.39	218,784	24.41		
1.7.3	Claim Certified of Palm Product						
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel	
				Out put (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)
	Leidong West Indonesia	60	218,784	49,773	22.75	12,580	5.75
1.8	Other Certifications						
	ISO 9001:2008		-				
	ISO 14001: 2004		-				
	OHSAS 18001:2007		-				
	ISCC		-				
	Others		ISCC (International Sustainability and Carbon Certification) No. Sertifikat EU-ISCC-Cert-DE104-07781361 tanggal 14 Agustus 2013 yang diterbitkan oleh GUTcert.				
1.9	Time Bound Plan						
1.9.1	Time Bound Plan for Other Management Units						
	MANAGEMENT UNIT		Estate (Supply Base)	LOCATIO N	Time Bound	Remark	
	P O M	Time Bound					
	Padang Halaban	Certified 2011	Padang Halaban	North Sumatera	Certified 2011	Certified	
			Penantian		Certified 2011	Certified	
			Adipati		Certified 2011	Certified	
			Kanopan Ulu		Certified 2011	Certified	
	Batu Ampar	Certified 2012	Batu Ampar	South Kalimantan	Certified 2012	Certified	

		Batu Mulia		Certified 2012	Certified
		Sungai Panci		Certified 2012	Certified
		Sungai Panci KKPA		Certified 2012	Certified
Tanah Laut	Certified 2012	Tanah Laut	South Kalimantan	Certified 2012	Certified
		Kinta Pura		Certified 2012	Certified
Langga Payung	Certified 2012	Langga Payung	North Sumatera	Certified 2012	Certified
		Paya Baung		Certified 2012	Certified
		Normark		Certified 2012	Certified
Hanau	Certified 2012	Hanau	Central Kalimantan	Certified 2012	Certified
		Tasik Mas		Certified 2012	Certified
		Tanjung Paring		Certified 2012	Certified
		Langadang		Certified 2012	Certified
		Medang Sari		Certified 2012	Certified
Semilar	Certified 2013	Semilar	Central Kalimantan	Certified 2013	Certified
		Sei Rindu		Certified 2013	Certified
		Mandang		Certified 2013	Certified
		Puri		Certified 2013	Certified
Jak Luay	2014	Pantun Mas	East Kalimantan	12 January 2015	Recommendation
		Pantun Mas KKPA		12 January 2015	Recommendation
		Jak Luay		12 January 2015	Recommendation
		Jak Luay KKPA		12 January 2015	Recommendation
		Long Buluh		12 January 2015	Recommendation
		Bukit Subur		12 January 2015	Recommendation
		Bukit Subur KKPA		12 January 2015	Recommendation
Leidong West	2012 (audited 2013, RSPO review)	Leidong West Utara	Bangka Belitung	audited 2013, RSPO review	Certified
		Leidong West Selatan		audited 2013, RSPO review	Certified
Muara Wahau	2012 (Audited 2014)	Muara Wahau	East Kalimantan	26 Juny 2014	Certified
		Gunung Kombeng		26 Juny 2014	Certified
Gunung Kombeng	2015	Gunung Kombeng KKPA	East Kalimantan	2015	Audit Plan (akan dikeluarkan, karena menolak

					untuk di sertifikasi RSPO)
		Rantau Panjang		2015	Audit Plan
		Rantau Panjang KKPA		2015	Audit Plan
Jelatang	2013	Bangko Estate	Jambi	18 August 2014	Certified
		Kubang Ujo Plasma		2015	Audit Plan
		Pamenang Plasma		2015	Audit Plan
Pelakar	2014	Plakar Estate	Jambi	2014 (no revision and justification)	Audit Plan
		Tiga Serumpun KKPA		2014 (no revision and justification)	Audit Plan
		Batang Merangin Estate		2014 (no revision and justification)	Audit Plan
Langling	2013	Bangko Estate	Jambi	18 August 2014	Certified
		Bangko Plasma		2015	Audit Plan
		Batang Gading Estate		2015	Audit Plan
		Batang Gading KKPA		2015	Audit Plan
		Bukit Bungkul KKPA		2015	Audit Plan
Sungai Bengkal	2014	Sungai Bengkal Estate	Jambi	25 August 2014	Main Audit
		Sungai Bengkal KKPA		25 August 2014	Main Audit
		Muara Kilis Estate		25 August 2014	Main Audit
		Muara Kilis KKPA		2014 (reject)	Audit Plan
Bukit Kapur	2015	Bukit Kapur	South Kalimantan	2015	
* The management unit has not indicated revisions and changes justification Time Bound Plan 2014 which was signed by the leaders.					
1.9.2	Progress of Associated Smallholders and Outgrowers for Certifiable Standard				
	All suppliers are units that have been certified; Supply Chain (LWI POM) model is segregation.				

2.0	ASSESSMENT PROCESS
2.1	Certification Body
	PT Mutuagung Lestari Jl. Raya Bogor Km 33,5 No. 19, Cimanggis - Depok 16953 Telp. +62-21-8740202; Fax +62-21-87740745/46 Website: www.mutucertification.com Email : agri@mutucertification.com
2.2	Assessment Team
ASA-1	<ol style="list-style-type: none"> 1. Trismadi Nurbayuto (Lead Auditor Witnessed). Associate Degree from the Forestry Faculty IPB and Bachelor of Economics from the Department of Agribusiness, Faculty of Economics and Management, IPB. Specialists in the Environmental Social Impact Assessment (SEIA) and the High Conservation Value (HCV). He participated in HCV Management Training, Lead Auditor's ISPO training, Lead Auditor's RSPO, training of ISO 9001:2008 Quality Management System and ISO 14001:2004 Environmental Management System. Previously worked in the private oil palm plantations, and became HCV assessor who registered at the Roundtable on Sustainable Palm Oil (RSPO). He has been involved in the activities of SEIA and Identification of HCV in Palm Plantation. Currently has been several times following audit activities related to sustainable palm oil certification system as an social and environment auditor's. On this assessment observed SCCS, Legality and OHS. 2. Taufik Margani (Lead Auditor Witnessing). 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 and Forest Management. 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. 3. Rudi Ramdani. (Auditor). Bachelor of Agriculture Majoring in Agronomy, Agriculture Faculty of Bogor Agriculture Institute. He has working experienced. He has working experience more than two years as an operational staff in a private oil palm plantation company in Indonesia. Several training he has followed namely: Indonesian Sustainable Palm Oil auditor, Awareness RSPO , Management System Certification (ISO 9001-2008) training 4. Panggading Hariara (Auditor). Bachelor of Social and Political Science. Experience as a social activist in Indonesia and the Commonwealth Commission on Child Protection. Attended training including ISO 9001:2008 Auditor, Social Accountability 8000, Indonesian Sustainable Palm Oil (ISPO) Auditor and has attended five (5) times the related audit system of sustainable palm oil certification as an auditor. At this time his activities in RSPO certification are to assess the social aspects. 5. I Wayan Sudiantara(Auditor). Bachelor of Agricultural Engineering at Bogor Agricultural University. Experienced in preparation of the EIA since 1990 (having a certificate of competency Chairman of the Drafting Team EIA), involved as auditor appraiser Sustainable Forest performance business both schemes Indonesian Ecolabelling Institute / LEI since 1997 and the scheme of the Ministry of Forestry since 2002 (a certified auditor and LEI) . Ever worked in Konsultasn Forestry, experienced in the assessment of the ISPO as auditor (have passed training ISPO). In this activity it performs assessments on environmental aspects and HCV.
2.3	Assessment Methodology, Assessment Process and Locations of Assessment
2.3.1	Figure of person days to implement assessment
ASA-1	Number of auditors : 4 auditor Number of days for ASA-1 at site : 4 days Number of working days for ASA-1 at site : 16 Working days
2.3.2	Detail process of assessment
ASA-1	The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT. MP Leidong West Indonesia to the requirements of National Interpretation of the Republic of Indonesia from RSPO Principles and Criteria for Sustainable Palm Oil Production (RSPO INA-NIWG, May 2008 and/or Scheme Smallholders October 2009) and Supply Chain Requirement for CPO Mill

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. Some opportunities for improvement of the results **ASA-1** delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase (**ASA-2**). Improvement of findings from main assesment findings were observed by auditors at this **ST-2** assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of **ASA-1**.

The assessment program please find Appendix 2

2.3.3 Locations of Assessment
ASA-1 Surveillance-1 locations:
Leidong West Utara Estate (LWUE)

1. **LWUE Block B-30.** High Conservation Value, Swamp. Has identity board, has wildlife observation stake. However, company has conducted the observation on vegetation.
2. **LWUE Block C-30.** High Conservation Value Swamp. There is an installation of a broken identity board, but no observation on vegetation.
3. **LWUE, Betung Riparian Area Block B-24 & Block C-24.** There is an installation for information board, there is X signs on the palm fruits and cultivation of vertiver grass.
4. **LWUE Block C23 Division 1.** Harvest. Observation and interview with harvesting supervisor, harvesting personnel and lossen fruit collectors related to safe-work procedure –before, during and after work-. The utilization of personnel protective equipment such as helmets, gloves and boots, first aid when work accident occurs, the availability of first aid kits in the field, wages and working day, workers union and services as well as health insurance for personnel.
5. **LWUE Block B25-26 Division 1.** Spraying activity at harvesting path. Based on interview with supervisor, the spraying personnel have understood the safe-work procedure –before, during and after work-. Company provides the personnel protective equipment such as helmets, masks, rubber gloves, aprons and boots, supervisor understands the first aid procedure, first aid kits are available in the field, wages and working day, knowledge about the gender commission, the entitlement over H1 & H2 leave, the availability of workers union and services as well as health insurance for personnel.
6. **LWUE Block C 28-29 Division 1.** Landfill. Field observation showed that company implements the inorganic waste management with the open-close landfill system at cultivation block, which located ± 2 KM from afdeling housing.
7. **LWUE Block C 29 Division 1.** The transportation of fresh fruit bunches. Based on observation and interview with fresh fruit bunches' collectors in the field, its known that fruit collectors from contractor have been equipped with protective equipment such as helmets, boots and gloves and have received wage based on minimum wage regulation.
8. **LWUE Block B21 Division 1.** Betung River and National Land Bureau stake number 43. Field observation revealed that company has set the riparian area for Betung River. Hence, boundary stake number 43 is in a well-maintained condition.

Bukit Mas Estate (BMSE)

1. **Riparian area of Lambur River (HCV1.1&HCV4.1.) at Block N18, which covers a land area of 24.46 ha.** Auditor observed the condition of riparian area and found that there was vertiver grass cultivation for preventing the erosion. Thus there were installations of HCV information board and spraying boundary stake.
2. **National Land Bureau Stake 276 at Block N15.** Auditor observed the condition of HGU stake, which was in a

well-maintained condition with a position that inline with HGU decree.

3. **National Land Bureau Stake 263A at Block W01.** Auditor observed the condition of HGU stake, which was in a well-maintained condition with a position that inline with HGU decree.
4. **Riparian Area at Block T07 (HCV1.1 & HCV4.1.) at Block T07 with a broad of 18.27 Ha.** Auditor observed the condition of riparian area; it's known that there was a cultivation of vertiver grass in order to prevent erosion. Furthermore, there were signboards of HVC information and spraying boundary stake.
5. **BMSE at Block N-20.** Empty fruit bunches application using the Empty Fruit Bunch Spreader (mechanical) with a doze of 40 Ton/Ha. The application was carried out in harvesting path.
6. **BMSE at Block N-15 Division 1.** Harvest. Observation and interview with harvesting supervisor, harvesting personnel and loose fruit collectors related to safe-work procedure –before, during and after work-, the utilization of personnel protective equipment such as helmets, gloves and boots, first aid when work accident occurs, the availability of first aid kits in the field, wages and working day, workers union and services as well as health insurance for personnel.
7. **BMSE Block N-19 Division 1.** Owl barn box. Nest was empty, however there was a sign of preys, such as mouse bones under the nest.
8. **BMSE Block Q-20 Division 1.** There was a landfill. Based on observation, its known that inorganic waste has been managed by using the open-close system at cultivation block, which located ± 2 KM from afdeling housing.
9. **BMSE satellite temporary hazardous waste storage.** Used-oil storage, TL; chemical mixing area; warehouse for used hazardous waste packages and monitoring on the utilization of used pesticide packages.
10. **BMSE Emplacement Division 1.** Sports facilities such as volley and badminton; clean water facility; suggestion box.

Bukit Intan Estate (BINE)

1. **Sacred forest area (HCV1.3. & HCV6) covers a land area of 69.59 ha.** Auditors observed the condition of HCV area, which was in the type of secondary forest.
2. **Block P-25 BINE location LA.** The rotation of application is every 4 months.

Leidong West Mill (LWSM)

1. **Warden Post.** Auditor interviewed wardens related to in-coming fresh fruit bunches' record and out-going CPO/PK trucks. Wardens ensured that the in-coming fresh fruit bunches' truck should came from RSPO-certified estate. Moreover, wardens also ensured the labels on CPO tanks and PK trucks have been installed.
2. **Weighing Station (WB).** Auditors interviewed weighing clerk and found out that the entire fresh fruit bunches weighing datas have been inputted in online system.
3. **Loading ramp Station.** Auditors interviewed grading personnel, moreover observed the completeness of personnel protective equipment particularly on personnel in charge on to load FFB from truck to loading ramp.
4. **Boiler Station.** Auditors interviewed the boiler operators and found out that these personnel have had certificate for steam engine operator class 1. Operators received PPE based on their working risk. Furthermore, personnel have earned salary above the minimum wage standard.
5. **Water Treatment Plan Station.** Auditors observed the flow meter condition, especially in inlet and outlet. The entire flow meters were well functioning, thus it may detect the volume of water utilization for FFB's processing activity.
6. **Dispatch Oil Station.** Auditors interviewed Dispatch Oil and Silo Kernel operators. Operators are in charge to ensure that the incoming CPO volume inline with the capacity of tank. Meanwhile, Silo Kernel operators are in charge to ensure the label has been installed in the trucks.
7. **Archive Warehouse in Mill.** Auditors observed documents on archive room. Its known that the archived-data for mill is from 2002.
8. **LWI Mill temporary hazardous waste storage.** There was no handling for chemical packages. Monitoring and

	<p>handling chemical packages were carried out automatically (satellite).</p> <p>9. IPAL. 7 multifeeding system pond, there were buffer ponds, which will be beneficial when there is a run off at IPAL.</p> <p>Interview/ stakeholder consultation with:</p> <ol style="list-style-type: none"> 1. Representative of local contractor in PT MPLWI area, related to box transparency and payment as well as responsibility to provide PPE for contractor's personnel. 2. SPPP SPSI related to the relationship between company and personnel. 3. Head of Ibul Village related to company's operation impacts as well as community development programs. 4. Head of Jebun Village related to company's operation impacts as well as community development programs. 5. Head of Mislak Village related to company's relation and community development programs.
2.4	Stakeholder Consultation and Stakeholders Contacted
2.4.1	Summary of stakeholder consultation process.
ST-2/ASA-1/ASA-2/ASA-3/ASA-4/RC	<p>Summary of stakeholder consultation process</p> <p>Consultation of stakeholders for PT. MP Leidong West Indonesia was held by:</p> <p>Public Notification: 30 days before the assessment conducted.</p> <p>Public consultation meeting with internal stakeholders by interviews and local stakeholders conducted by visits to villages and interviews with local peoples.</p> <p>Numbers of input from stakeholders were clarified by PT. MP Leidong West Indonesia.</p>
2.4.2	Stakeholder contacted
	Please find appendix 1
2.5	Determining Next Assessment
	The next visit (ASA-2) will be determined one year after this ASA-1

3.0. ASSESSMENT RESULT

3.1. Summary of Assessment Report of the RSPO Certification

MUTUAGUNG LESTARI has conducted an assessment of Leidong West POM – PT. MP Leidong West Indonesia SMART, Tbk Group operation consisting of one (1) mill and four (4) oil palm estates.

During the assessment, there were three (3) nonconformity(s) were assigned against Minor Compliance Indicators Minor 2.1.1; Minor 4.6.2; RSPO Certification System 4.2.4. (Time Bound Plan); and six (6) opportunity(s) for improvement were identified.

MUTUAGUNG LESTARI found that of Leidong West POM – PT. MP Leidong West Indonesia SMART, Tbk Group complied with the requirements of RSPO Principles & Criteria and National Interpretation, RSPO Principles and Criteria (P&C) for Sustainable Palm Oil Production, Republic of Indonesia - RSPO INA-NIWG, May 2008).

Therefore MUTUAGUNG LESTARI Recommends RSPO Certification of compliance is Continued.

Ref Std.	VERIFICATION RESULT of MUTU-Certification	
PRINCIPLE #1 COMMITMENT TO TRANSPARENCY		
1.1		
Plantation and Palm Oil Factory have to give adequate information for stakeholders in appropriate language and forms, to ensure the effective participation of stakeholders in decision-making.		
<p>Company has an adequate mechanism for information request and response from stakeholders, which is stated in standard operating procedure (SOP) for information request and response (SOP/SPO/SMART/LH-01) on 01st July 2010. Records of information request and response are stated in "information request & response book". For instance, letter from Bangka Barat Reagent No.050/506/1.06.01/2013 and No.050/569/1.06.01/2013 on 15th June 2013 related to the data request on business license locations at Perkebunan Besar in Bangka Barat, which had been replied by company on 17th July 2013 in a form of response letter No.004/D&L-LWI/VII.2013 and No.003/D&L-BPL/VII/2013 regarding the information of HGU location at PT MPLWI and PT BPL.</p> <p>The records of information request and response along with other documents have been archived and stored in each Sustainable Palm Oil Secretariat. Based on Standard Operating Procedure (SOP) for documents' management and archived-duration (SOP/SPO/SMART/LH-02), the archived-duration for information request and response along with other documents, which related to the implementation of Sustainable Palm Oil (SPO) is 5 years.</p> <p>Based on public consultation with several institutions (Environment Agency, Manpower Agency, Plantation Agency and National Land Agency) in Bangka Barat district and public consultation with communities in Ibul Village, Jebus and Mislak Village, its known that so far the entire information requests and responses have been responded by company.</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.		
<p>Company has means of verification or evidences for socialization, such as attendance sheet for the socialization of SOP for communication & consultation, complaint and land tenure resolution as well as information list dated 16th December 2011 in Long House BINE room, which was attended by 30 participants.</p>		

Company has the SOP for document management and archived duration (document number: SOP/SPO/SMART/LH-02). This SOP manages type of information that can be accessed by public, such as:

- Ownership document like HGU certificate.
- Number of personnel and list of personnel salary.
- List of personnel and personnel tax number (NPWP) as well as information for tax calculation.
- Regional tax payment/ retribution.
- Establishment certificate and its revision, area and production data as well as fertilization application data.
- Environmental Impact Analysis, environmental management and monitoring plan and land application permit as well as the document of monitoring implementation
- HCV Assessment Report.
- Social Impact Assessment Report.
- Documentation of company's corporate social responsibility activities
- Three-month report from guiding committee on health and work accident, work accidents and social insurance data.

Based on list of document, which contains information for stakeholder, the type of document that can be accessed by stakeholders such as:

- Ownership document, such as the HGU certificate.
- Number of personnel and list of personnel salary.
- List of personnel and personnel tax number (NPWP) as well as information for tax calculation.
- Regional tax payment/ retribution.
- Establishment certificate and its revision, area and production data as well as fertilization application data.
- Environmental Impact Analysis, environmental management and monitoring plan and land application permit as well as the document of monitoring implementation
- HCV Assessment Report.
- Social Impact Assessment Report.
- Documentation of company's corporate social responsibility activities
- Three-month report from guiding committee on health and work accident, work accidents and social insurance data

The records of information request and response have been archived based on Standard Operating Procedure (SOP) for documents' management and archived-duration (document number SOP/SPO/SMART/LH-02). The sop mentions that the archived-duration is ± 5 years, which is stored in SPO secretariat in each unit. Moreover, mechanism related to old document's extermination, if the old document is still important, then it will remain in SPO secretariat and being labelled with "old documents" stamp. SPO officer in Mill & Estate unit is in charge on documentation's management. Based on information from personnel, until now, there are no document being exterminated and the entire document still being stored.

Moreover, there is a decree from RC and PC Bangka – Belitung number 001/SE-RC/PC/Babel/X/13 for PT MPLWI and decree number 002/SE-RC/PC/Babel/X/13 for PT BPL, on 03rd October 2013 regarding the: retention description of archived documents and records, which explains the documents and records retention duration related to SPO for mill and estate that refers to SOP for document's management and archived-duration. This document mentions that legal document, environmental document and other type of documents will be archived more than 5 years thus these types of documents will be archived as long as company still operated.

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.

Company has the mechanism for evaluating its compliance toward the applicable palm oil plantation regulation, which stated in the SOP of regulation and other requirements (SOP/SPO/SMART/LH-03) that issued by the ENVD (Environment Department) on 01st July 2010. This SOP explains that the identification and verification toward relevant regulation is conducted every 6 months, meanwhile the revision over regulation will be conducted at least once a year.

PT Leidong Plantation West Indonesia has 2 environment documents

The efforts to manage and to monitor environment in palm oil estate and mill's in **Jebus Sub-district**, Bangka District, Sumsel Province in 1995. Scope of environment management and monitoring efforts is 9,000 Ha.

Environment management document for palm oil mill with a capacity of 60 Ton FFB/Hours in Terentang Village, **Kelapa Sub-district**, Bangka Barat District, Bangka Belitung Island Province (location is different to the environment management and monitoring, thus the capacity of mill is larger).

PT Bumi Permai Lestari has 1 environment document.

Environmental impact analysis of palm oil estate and mill in Kelapa Sub-district, Bangka district, Sumsel Province. Scope of study is 14,000 Ha with mil's capacity 30 ton FFB/Hours, which will be increased to 60 ton FFB/Hours.

Temporary hazardous waste storage

PT. Leidong Plantation West Indonesia has earned temporary storage permit from Bangka Barat Reagent, No. 188.45/258/1.08.02/2012 on 28th June 2012. The permitted locations of storage site are S 01° 53' 25.43" LS and E 105 ° 28'34.20" BT with temporary storage's size 6 x 8 meter. The stored hazardous wastes such as used oil, oil filter, used accu, majun fiber, and neon bulb. The storage duration for hazardous waste is 180 days. Permit will be valid for 5 years since the issuance.

PT. Bumi Permai Lestari has earned temporary storage permit for hazardous waste from Bangka Barat Reagent No. 188.45/260/1.08.02/2012 on 28th June 2012. The permitted location of storage site is S 01° 49'14.71" LS and E 105° 33'06.76" BT with temporary storage's size 6 x 8 meter. The stored hazardous wastes are used oil, oil filter, used accu, majun fiber, and neon bulb. The storage duration for hazardous waste is 180 days. Permit will be valid for 5 years since the issuance.

Land Application PT Leidong Plantation West Indonesia

PT. Leidong Plantation West Indonesia has earned land application permit from Bangka Barat Reagent No. 188.45/283/1.08.02/2013 regarding the extension of palm oil industrial wastewater utilization for land application in estate area (PT. Bumi Permai Lestari) on 23rd May 2013. Permit is valid for 2 years since the issuance. The broad of plantation area is 576 Ha with location (Block P24-P26; Block Q-23-Q-27; Block R-23-R-26) in Terentang Village, Kelapa Sub-district, and Bangka Barat District.

Company has a commitment to obey the entire legal regulation related to work safety and security. For instance:

- Company has fulfilled its responsibility over the regulation from Ministry of Manpower, Transmigration and Cooperative No. 01 in 1976 by sending company's physician to participate in hyperkes training (dr. Edi Rahman, certificate number 20.209/DH-I/08)
- Company has fulfilled its responsibility over the regulation from Ministry of Manpower, Transmigration and Cooperative No. 01 in 1979 by sending company's paramedic to participate in hyperkes training (for instance, certificate number 14.394/PM-IX/1 for nurses)
- Company has fulfilled its responsibility over the regulation from Ministry of Manpower, Transmigration and Cooperative No. 01 in 1988 by sending company's boiler operators to participate in occupational health and safety training for steam engine operators (for instance, license number 14.P.09.13.OPK3-PUBT-B.I/XII/2014 for boiler's operators).
- Company has fulfilled its responsibility over the regulation from Ministry of Manpower, Transmigration and Cooperative No. 01 in 2010 by sending company's crane operators, crane grapple, backhoe loaders, well loaders, tractors, and motor graders to participate in occupational health and safety training for lift and transport operators (for instance, license number 1467/OPK3/HOIST/PAA/XI/2011 for crane operators).
- Company has fulfilled its responsibility over the regulation from Ministry of Manpower, Transmigration and Cooperative No.

04 in 1985 by sending company's generator operator to participate in occupational health and safety training for power and production operator (for instance, license number 2730/OPK3/G/PTPT/XI/2011 for engine room operators).

- Company has fulfilled its responsibility over the regulation from Ministry of Manpower, Transmigration and Cooperative No. 02 in 1982 by sending company's generator operator to participate in occupational health and safety training for welders (for instance, license number S.808/JL/PNK3/XI/2011 for welder).
- Company has comply its responsibility over the Kepdirjen PHI & PK Decree No. 311 in 2002 by sending company's generator operator to participate in occupational health and safety training for electricians (for instance, license number. 3344/TK3-LIST/XII/2014-P01 for electricians).

Adjustment on the latest minimum wage has been implemented in 2005, amount IDR 84,000/working day. This information was generated from interview with field personnel. This adjustment was based on:

- Bangka Belitung Island Governor Decree No. 188.44/696/TK.T/2014 on 31st October 2014 regarding the implementation of minimum wage for Bangka Belitung Province in 2015 amount IDR. 2,100,000/month. Minimum wage is the lowest monthly wage that consists of fix salary and fix allowance.
- CEO Decree number 010/CEO2/HR PSM2/01/2015 on 1st January 2015 regarding the daily labor wage in PT MP Leidong West Indonesia is amount IDR 84,000/day.
- CEO Decree number 011/CEO 2/HP PSM 2/01/2015 on 1st January 2015 regarding the daily labor (SKU H) PT MP Leidong West Indonesia that fix salary and food allowance for daily labor is IDR 2,100,000/month. For single daily labor that has been working more that 1-year, then the salary is 2,107,500/month.
- CEO Decree number 012/CEO 2/HR PSM 2/01/2015 regarding the monthly wage (SKU B) for personnel with grade 1 – 8, A – G, with the lowest grade for is amount IDR 2,151,450.

Based on public consultation with related institution in Bangka Barat District, so far PT. MP LWI and PT. BPL have implemented the applicable regulation and have periodically reported their responsibilities. However, there was information from Environment Agency, which requested company to extent its land application permit before the expiration date. Moreover, there was also information from Plantation Agency that in 2015 there will be an assessment on plantation business (PUP).

NCR No.2015.01: Based on assessment toward compliance evaluation document, its known that some regulations are not inserted to the document, such as:

- Statue No. 37 in 2014, related to land and water conservation.
- Ministry of Forestry Decree No. 60 in 2014, related to the classification on river flowing area.
- Statue No. 18 in 2013, related to prevention and eradication of forest degradation.
- Statue No. 39 in 2014, related to plantation.
- Collective Decree from Ministry of Home Affairs, Ministry of Forestry and Plantation, National Land Agency No. 8 in 2014 regarding the mechanism for land ownership, which located inside forest area.
- Ministry of Environment and Forestry Decree No. 97 in 2014 regarding the environment and forestry permit issuance responsibility delegation to Head of Investment Coordination Bureau.
- Government Regulation No. 66 in 2014, related to environment healthy issue.
- Statue No. 40 in 2004, related to national social insurance system.
- Government Regulation No. 86 in 2013, related to the implementation of social insurance.

Company presented the document from SPO Region Officer on 31st October 2014 regarding the request to inform the most updated related-regulation in 2014, such as:

Letter number 494/SPO-BABEL/XI/2014 to Head of Manpower and Transmigration office in Bangka Barat District regarding the update of related regulation on occupational health and safety and manpower in 2014.

Letter number 497/SPO-BABEL/X/2014 to Head of Environment Agency in Bangka Barat District regarding the update of related regulation on environment in 2014.

- Company presented the compliance evaluation document toward the related environment regulation and other requirements on 3rd January 2014 and second semester on 9th October 2014 that was prepared by SPO Officer Region and approved by Unit Head LWSM.

Minor 2.1.1
Status: Not Comply
2.2
The right to use the land can be demonstrated, and is not legitimately contested by local communities with demonstrable rights

Company has land ownership documents, such as: location permit, company certificate, HGU certificate, business license, HGB certificate for mill and valid permit for plantation business (estate and mill) in accordance with the applied regulation such as business license from Investment Coordination Bureau (BKPM), which stated the broad of plantation and production target for FFB, CPO and Palm Kernel. Evidences that present the Leidong West POM land ownership such as:

No	Mill	Estate	IUT/IUP/SPUP (Ha)	HGU (Ha)	Areal Statement (Ha)
1	PT MP LWI	LWSE	10,000.00	746.52	746.52
		LWUE		642.73	642.73
Sub total A			10,000.00*	1,389.25	1,389.25
2	PT BPL	BINE	8,234.12	5,050.61	5,050.61
		BMSE		3,183.51	3,183.51
Sub total B			8,234.12**	8,234.12	8,234.12
Total			18,234.12	9,623.37	9,623.37

* Sources: Company's merger agreement No: 349/III/PMDN/1998, project number: 1110/3115-07/13-09443, was issued on 21st October 1998 from Investment Ministry /BKPM.

** Data source: SPUP No: HK.350/183/BUN.5/III/2001 on 16th March 2001.

Meanwhile, the entire legal boundaries of estate have been clearly demarcated on land map/ land measurement HGU and well maintained through periodic monitoring every 4 months. When there is a conflict related to land tenure, company has had the mechanism for land conflict resolution (SOP/SPO/SMART/LH-04), which has several resolution steps and involving several parties. Based on field visits to boundary stake in Leidong West Utara (BPN43) and in Bukit Mas Estate (BPN263A and BPN276); the boundaries have been fully demarcated.

Based on interview with Head of Jebus Village, it is known that there is an agreement between Unit Leidong West Utara (LWUE) with Mr. Rusdi over the 3.61 ha land, which is located at Block B31. The management unit has the record related to land on behalf of H. Rusdi (Mislak Village, Jebus Sub-district, Bangka Barat District) through statement letter dated 27th September 2014, which states there was no conflict ever occurred related to 3.61 ha estate area at Block B31 with PT. MP LWI company (map of location is attached with scale 1:25.000). Company does not manage the above area but H. Rusdi does.

Status: Comply
2.3
Use of the land for oil palm does not diminish the legal rights, or customary rights, of other users, without their free, prior and informed consent.

Based on interview with Head of Jebus Village, it's known that there is an agreement between Unit Leidong West Utara (LWUE) with Mr. Rusdi over the 3.61 ha land, which is located at Block B31. The management unit has the record related to land on behalf of H. Rusdi (Mislak Village, Jebus Sub-district, Bangka Barat District) through statement letter dated 27th September 2014, which states there was no conflict ever occurred related to 3.61 ha estate area at Block B31 with PT. MP LWI company (map of location is attached with scale 1:25.000). Company does not manage the above area but H. Rusdi does.

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.**

Company presented the 5-years economic appropriateness analysis document, which belong to Sinar Mas II PT Leidong West Indonesia estate and PT BPL for period 2014 - 2018, that has been approved by director on 01st July 2014. The document stated the FFB's cost, PP mill cost, PP Cost, replanting plan, FFB's production, CPO, PK, LWSM mill capacity, profitability, and so forth.

Based on 5-years economic appropriateness analysis document for PT Maskapai Perkebunan Leidong West Indonesia period 2014-2018, it's known that there is no replanting plan. Meanwhile, based on 5-years economic appropriateness analysis document for Sinar Mas II PT BPL estate in 2014-2018, which signed on 01st July 2014 by Director, the replanting plan for BMSE will be started in 2017 for an area of 515.73 Ha and in 2018 for an area of 528.04 Ha furthermore for BINE in 2017 for an area of 879.87 Ha and in 2018 for an area of 852.84 Ha.

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.**

Company has the SOP – IK palm oil cultivation techniques (MCAR, 2012), which stated the activity from land clearing to harvesting.

Company also has a Management Committee Manufacturing Division document, Revision 4, No. Ref: 01-02/MAA-MCMD/1 per 14th February 2012, by the Chairman/Edwin Ng and Senior Managing Director Ops/Daud Dharsono), which stated the standard operational procedure for palm oil mill operation. PT. SMART Tbk, forth revision, regarding the procedure: FFB acceptance station, sterilization/ boiling, threshing station, press station, clarification station, nut and kernel station, boiler and machine room, water treatment, final effluent as well as tank storage wash.

SOP related to SCCS that will be changed from Mass Balance (MB) to Segregation (SG), Company present the SOP for Supply Chain product RSPO Segregation Model No. PT MP LWI-LWSM/SOP/23 on 01st February 2015. This document consist of:

- Objective: to ensure mill generated product, which comes from traceable raw material and ensure the related each unit and sub-unit applied the sustainability principle and criteria based on RSPO regulation
- Scope: the acceptance process of *raw material*, which consists of the processed FB into CPO and PK, thus delivered to *bulking/warehouse* or further processing unit. The implemented supply chain system to guarantee the traceability of product such as based on *Segregation (SG)* principle, where the raw material should come from the certified sources.

Company presented the list of content of Standard Operational Procedure (SOP) SMK3 on 01st June 2012, from number SOP/SMK3/SMART/LH-01 to number 26, which regulate the arrangement, maintenance, and communication over occupational health and safety policy; identification of hazard source, assessment and controlling, identification on other regulation and requirements, and contractor control. These SOPs are available in each Mill and Estate unit.

Based on explanation from EM and MM, currently company has implemented internal audit, which is the mix between OIA and AAA for estate as well as OIA and MAA for mill with audit volume is twice per year. Sample of internal audit report related to operation, such as:

- BMSE: operational internal audit report No.57/II-BMSE & LWSE/14 assessment on 12-19th August 2014 with scope of assessment are cash administration, bank, memo, stock of materials, plantation maintenance and estate area maintenance, wage and staff. There are 10 findings from the internal audit, which have been followed up by related unit. For instance the effectiveness of harvesting that has been delayed because of the lack of personnel from contractor in BINE estate.
- Leidong West Mill: document on 10th January 2015 from Mill Manager, to follow up the internal audit operation report No.55/II-LWSM/14, assessment date on 12-18th August 2014 with findings: materials have been issued without good

issuance mark, and data from processing Lori was inaccurate. The second finding has been followed up.

Company has periodically documented Mill's operational activity from supervisor's daily report to manager's monthly report.

Status: Comply

4.2

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

Company has a policy for soil analysis, such as: before 2011, soil analysis was conducted every 5 years; then since 2012 the soil analysis was conducted per every planting year such as when plantation age turns 3 year, 8 year, 13 year, 18 year, 23 year (in MCAR 2012); and annual leaf analysis. There were samples of soil analysis and leaf analysis result, such as:

- LWSE: for planting year in 2011 (age 3 years) for an area of 371.8 Ha and planting year in 2006 (age 8 years) for an area of 102 Ha. LWSE unit through research staff has taken soil sample on 10, 11 and 13 February 2014. This can be proved by the sample delivery document, which dated 10th September 2014. Furthermore, research staff showed email on 10th September 2014 from SMARTRI laboratory manager that the analysis can not be conducted yet because the over capacity; sample outstanding is more than 10,000 samples while instrument ICP is only 1 unit available.

Sample of leaf and visual analysis, such as:

- BMSE: for instance the LSU BMSE Division I (Mineral – Sand) for analyzing N, P, K, Mg, Ca, B, Cu, Fe amount 31 samples, sample acceptance date on 20th June 2014. Sample of the results: BMSE 1, sample code N15 = KA 1.16, (%) for N 2.33, P 0.167, K 0.98, Mg 0.29, Ca 0.64, (ppm) for Mn 64, B 16, Zn 13, Cu 6, % Fe 79.
- LWUE: for instance the LSU LWUE Div. 5 (mineral) for analyzing N, P, K, Mg, Ca, B, Cu, Fe amount 25 samples, sample acceptance date on 20th June 2014. Sample of the results: LWUE 1, B17, (%) for KA 1.26, (%) for N 2.61, P 0.165, K 1.08, Mg 0.28, Ca 0.57, (ppm) MN 87, Zn 13, Cu 5, Fe 96.
- BMSE, date 3rd February 2014, for Division 1, for instance Block R18, TT 1993, broad 28.86 Ha, good drainage, type of deficiencies are Mg and K with mild category, each 5 Ha.
- LWUE: inventory data on nutrient deficiency, date of census 17-28th March 2014, Division I, for instance Block C-31, TT 1997, type of seed is Costarica, broad 22.36 Ha, type of mineral, damaged drainage, and type of deficiency N amount 4 Ha with a mild category.

The above four analysis results might become the basis to consider the fertilization recommendation. Fertilization recommendation and its actual application document in 2015 for PT MPLWI and PT BPL are available.

Fertilization program in 2015 has not been implemented because it will be started in March and April 2015. Company also has documents for empty fruit bunches application plan and realization in 2015, for:

- LWUE, covers Block B23 (Broad of Block 6 Ha), B24 (7 Ha), B25 (14.42 Ha), B26 (12 Ha), B27 (11.15 Ha), B28 (17 Ha), B29 (15.4 Ha), B30 (7.5 Ha), B31 (9.53 Ha), which has been implemented in January 2015 at Block B29 with a broad of 1.63 Ha.
- BMSE covers Block Q20 (29.98 Ha), N19 (1.99 Ha), N20 (15.93 Ha), Q07 (29.78 Ha), Q06 (29.18 Ha), R05 (29.62 Ha), U12 (29.64 Ha), U05 (31.81 Ha).

Based on field visit to Block N-20 di BMSE there were empty fruit bunches application using the Empty Fruit Bunch Spreader (mechanical) with a doze of 40 Ton/Ha, this activity was carried out in order to maintain soil fertility. Moreover, company also maintained nut vegetation and LCC with *Pueraria javanica* type and *Calopogonium muconoides* type, maintain soft *Nephrolepis sp* as well as implemented the selective spraying technique. Based on document's review and field visit, currently there are no liquid waste applications in LWSE, but there are in BINE, which have been well monitored.

Status: Comply

4.3

Practices minimize and control erosion and degradation of soils.

Company has soil maps in a form of semi detail map for PT. BPL and PT. MPLWI, which were drafted by using the semi detail soil survey back in 2002 and review on 21-27th June 2005. These maps contain sufficient information about soil map unit in estate and other relevant information such as: code for soil map unit, soil classification, topografi, stones, texture, the depth of solum, the effectivity of depth, land suitability class, barrier factors, broad of each soil map type. There was no swamp within estate area.

As a cultivation guideline in sloping area > 15%, there is an explanation in SOP for land clearing (point 5.9), which explains the land management and conservation actions, such as by monitoring and evaluating the erosion, arranging palm frond paralelly with soil contour, establishing silt pit that cut from Cr and MR to the inside of Block for controlling run off, cultivating vertiver grass and bamboo. Furthermore, SOP has the erosion monitoring procedure with code PTBPL-BNE/SOP/29 reagrding the SOP for erosion measurement dated 1st June 2012, which explains about the measurement methods, measurement procedures, the design of erosion stakes and measurement locations. Based on semi detail soil survey in PT MP LWI and PT BPL the spread of sloping area is started from 0-15%, which is not the barrier factor for land suitability.

Road maintenance refers to the SOP for road maintenance no. PTBPL-BINE/SOP/10 dated 1st June 2012. Road maintenance program is periodically implemented based on estate director's plan and incidental program based on need. Each estate has a map for road pavement program in 2015, for instance for LWUE, Division I, which is:

- Access road program along 1 km, requirement for road material is 45 m³/km, Main Road 9,550 m, requirement per m³ is 45, total requirement is 430 m³, collection road 24,400 m, requirement is 45 m³/km, and total requirement is 1,098 m³.

Company has a management strategy for marginal and other critical soils, which is explained in MCAR, such as: area with topography 15 – 40% will be managed by establishing conservation terrace, contour terrace, terrace with silt pit, cultivating conservation plants like vertiver grass and legume cover crop. Area with damaged drainage will be managed by establishing trenches or drainage canals, meanwhile for sandy area will be managed by applying empty fruit bunches. For instance, during the field visit to riparian area of Lambur River at Block N18 (BMSE) and riparian area of Betung River at Block B-24 (LWUE), it's known that company has cultivated vertiver grass as a preventive action on sedimentation.

Status: Comply

4.4

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

Company has the implementation report of water flow and wetland protection, including maintaining riparian area, which is stated in HCV management and monitoring semester report. For instance, field visit to riparian area of Lambur River at Block N18 (BMSE) and riparian area of Betung River at Block B-24 (LWUE) showed that company has marked first five palm oil trees from river edge with red paint.

Company has examined the quality of clean water in Leidong Division Housing, West Selatan Estate in PT. Unilab Perdana, based on analysis on 7th December 2013 and analysis on 9th December 2014, the entire parameters including total coliform were in accordance with the standard threshold of Ministry of Health of Republic of Indonesia No. 416/MENKES/PER/IX/1990 requirement for clean water. The measured total coliform parameter in 2013 was 21 MPN/100 ml, in 2014 was 39 MPN/100 ml, which were both under the standard threshold amount 50 MPN/100 ml. **(NCR.2013.01. has been closed out).**

Based on interview with personnel who staying on Division LWUE and BMSE housing facility, personnel are utilizing well water for bathing, washing and latrine, while for drinking water, personnel prefer to consume refill water considering refill water is more hygienic then water from the well.

- Company has examined the quality of liquid wastewater, soil water (including well) and surface water (river), and the entire results shows compliance toward the applicable standard threshold. Company has a recapitulation record for water utilization and water distribution for palm oil management. Based on realization data of water usage for FFB's processing in 2014, the average usage was 1.21 m³/ton FFB, which was exceeding or not comply the budget (1.165 m³/ton TBS).

OBSERVATION.

Status: Comply
4.5
Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management (IPM) techniques.

Company had have and implemented the holistic pest control program for the entire estate area, for instance:

- Rat census program, which will be conducted every month.
- Leaf eater and pocket caterpillar detection, which will be conducted after harvesting by observing the existence of caterpillar in harvested-midrib every month. For instance in Division 1 LWUE is planned in January 2015 for an area of 406.72 Ha that has been properly implemented.
- *Tyto alba* monitoring plan, which will be conducted every month. Based on field visit to Block Q-20, Division 1 (BMSE) there was an empty Gupon (owl nest), however there were mouse bones scattered under the nest.
- Beneficial plan maintenance and beneficial plant insertion will be conducted every month.

Company has consistently presents the implementation of holistic pest control program, for instance:

BMSE:

- Based on review on rat census document for period January - December 2014, it's known that the average attacks were under 5%, for instance rat attack census in January - December 2014 in Division 1, Block P18 with a broad of 28.93 Ha, the average census result within one years is 3.8%.
- Based on review on leaf eater and pocket caterpillar detection document for period December 2014, there were no pest attacks, for instance at Block P18 with a broad of 28.93 Ha, number of trees were 4,038, detected trees were 1,010, result 0 by officer in charge (Mr. Sarip) Block P19, broad 16.5 Ha Division 04, planting year 1993, observation date 2nd January 2015 with number of road 5, 10, 15, 20, 25, 30, 35, 40, 45, 50, 55, 60, 65, 70, 75, 80, 85, 90, 95, 100, 105 with no attack.
- Sample of rat census form on 5 January 2015 Division 1 Block P18 by officer in charge (Sarmi), with total censuses trees were 202, number of trees that been attacked were 9.
- Data on controlling agent until December 2014, such as: *Turnera subulata* and *Antigonon sp*: plan = 198.44 Ha, implementing = 145.67 Ha in a form of insertion and improvement on the *Antigonon sp*.

Company has conducting the monthly monitoring on pesticide toxicity regularly. For instance in December 2014 as below: BMSE

Herbicide	Active Material	LD50	% Active Material	Application	Total Active Material	FFB Production	Pesticide Unit
Roll Up 480 SL	Isopropyl amino glyphosate	5000	0.41	88	36.08	4,983	0.0000014
Starane 290 EC	Fluoroxypir meththytheptyl ester	2000	0.3	22.25	6.68	4,983	0.00000066
Rolixone 276 SL	Paraquat dichloride	90.9	0.42	7	2.94	4,983	0,0000064
Erkafuron 20 WG	Methyl metsulfuron	5000	0.6	0.4	0.24	4,983	0.0000000096
Garlon 670 EC	Triclopyr TEA Salt	2574	0.48	-	-	4,983	0

Status: Comply
4.6
Agrochemicals are used in a way that does not endanger health or the environment. There is no prophylactic use of pesticides, except in specific situations identified in national Best Practice guidelines. Where agrochemicals are used that are categorized as World Health Organization Type 1A or 1B, or are listed by the Stockholm or Rotterdam Conventions,

growers are actively seeking to identify alternatives, and this is documented.

Company had have and implemented the holistic pest control program for the entire estate area, for instance:

- Rat census program, which will be conducted every month.
- Leaf eater and pocket caterpillar detection, which will be conducted after harvesting by observing the existence of caterpillar in harvested-midrib every month. For instance in Division 1 LWUE is planned in January 2015 for an area of 406.72 Ha that has been properly implemented.
- *Tyto alba* monitoring plan, which will be conducted every month. Based on field visit to Block Q-20, Division 1 (BMSE) there was an empty Gupon (owl nest), however there were mouse bones scattered under the nest.
- Beneficial plan maintenance and beneficial plant insertion will be conducted every month.

Company has consistently presents the implementation of holistic pest control program, for instance:

BMSE:

- Based on review on rat census document for period January - December 2014, it's known that the average attacks were under 5%, for instance rat attack census in January - December 2014 in Division 1, Block P18 with a broad of 28.93 Ha, the average census result within one years is 3.8%.
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- Sample of rat census form on 5 January 2015 Division 1 Block P18 by officer in charge (Sarmi), with total censuses trees were 202, number of trees that been attacked were 9.
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Company proved that the type of used pesticides are registered and approved by related institutions, such as:

No	Name of Material	Active Material	Type of pesticide	License number	Expiration date
1	Erkafuron	Methyl Metsulfuron	Systemic	RI.0103200620062405	23rd June 2016
2	Rollixone	Paraquat	Contact	RI.01030120062467	23rd June 2015

	276 Exel	dichloride			
3.	Roll Up 480 SL	Glyphosate	Systemic	5253/Kpts/SR.140/12/13	31st December 2018
4	Starane	Fluoroxypir	Systemic	RI.013011988854	15th April 2019
5	Garlon 670 EC	Triclopir	Systemic	RI.695/9-2008/T	25 th September 2018

Moreover, company also conducted in-house training for pesticide utilization, particularly for pesticide with an active paraquat material by the commission of fertilizer and pesticide control on 19th May 2011. Based on interview with spraying officer at Block B25 Division 1 (LWUE), the interviewee said that he has been involved in pesticide in-house training and he presented the procedure of safe spraying technique based on occupational health and safety procedure. Moreover, its known that there are neither pregnant nor lactating personnel conducted spraying activity. Spraying personnel used PPE such as spectacles, masks, aprons, gloves, and boots.

Each estate has regularly monitored the utilization of pesticide. For instance in BMSE in December 2014 its known that the utilization for Roll Up pesticide with an active glyphosate material was 88 l, for an area of 352 Ha with main targets are narrow leaf and broad leaf weed.

Company has a record for waste monitoring, which stated in hazardous waste monitoring report by inputting the record in hazardous waste logbook in temporary storage and developing hazardous waste balance that are being reported to each related institution.

Related to the increasing utilization of pesticide with an active paraquat material, company through a memo from Regional Controller Number 008/RC-BB/MEMO/II/2015 on 11th February 2015 sets the decreasing doze for paraquat utilization especially for disc spraying activity, harvesting path, and TPH from 0.25 l/Ha to 0.24 l/Ha with only 1 rotation with a paraquat from 3 times of spraying activities within one year. The remaining spraying activities will be using pesticide with an active glyphosate material.

NCR No.2015.02: based on document's review over personnel special medical examination on 7th October 2014 from UPT Balai Hiperkes, Bangka Belitung Province for spraying personnel in 2014, its known that:

- LWUE: there are 9 spraying personnel out of 15 that have not been including on special medical examination.
- BMSE: 1 spraying officer (spraying supervisor) has not been involved in special medical examination.

Status: Comply

4.7

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

Company has a policy on occupational health and safety, which was approved on 03rd January 2011 by manager as part of company's commitment to implement the occupational health and safety policy, to obey the entire occupational health and safety regulations, as well as to include the occupational health and safety in work aspect, thus to monitor the occupational health and safety programs, and to provide a healthy and safe workplace for the entire personnel (directly or indirectly and continuously increasing the best occupational health and safety practices).

Person in charge in occupational health and safety program is the occupational health and safety board committee, which established by each mill and estate unit with a structure organization such as chairman, vice of chairman, secretary, vice secretary, evaluation unit, monitoring unit, research unit, socialization unit, and medical unit. Social, Manpower and Transmigration Agency of Bangka Barat Province have approved the establishment of guiding committee for occupational health and safety. LWSM guiding committee for occupational health and safety was approved based on Decree No. 560/32/1.13.01/2015 on 18th February 2015; LWUE guiding committee for occupational health and safety was approved based on Decree No. 560/006/1.13.01/2012 on 31st May 2012; and BMSE&BINE guiding committee for occupational health and safety

was approved based on Decree No. 560/107/1.13.01/2013 on 3rd October 2013. Based on public consultation with Social, Manpower and Transmigration Agency of Bangka Barat Province, the entire guiding committee for occupational health and safety in each unit are conducting regular monthly meeting to discuss the occupational health and safety issues and reporting the occupational health and safety activity every three months.

The management unit has registered the entire personnel in manpower social insurance; in addition company has regularly paid the cost every month. For instance: manpower social insurance for personnel in LWSM with a detail: 51 personnel SKU-B (monthly personnel), 87 personnel SKU-H (daily fix personnel), and 21 personnel PKWT (contracted personnel).

PT. MP LWI and PT. BPL have conducted special medical examination on 7th October 2014 in collaboration with government of Bangka Belitung Island, Manpower and Transmigration Agency, UPTD Hyperkes Bureau. The examination result, such as:

Examination on Cholinesterase level: 65 personnel (there was no staff with a pesticide toxic positive).

Spirometer examination: 70 personnel, with detail: 54 personnel were normal, 14 personnel with a mild restriction, 1 person with a medium restriction and 1 person with a light obstruction.

Audiometry examination: 38 personnel, with detail: 9 personnel were normal, 6 personnel with the decreasing of hearing ability on one ear and 23 personnel with a decreasing hearing ability on both ears.

Follow up actions over the above examination result, such as by recommending personnel to increase their obedience to use PPE regularly; as well as conducted further examination by audiometric specialist for some personnel that were indicated having the decreasing hearing ability (based on audiometric examination result). Based on further examination in Bhakti Timah Hospital toward 18 personnel, it revealed that 7 person have a conductive hearing impaired (should increasing the utilization of PPE and further evaluation will be conducted); 10 personnel were in a normal hearing level; and 1 person (Mr. Heri Mulyono/Mill processing personnel) was recommended to move to another work unit in order to avoid noise. For periodic medical examination in 2015 will be conducted once and special medical examination will be conducted every six months.

Moreover, company has the risk analysis record, such as the identification of risk source, assessment and risk control (ISBPR/HIRAC) related to the entire activity in the Mill and Estate. The drafting of document was made by following steps such as: the entire work activity and process in Mill and Estate being identified based on source/ occurrence and the rising impact, thus conducted the assesment over risk level and identified the mechanism to control the risk. Mechanism to control the risk such as elemination, substitution, engineering, administrative or the utilization of PPE.

Company also has the occupational health and safety training that has been condcted and there is a schedule for occupational health and safety training in each mill and estate unit. The training record such as the attendance sheet and minutes of training. For instance, the simulation for emergency response in boiler station on 15 and 17th March 2014 have been followed by 7 participants; training for generator's operator by Vendor Traknus on 2nd June 2014; as well as occupational health and training on 21st July 2014, which has been followed by 11 personnel from Mill.

Company has a preparedness and emergency response procedure in a form of SOP (SOP/SMK3/SMART/LH-09), which has been approved by Head of Environment & Sustainability division on 1st July 2010. The identified emergency situation such as fire, explosion, pollution, natural disaster, riot, demonstration, work accident. In general, this SOP contains the definition of emergency situation and emergency response team, the reporting procedure in case of emergency, duties and responsibilities of emergency team, planning and response in case of emergency as well as recovery from the emergency situation. As an implementation of this procedure, company established organogram for the emergency response team with structure such as: broad, chairman, managing director, secretary, general administrative, fire extinguisher team, hydrant/ tank team, sand/ mud team, wet sack team, hook team, medical team, saver team, coordination team, and evacuation team.

Based on field observation in Mill and Estate on the implementation of occupational health and safety, company has provided the

PE and first aid boxes in work site, for instance:

PPE has been provided for the entire personnel based on work risk and hazard. From the observation, its known that PPE for boiler operator such as helmet, earplug/earmuff, masks, gloves, aprons, safety shoes. Meanwhile the PPE for harvesting personnel such as helmet, gloves, spectacle and boots.

Fist aid kits are available in mill, office, public service for mill and estate's personnel. Furthermore, from field observation its known that estate supervisor has a first aid kits bag. The appointed firs aid kits personnel in mill and estate have received first aid training. Company's physician delivered the training.

Fire extinguisher facility such as hydrant and fire extinguisher in Mill, fire tank and trailer tractor, which completed with pump machine, nozzle, hose as well as fire extinguisher in estate are ready to use and company conducting the monitoring over the entire tools.

Work accident report refers to SOP/SMK3/SMART/LH-10, whih has been approved on 1st July 2010 by Head of Environtment & Sustainaibiltiy Division. The report is using work accident form and should be reported within 1 x 24 hours (Doc. No: FP-01/SMK3/SOP-10) and work accident investigation report from Assistant (Doc number: FP-02/SMK3/SOP-10). Based on statistic analysis of work accident (FP 04/SMK3-SOP-10) in 2014 there were some accidents, such as:

- LWUE: on 21st January 2014, 1 harvesting staff being hit by palm oil midrib
- BMSE: on 28th May 2014, 1 harvesting staff eyes being hit by palm oil pollen.
- LWSM: on 4th April 2014 there was 1 staff got a work accident.

Based on interview with Manpower Agency, its known that so far company always submits is guiding committee for occupational health and safety reports every 3 months as well as submits the entire work accident reports based on the applicable regulation.

Minor 4.6.2.	Status: Not Comply
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4.8

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

Company has drafted the matrix for training need identification in 2015, such as:

Training program LWUE in 2015:

- Staff: emergency preparedness and environment management
- Estate security unit: emergency preparedness
- Field supervision: emergency preparedness and first aid kits
- Spraying personnel: utilization of limited pesticides
- Warehouse: utilization of limited pesticides.
- Fertilization personnel: fertilization.
- Harvesting personnel: emergency preparedness.
- Maintenance personnel: holistic pest control.

Training program BMSE in 2015:

- Staff: environment management
- Estate security unit: emergency preparedness
- Mechanical personnel: first aid kits
- Field Supervisor: emergency preparedness and first aid kits.
- Spraying and warehouse personnel: utilization of limited pesticides.
- Fertilization personnel: fertilizer.
- Harvesting personnel: emergency preparedness.
- Maintenance personnel: holistic pest control.
- Load and transport personnel: heavy equipment operator.

Training record in 2014 for LWUE consists of 10 types of training, which have been implemented, for instance:

- LWSE: comprehension of SIA and CSR Staff in 2014 has been conducted on 14th October 2014 in Long House Bukit Intan, which was attended by 13 participants. Training for generator operator on 2nd June 2014, which was attended by 20 participants in Long House Bukit Intan Estate. ISCC on 6-10th January 2014.
- BMSE: in 2014 planned 10 type of trainings and the total implemented training were stated in training program form, for instance: training on holistic pest control, which has been conducted on 1st July 2014 in Long House Bukit Intan Estate that inline with plan.

Company has a commitment to hire experienced contractor. This commitment stated in SOP of contractor management No. SOP/SMK3/SMART/LH-26, which has been checked and approved by Head of Environment & Sustainability Division on 01st July 2010. The aim of this SOP is to ensure the entire activity of contractor will consider the environment aspect as well as the occupational health and safety aspect. Contractor management covers the contractor selection, review over the submitted proposal, work agreement, evaluation on contractor's work, warning and penalty. Based on interview with one of contractor, its known that company required the contractors to follow the occupational health and safety regulations on their work. Moreover, contractors who transport the FFB and CPO got the training on SCCS to ensure the transported FFB and CPO have a RSPO (SG) certificate.

Company delivered socialization to introduce its procedure to contractor. For instance socialization on occupational health and safety by introducing PPE and its maintenance, socialization on occupational health and safety policy on 6th February 2015 at BINT office by Safety Officer, that witnessed by EM BINT (PT Satrindo Jaya Agropalma). 27 personnel attended this socialization. The SOP for contractor management dated 21st February 2014 in BPRE regional office consists of: contractor selection, review over the submitted proposal, work agreement, evaluation on contractor's work, warning and penalty, obedience toward government regulation on occupational health and safety, contractor PPE, environment tidiness. 12 participants attended the socialization of waste management and procedure from contractor, for instance Tito Dp from CV. Khaerunissa.

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.

PT. MP Leidong West Indonesia has environment management and monitoring document for mill and estate in **Jebus** Sub-district, Bangka District, and Sumsel Province in 1995. Scope of environment management and monitoring is the 9,000 Ha area based on: (1) Land Agency of Bangka District Decree No: 04/SK/II/1994 on 17th October 1994 regarding the business permit for palm oil estate and mill with a capacity of 30 Ton FFB/Hour; and (2) Agreement on palm oil business principle for an area of 9,000 Ha in Jebus Sub-district, Bangka district, Sumatera Selatan Province No. HK.350/E5.614/09.94 on 30th September 1994, which was issued by Director General of Plantation, Agriculture Department. There is a letter No. 797/BA.5/XII/95 from Agribusiness bureau of Agriculture Department on 29th December 1995 regarding the advice to improve the environment management and monitoring efforts of PT. MP Leidong West Indonesia.

PT. Maskapai Perkebunan Leidong West Indonesia has an environmental management document for mill with a capacity of 60 Ton FFB/Hours in Terentang Village, **Kelapa Sub-district**, Bangka Barat District, Bangka Belitung Island Province (the location is different to environmental management and monitoring plan as well as the mill's capacity was bigger). There is a recommendation letter on DPLH of mill's activity from Environmental Impact Management Agency in Bangka Barat Province No. 660/590/1.08.02/2011 on 21st September 2011. The letter states that based on BPD LH's technical evaluation result toward PT. MP Leidong West Indonesia; the mill's activity is technically approved.

PT Bumi Permai Lestari has the environmental impact analysis document for palm oil estate and mill in Kelapa Sub-district, Bangka district, Sumsel Province, which has been approved by Ministry of Agriculture with Decree No. 046/ANDAL/RKL-RPL/BA/II/1996 on 16th February 1996. Scope of the analysis is the 14,000 Ha, which refers to principle permit letter No. HK.350/E4.266/03.90 on 30th March 1990, which was issued by Director of Agriculture and Produc Process Coaching Division, Directorate General of Plantation,

Agriculture Department and mill's capacity is 30 ton FFB/Hour, which will be increased up to 60 ton FFB/Hour.

Company has the handover evidence from several agencies, such as:

- Industry, Cooperative, Small and Medium Enterprises Agency of Bangka Barat District (on behalf of Astri Rama Yanti, AMD/staff on 8th August 2014)
- Agriculture, Forestry and Plantation agency of Bangka Barat District (on behalf of Septia/Staff on 8th August 2014)
- Environment Agency of Bangka Barat District (on behalf of Mega/PHL on 8th August 2014)
- Health Agency of Bangka Barat District (on behalf of Mariana/staff on 8th August 2014)
- Ministry of Environment cq Assistant Deputy of Agroindustry's pollution management on 8th August 2014)
- Sumatra Eco regional Management in Pekanbaru through goods expedition service.

Company has an opportunity to present the periodic monitoring data and information as an input to evaluate and to improve its environmental management practices (continual improvement) for instance the impact of work opportunity; community's health; community's perception; and CSR program. **(Observation).**

Status: Comply

5.2

The status of rare, threatened or endangered species and 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 their conservation taken into account in management plans and operations.

PT MP Leidong West Indonesia Indonesia and PT Bumi Permai Lestari have the identification record on protected, rare, endangered species, and high conservation value area, which stated in identification report & analysis on the existence of high conservation area. These activities were carried out from November 2010 to public consultation on May 2012. The team consisted of HCV approved assessor: Norman FM (ecology), Nugroho Wahyu (Environment services), Dede M. Nasir (Ecology for wildlife and natural vegetation) Yosaphat Ardilla (Social and cultural).

There are no species with a CR or EN status within company's estate area. The identified HCV areas such as HCV 1.1; 1.3; 4.1 and 6 with the total HCV area within the certificate is 311.31 Ha, which are 101.99 Ha in PT MP LWI and 209.32 Ha in PT BPL. There are some protected species such as: *Bubulcus ibis*, *Halcyon smyrnensis*, *Ardea sumatrana*, *Elanus caeruleus*, *Ictinaetus malayensis*, *Felis bengalensis*, *Hystrix bracyura*, *Muntiacus muntjak*, and *Nepenthes mirabilis*.

In order to manage the HCV area and protected wildlife, company has a record of its efforts, such as: 1) Policy to protect riparian area with a broad 50-150 m (depend on the size of the river). On this area, company installed information board, which mentions that this area is forbidden for cultivation and should be protected. 2) prohibition to the entire personnel and non-staf to catch, keep, transport or make a trade on protected wildlife, including to store, to own, to pet, to transport and to trade the dead protected animals. 3) HCV monitoring and management policy has been inline with the SOP, there was no land clearing inside primary forest area, no land clearing in swamp area, even though only for manage the block to be in the line or establish main road and collection road, 4) Policy to protect rare and endangered wildlife, 5) HCV socialization for personnel is conducted every day during the morning briefing, meanwhile for community is conducted at least once a year. 6) the installation of boundary stake for riparian area's management, HCV information board, hunting prohibition board.

The protection stages on rare species and HCV area have been inline with the applicable regulation, particularly: Presidential Decree No. 32 in 1990 regarding the management for protected forest, and law No. 5 in 1990 regarding the conservation on natural resources and its ecosystem, which become the legal protection toward rare and protected wildlife.

Based on field visit in some HCV areas, like riparian of Betung River at Block B24 (LWUE) and riparian of Lambur River at Block N18, its known that in order to protect the HCV area, company has installed the HCV signboard and hunting prohibition board, as well as prohibition to spray and to fertilize with chemical material. Moreover, on the fifth palm oil trees from river's body, the palm oil

trees are painted with a red color as a sign to remind personnel not to cross the area. In addition, based on field visit and interview with the HCV personnel in protected forest area (BINE), there are hunting prohibition boards, as well as cutting tree prohibition signboards.

The rare and endangered species protection procedure should be in line with the applicable regulation, including the mechanism to control hunting, fishing or illegal harvesting activities. Company has an opportunity to present the monitoring data on natural vegetation to ensure the adequate habitat within the HCV area. **(Observation)**.

Status: Comply

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

Company has a program and the actualization on waste and hazardous waste management for Leidong West Mill (LWSM); Bukit Mas Estate (BMSE) and Leidong West Utara Estate (LWUE), which cover the management for hazardous waste, the utilization of liquid waste in land application. List and evaluation of environment aspect, that cover the emission, hazardous waste, solid waste, dust, oil, chemical material, liquid waste, steam, noise, smell, sludge and temperature. Environmental management program, which covers the domestic solid waste, domestic liquid waste, estate waste, mill's waste that is utilized in estate, hazardous waste and used-material waste.

In order to manage the hazardous waste, **PT. Maskapai Perkebunan Leidong West Indonesia** has earned the license for temporary hazardous waste storage from Bangka Barat Regent, with a decree No. 188.45/258/1.08.02/2012 on 28th June 2012. The permitted location located in S 01° 53' 25.43" LS and E 105 ° 28'34.20" BT with the size of temporary storage 6 x 8 meter. The stored hazardous wastes are used oil, oil filters, used-accu, majun fiber, and neon bulb. The duration of storage is 180 days. And valid for 5 years since the issuance. While for **PT. Bumi Permai Lestari**, has earned the hazardous waste temporary storage license from Bangka Barat Regent, with a decree No. 188.45/260/1.08.02/2012 on 28th June 2012. The permitted location located in S 01° 49'14.71" LS and E 105° 33'06.76" BT with the size of temporary storage is 6 x 8 meter. The stored hazardous wastes are used oil, oil filters, used-accu, majun fiber, and neon bulb. The duration of storage is 180 days. And valid for 5 years since the issuance.

To transport the hazardous waste, company has collaboration with Primanru Jaya company. The work agreement between PT. Maskapai Perkebunan Leidong West Indonesia and PT. Primanru Jaya No. 236/EHSD/SPK- Pengelolaan LB3/MP LWI-PJXII/2014 on 1st December 2014 valid until 31st December 2017 and work agreement between PT. Bumi Permai Lestari and PT. Primanru Jaya No. 237/EHSD/SPK-Pengelolaan LB3/BPL-PJXII/2014 on 1st December 2014 valid until 31st December 2017. Meanwhile for hazardous management with an infectious category (medical waste), company has a work agreement with central, between **PT. Bumi Permai Lestari** and Arsani Sungailiat Public Hospital regarding the management for medical waste, dated 20th July 2013. The work agreement signed by Ir. Yusik Mardianto (Bukit Intan Estate manager PT. BPL) and dr. Benedicta Wayan Suryani Sp.M (Arsani Sungailiat Public Hospital), which valid for 2 years, or until 31st July 2015.

Moreover, company also has a letter No. B-5301/Dep. IV/LH/PDAL/05/2012 on 25th May 2012 from Ministry of Environment of Republic of Indonesia, regarding the response over the rinse of used-pesticide packages that was addressed to the director of PT. Rolimex Kimia Nusamas and a part of company of PT. Smart TBK. Ministry of Environment suggests PT. Smart TBK to optimize its pesticide utilization and to *extended producer responsibility (EPR)* of PT. Rolimex Kimia Nusamas for refill.

Based on field visit to Bukit Mas Estate (BMSE) and Leidong West Utara Estate (LWUE), both estates have a satellite temporary hazardous waste storage. Company has an opportunity to ensure the location of satellite temporary hazardous waste storage is within the license scopes, which belong to both PT. MP LWI and PT. BPL. **(Observation)**.

Company has conducted the monitoring over generated waste, for instance:

- Monitoring on effluent by measuring the debit of BOD effluent periodically. The effluent debit is monitored and measured

every day.

- Monitoring of hazardous waste by recording it into hazardous waste logbook in temporary hazardous waste storage, which periodically being reported to related agencies
- Production monitoring and solid waste utilization such as fiber and shell as fuel and reuse of empty fruit bunches

Status: Comply

5.4

Efficiency of energy use and use of renewable energy is maximized.

Company has a usage record for renewable energy as well as its efficiency analysis, which has been used as a substitution for fossil fuel usage in 2014 for PT. LWI Mill. Based on the monitoring record, company has saved the fossil fuel usage from 19.73 to 23.06 liter/Ton CPO per month.

Company has a monitoring record for fossil fuel usage to support company's operation activity as well as its efficiency analysis. Based on this data, the efficiency of fossil fuel usage mainly comes from generator operation activity. The usage is under the budget.

	Budget 2014	Actual 2014
Mitsubishi L-300 (MIBU-06)	4,000	3,734
Innova (MIBU-08)	2,286	1,791
Hilux (Jeep-07)	1,364	1,341
Generator 01	25,851	35,160
Generator 02	69,614	33,520
Generator 03	69,614	30,579
Dump Truck (Truck-04)	3,636	3,106
School Bus (Truck-03)	6,672	5,302
W Loader Kawasaki	9,996	15,070
Total	193,033	129,602

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.

During the surveillance-1, there was no replanting activity in PT MPLWI and PT BPL until the surveillance finish. However, company has a commitment toward zero burning approach for its land clearing activity as well as for replanting activity. This commitment is implemented by developing an SOP for land clearing (SOP/SMART/MCAR/IV/TA-PLB), which is stated in Management Committee Agronomy and Research (MCAR). The aim of this SOP is to clear the new palm oil estate area by using the zero burning approach that inline with the agronomic technical guide.

Division Head SMART has approved the SOP for field fire (SOP/NP/SMART/XI/LH002) on 01st July 2010. This procedure covers the establishment of fire extinguisher team and the trainers, as well as the procedure for fire extinguisher in the field, from preparation, tools, and extinguisher techniques. As part of procedure implementation, extinguisher conducted the simulation for field fire on 29th October 2013, which located at Block N34 Division 1 BINE, along with estate and mill, PIC SPO, RC/PC, Manager, assistant staff, warden, nurse and personnel.

Based on field observation in LWSE and BINE, there is fire extinguisher station in each estate, completed with fire extinguisher tools such as fire extinguisher, tractor trailer with pump, hose, hook, fire hitter, sack, helmet, knapsack and the entire tools are ready to use.

Company has conducted fire simulation and preparedness in each unit. For instance on 9th September 2014, which followed by 87 participants (with representative from each estate); LWSM on 21st June 2014, which followed by 24 participants.

Status: Comply

5.6

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

Document review reveals that there is an identification on pollution and emission sources in mill, such as:

- Environmental document in a form of environment management document in PT. MP Leidong West Indonesia's Mill, which was drafted in 2011.
- List and evaluation on environment aspect within LWSM mill's area, which was prepared by person in charge on environment and approved by the Mill Manager on 05th January 2013.

These documents state the source of green house emission from mill's activity such as green house gas from boiler and generator activity, from transportation vehicle, from heavy equipment, and noise from boiling chamber, effluent from plam oil processing activity, run off from mopping the floor, leakage from boiling process and hor steam gas from boiling activity, leakage from vehicle and so forth.

In accordance with the environment document, company has presented the semester monitoring reports on the emission quality that generated from mill's activity by UPTB Environment laboratory in Bangka & Belitung Province (accereditated). The monitoring of emission quality is stated in environment management report and environment monitoring report for semester I in 2013 PT. MPLWI, such as:

- The meaasurement on ambien air quality on 9th June 2013, which was conducted in two spots outised the mill with parameters such as temperature, humidity, SO₂, CO, NO₂, TSP, noise. This measurement result shows that the entire parameters are in accordance with the applicable quality standard stated in government regulation No. 41 in 1999.
- The measurement on emission quality on 10th June 2013 for boiler and generator with parameters such as particulate, SO₂, NO₂, HCL, Cl₂, NH₃, HF, CO₂, CO, and opasity. The measurement result shows taht the entire parameters are in accordance with the applicable standard threshold stated in Ministry of Environment regulation No. 07 in 2007 and Ministry of Environment regulation No. 21 in 2008 annex. IV A

There is a record on company's efforts to reduce pollution and emission, such as (1) list of environment aspect and its evaluation in mill and estate, which stated the procedure to manage pollution and emission, (2) periodic maintenance record of equipments and vehicle, which generate emission such as generator and boiler, (3) Record on the usage of renewable energy to substitute the usage of fossil fuel (4) the implementation of land application record as an effort to reduce pollution in water.

POME has been well managed. POME identification is stated in the environment document (environment impact analysis and environment aspect) which indetified the source of effluent from mill's activity. The methodology for POME's management is stated in the SOP for waste management No. SOP/SPO/SMART/LH-09, which explains that the liquid waste from FFB's processing activity should be fully utilized for estate activity as an organic liquid fertilizer (land application) after further processing in IPAL ponds in order to comply the applicable standard quality.

There is an IPAL facility to process the waste, which consists of 8 IPAL ponds (1 stand by) that have a dyke with 2 buffer ponds as a prevention to anticipate leakage from final pond (in a pump location). The total capacity of IPAL pond is 80,000 m³. The IPAL pond refill system is using the *multi feeding* that share the liquid waste from sludge pit to the entire existing waste ponds (7 ponds) in parallel and decreasing the BOD by using theretention time. IPAL also completed with pump house facility that completed with digital flowmeter, rest house for IPAL personnel and signboard.

POME is well monitored through liquid waste daily monitoring, monthly monitoring on liquid waster quality through laboratory examination (by accredited aboratory), as well as 6 months monitoring on monitoring well around IPAL and LA location as stated on environment management report and environment monitoring report that have been delicered to related institutions.

For *land application*, there is a land application permit from Bangka Barat Reagent No. 188.45/283/1.08.02/2013 regarding the extension of industrial effluent utilization for land application in PT. MPLWI estate on 23rd May 2013. The permit is valid for 2 years since the issuance. The permitted location is 576 Ha, which located in Terentang Village, Kelapa Sub-district, and Bangka Barat District. Based on field visit to land application at Block P25 (BINE), its known that the rotation of application is conducted every 4 months.

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.

Documentation on environment and social impact analysis over the positif and negative impact toward social codition that generated from estate and mill activity and documentation of participation from parties who receives the impact and local community:

- Environment management effort and environment monitoring effort for mill and estate in PT. MP Leidong West Indonesia. There is a letter No. 797/BA.5/XII/95 from agribusiness bureau of Agriculture department on 29th December 1995 regarding the advice to improve the document of Environment management effort and environment monitoring effort in PT. MP Leidong West Indonesia.
- Environment management document of PT. MP Leidong West Indonesia for palm oil mill with a capacity of 60 Ton FFB/Hours. There is a recommendation letter from environment impact management bureau of Bangka Barat government No. 660/590/1.08.02/2011 on 21st September 2011.
- Environment impact analysis (AMDAL) for palm oil mill and estate of PT BPL has been approved by Ministry of Agriculture with a decree No. 046/ANDAL/RKL-RPL/BA/II/1996 on 16th February 1996
- Social impact analysis (SIA) has been conducted by the internal team of PT. BPL and LWSE Nazlya Syahputri and Yosaphat Ardhilla Renato in November 2012

Based on document's review, its known that company has conducted in-depth interview with head of Jebus village; head of Ibul village; head of Terentang village on 16th December 2014 as an evidence of social impact monitoring has been conducted with a participatory approach and involving related local communities. **NCR No.2013.02 Closed.** However, company still has an opportunity to present the data and information of the monitoring periodically as an input to draft the social impact management and monitoring. (**Observation**).

Interview with the management and field observation show that until now, company neither has replanting activity, new land clearing neither expanding the estate areas as well as revision on the scope of company's activity. There is no revision on environment management document.

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.

Company has the SOP for communication and consultation (Doc number: SOP/NP/SMART/XIV/MCAR003), on 01st July 2010. This procedure states the consultation and communication, such as the internal and external.

The external communication consists of stakeholders such as local community, government agencies, worker union, NGOs, partner and so forth. The communication was conducted by deliver incidental meeting, or through suggestion box. The entire written documents are stated in communication and consultation book.

Communication and consultation book consist of letter in (number of letter, date, sender, subject, internal process) and response

(number of letter, delivery date, attendant, subject and status). The entire aspiration that comes from community always responded by the head management unit (Estate Manager). Based on information from community in Berang and Terentang Village, the aspiration used the applicable mechanism such as through a proposal that approved by village administrators.

PT. MPLWI and PT. BPL have list of stakeholders that consists of government institution/Statutory Bodies (12 institutions); Head of Villages (8 Villages), Community Leaders or Prominent (5 Persons), Workers Organization (5 Persons), local contractor (3 Persons) and NGO (2 Institutions). Officer in charge on communication and consultation with community is the Estate Manager in each estate management unit. Based on interview result with forestry and plantation agency, manpower agency, environmental agency, local land agency and community representative from Jebus Village Mislak Village and Ibul Village, as well as interview with worker union and gender committee, it can be concluded that the communication mechanism has been well introduced and can be understood in a simple way.

There is an appointment letter for person in charge on social matter in PT. MPLWI and PT BPL:

- Decree No: 005/RC-BABEL/VIII/2014 on 04th August 2014. Person in charge: H. Daryadi, position: Estate Manager BMSE
- Decree No: 005/RC-BABEL/VI/2012 on 1st June 2012. Person in charge: Yusik Mardianto, position: Estate Manager BINE.
- The letter mentions about the responsibilities, such as:
- Accommodate the implementation of social impact analysis
- Has a responsibility on the implementation of communication and consultation process with stakeholders. Top Management is a direct supervisor for this position.
- Establish mutual relationship that can lead to positive social impact between company and local community, community leaders, social organization and related local government agencies. Should coordinate with the HR operations related to manpower issue.

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.

The transparent system, which can be received by the entire party who receives the impact, to accept the complaint and conflict resolution in an effective and efficient. The correct procedure for this has been stated in technical guideline for land clearing (document number: SOP/NP/SMART/XII/MCAR001 on 01st July 2010 that consists of internal complaint management, external complain management and complain from female personnel. The response over the complaint and dissatisfaction should be delivered by one month since the submission of complains.

The entire record and resolution related to complaint and dissatisfaction have been recorded in monitoring form for complaint and dissatisfaction management. This form consists of: complaint (date, location, name, contract number, issue, register) and response (date, actions, current status and person in charge) along with the resolution target.

Based on public consultation with related institution in Bangka Barat District with community from Ibul Village, Jebus village and Mislak Village, there are no complaints being submitted. However, some local communities does not understand the mechanism to submit the complaint.

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.

Identification procedure, calculation and compensation for legal and legal land handover are including the participation from local community and related institution, which explained in land conflict resolution (SOP/SPO/SMART/LH-04) on 1st July 2010. The land conflict resolution is following several stages and involving several stakeholders.

The identification record, negotiation process and payment to related stakeholder for land handover during the estate clearing. There were 146 land owners (105.23 Ha) in Berang Village and 190 land owners (363.78 Ha) in Tumbak Petar Village, who have been compensated from 1995 to 1999.

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.

Company presents the Decree from Bangka Belitung Governor No. 188.4/696/TK.T/2014 regarding to provincial minimum wage in 2015, IDR. 2,100,000, which was issued on 31st October 2014. In addition, as a response to Governor Decree, the estate director has issued the decree to conform the BHL wage, SKU-H and SKU-B in each unit, such as:

PT. Leidong West Indonesia

- Director Decree No.010/CEO2/HRPSM 2/01/2015 on 01/01/2015 related to the conformity of BHL wage to IDR 84,000/day.
- Director Decree No.011/CEO2/HRPSM 2/01/2015 on 01/01/2015 related to the conformity of SKU H wage to IDR. 2,100,000/month.
- Director Decree No.012/CEO2/HRPSM 2/01/2015 on 01/01/2015 related to the conformity of SKU monthly wage from grade 1G IDR. 2,151,450 up to grade 8A IDR. 3,006,400.
- PT. Bumi Permai Lestari
- Director Decree No.007/CEO2/HRPSM 2/01/2015 on 01/01/2015 related to the conformity of BHL wage to IDR. 84,000/day.
- Director Decree No.008/CEO2/HRPSM 2/01/2015 on 01/01/2015 related to the conformity of SKU H wage to IDR. 2,100,000.
- Director Decree No.009/CEO2/HRPSM 2/01/2015 on 01/01/2015 related to the conformity of SKU monthly wage from grade 1G IDR. 2,151,450 up to grade 8A IDR. 3,006,400.

Based on field visit and interview with harvesting personnel in LWUE, auditors found that company has paid the net salary in January amount IDR. 2,100,000. Company has a mutual work agreement for period 2011-2013 between PT MPWLI & PT BPL and PUK SPPP SPSI PT BPL-PT MPLWI. The mutual work agreement has been registered and earned approval from Social, Manpower and Transmigration Agency in Bangka Barat District on 15th March 2011.(Valid until now).

Based on field observation in mill and estate personnel's house, company has provided adequate accomodation, education, clean water and other public services for personnel, for instance:

- Personnel house using a permanent concreat construction that consists of two bedrooms, living room, kitchen, bathrooam and water closet. Electricity comes from generator.
- Education facility: company provides kindergarden and elementary school, which are located in BINE as a formal education facilities as well as smart house as an informal education facility from the solidarity action from the wives of united indonesia's cabinet Jilid II, which chaired by first lady of Indonesia, Mrs. Yudhoyono in a collaoration with PT. SMART, Tbk (7th June 2012). Moreover, company provides school bus to drove children to school.
- Medical facility, company provides clinic that lcatred in BINE and supporting clinic in LWSE as well as the medical practitioners (company's physician and nurses)
- General facilities, such as worship venue (mosque and church), sport facilities such as soccer field, volly, tennis and badminton. Moreover, there is a personnel hall that can be used as a meeting venue and venue for integrated medical serbice activity.

Company has conducted the examination on clean water source, which is located in Leidong West Selatan Estate Division hut and has been analyzed in PT. Unilab Perdana. Based on the analysis result on 7th December 2013 and on 9th December 2014, the entire parameters, including the total coliforms are in line with the standard threshold from Ministry of Health No. 416/MENKES/PER/IX/1990 on requirement of clean water. The measured total coliform parameter in 2013 was amount 21 MPN/100 ml, in 2014 was 39 MPN/100 ml; both were under the standard threshold, which was amount 50 MPN/100 ml. **NCR No.2013.03 Closed.**

Company has a commitment to hire experienced contractor. This commitment stated in SOP of contractor management No. SOP/SMK3/SMART/LH-26, which has been checked and approved by Head of Environment & Sustainability Division on 01st July 2010. The aim of this SOP is to ensure the entire activity of contractor will consider the environment aspect as well as the occupational health and safety aspect. Contractor management covers the contractor selection, review over the submitted proposal, work agreement, evaluation on contractor's work, warning and penalty toward contractor.

Regulation about the compliance toward manpower policy is stated in mutual work agreement between company and contractor in article IV such as manpower insurance, which become the responsibility of contractor and contractor personnel are mandatory to wear PPE.

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.

Company has a policy related to the freedom to join and establish worker union, such as Decree from CEO2 to VPA, VPM. RC, PC, HR Ops Head number 094/CEO2-SE/12/2010 on 14th December 2010 regarding to the freedom to join and establish worker union that refers to law number 21 in 2000 about worker union, which states that company is respecting personnel's freedom to make a union (Theo Biao Leng).

There are some records related to the recruitment on worker unions, such as:

- Meeting between company and the representative of worker union on 22nd October 2014 in meeting room at PPGO: subject of the meeting was the special day payment, working hours for generator operators and office personnel, overtime for maintenance's supervisor, termination on behalf of Mr. Parno and Mr. Didik, extra food for personnel, the plan to discuss the renewable working contract, early retirement. There is an attendance sheet, 9 personnel were attending this meeting.
- Meeting on 7th July 2014 in BPPE room, which discussed the overtime payment for warden, waterman, and generator operator. The overtime for maintenance supervisor has been deducted and the adaptation for food/ rice allowance amount IDR. 9,500,-/kg.

Based on interview with the board of worker union, its known that company gives an opportunity for the entire personnel to joint the worker union based on the applicable regulation.

Status: Comply

6.7

Children are not employed or exploited. Work by children is acceptable on family farms, under adult supervision, and when not interfering with education program. Children are not exposed to hazardous working conditions.

Company shows a decree from director of human resources department to the entire unit head number 002/SE-HRDV/03/09 on 31st March 2009 regarding the minimum age that in line with the applicable man power regulation, Number 13 in 2003 related to manpower, article 68 – prohibition to hire children. Then company has a policy not to hire children under 18 years old, thus the minimum age to apply is 18 years old.

Based on personnel's document review and interview with personnel from PT. MP LWI and PT. BPL, its known that there is are no personnel been recruited under 18 years old and there is no discrimination in recruitment process.

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.

There is a decree from CEO 2 to the entire unit manager (CC: VPA, VOM, RC, PC, HR Ops Head) related to the implementation of industrial relation in unit, number: 096/CEO2-SE/12/2010, on 14th December 2010, to the entire unit head, which mentions that in order to achieve an harmonious, dynamic and just industrial relationship, then each operational unit must avoid any form of discrimination toward ethnicity, religion, race, sex in the entire work activities.

Based on personnel's document review in each estate, the personnel documents reveal that personnel are coming from different ethnicity and origin. Moreover, based on interview with personnel in estate and mill, its known that neither discrimination toward ethnicity, religion, and race committed by company nor other personnel.

Status: Comply

6.9

Policy to prevent sexual harassment and all other forms of violence against women and to protect their reproductive rights is developed and applied.

Company conducted socialization on sexual harassment prevention by install the sexual assault toward women and children prevention board in front of estate division offices.

The organogram of gender committee structure in each unit, such as:

- LWME, Chairman: Masdalena, Vice of Chairman: Siti Aisah, Secretary: Fera Puspitasari, Treasury: Roosyanti, Members: Kartina.
- LWUE, Chairman: Herlinda, Vice of Chairman: Zubaidah, Secretary: Sri Hartati, Treasury: Elly, Members: Ita, Sopi
- BMSE, Chairman: Suelis Triana, Vice of Chairman: Dommi, Secretary: Andre Hastuti, Treasury: Sulma, Members: Rapinah, Asni

Company has the SOP for complain and dissatisfaction that stated in land clearing procedure /SOP/NP/SMART/XII/MCAR001 (Orange Book). Chapter 12 discusses about external and internal complaint, including special complaint for female personnel. This procedure explain that:

Unit facilitates the establishment of female personnel's organization

Female personnel may submit their complaint and dissatisfaction related to female issue, both in individual and through female personnel organization to the head of unit. The mechanism for responding the complaint is stated and explained in monitoring form for complain management (F/SMART/MCAR/01) and refers to the management procedure for complaint and dissatisfaction resolution. After the complaints being submitted, the estate manager will verify the truth of the case in the field. Further resolution step based on the mechanism to manage internal complaint.

Based on interview with some spraying female personnel in LWUE, so far, there is no sexual harassment that has been conducted by other personnel or from supervisor or other parties. In addition, company also facilitating female personnel's right, such as menstrual leave, maternity leave, and company also ensure that there are neither pregnant nor lactating female personnel working as spraying personnel.

Status: Comply

6.10

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

Leidong West Mill does not accept fruit from external supplier or from plasma scheme smallholder, meanwhile the PT MP LWI does not has the partnership scheme. Hence, the decision on FFB's price is internally managed thus not inline with the price from local plantation agency.

The update on FFB's price in Bangka Belitung Island in November 2013 has been inline with letter No: 525/4587/DPPP-BUN/XI/2013 on 19th November 2013, regarding the meeting result that set the index "K" and FFB's price for period November 2013.

LWUE

Work agreement No. LWI/LWUE/SPKL-L/NOP-2014/006-Transporting FFB on 29/11/2014 between estate management and Chairullah Anwar who living in Bangka Barat, type of work is transporting the FFB, with work duration from 01st December 2014 to 31st January 2015, with the cost IDR. 52.91/kg. Regulation about manpower is stated in article IV such as the contractor covers manpower insurance and contractor has a responsibility to ensure that personnel are wearing PPE. Payment receipt in December 2014 was IDR. 31,045,228 on 29th December 2015.

LWSM

Work agreement No. LWI-LWSM/SPKL/November-2013/05 on 07th November 2013 between mill's management and PD. Pemuda Bakti (local contractor), type of work is improvement & painting office, warehouse and general warehouse, duration of work from 07th November 2013 to 25th February 2014 Volume 9 units with the cost of work is IDR. 66,000,000 (including value added tax 10%). The payment receipt is attached amount IDR. 66,000,000,- on 23rd May 2014

Based on interview with one of the local contractor who has cooperation with company, its known that the payment from company always in time and in accordance with the signed work agreement.

Status: Comply

6.11
Growers and millers contribute to local sustainable development wherever appropriate.

Type of estate and mill contribution toward local development is through tax and retribution payment as well as through community development and corporate social responsibility that involving participation from local community. For instance the obligation to pay tax and retribution such as:

PT. BPL

Community empowerment in Muntok Sub-district, Bangka Barat District as a partner for well washing work in PT. BPL on 28th February 2014, as well as for house and office maintenance work in **PT. BPL**.

Funding amount IDR 12,287,995,- in a form of 159 ceramic tiles boxes and 50 sack cemen on 31st May 2014 for Berang Village to assist the constructio of Mosque in Berang Village.

Funding amount IDR 7.000.000,- in a form of well establishment on 13rd May 2014 in Berang Village.

Tax payment receipt, which ahs been paid on 10th October 2014.

Water tax Payment receipt, which has been pain on 14th January 2015.

PT. MPLWI

1. Funding amount IDR 500,000 in cash to Mislak Village to assist the fifth commemoration of village birthday on 25th March 2014.
2. Funding amount IDR 600,000 in cash to Ranggi Asam Village to assist the mass circumcition in Ranggi Asam Village on 27th June 2014.
3. The establishment of waste landfill in Ibul Village, which still under the construction process (the progress reaches 40%), this was based on the actual implementation progress of waste landfill in Ibul Village on 15th December 2014.
4. Tax payment receipt in 2014, which has been paid on 07th October 2014
5. Water tax Payment receipt, which has been pain on 14th January 2015

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.

Before the establishment of estate, the information about social and environment aspects was presented in the company's environment management effort and company's environment monitoring efforts PT MPLWI in 1995. As a revision over these documents, company now has the environment management document for PT. MP LWI thas was drafter in 2011.

For PT. BPL, company already has the estate and mil's environment impact analysis in Kelapa Sub-district, Bangka District, Sumsel Province that was drafted by the consultant from PT. HSW International. The environment impact analysis of PT. BPL has been approved by Ministry of Agriculture with a decree No. 046/ANDAL/RKL-RPL/BA/II/1996 on 16th February 1996. In the PT. BPL's environment document covers the social aspect, such as: the condition of community, composition of society based on religion, livelihood and rate of dependency, formal education, health status, the availability of clean water, and security. Moreover, there also a perception of community toward several activities that has a positive impact, such as work opportunity, increasing in community's

income per capita, the opportunity for entrepreneurship, and the enhancing number of public service and infrastructure. In addition, company also conducted the identification on social impact from mill and estate's activity. For instance the social impact analysis study back in 2012 in 7 affected-villages.

In environment document (environment impact analysis and DPLH), there is an adequate operation procedure for environment management and monitoring. The social impact management and monitoring as the continuation from the periodic environment impact analysis has been conducted every semester, meanwhile the social impact management and monitoring as a follow-up action on the social impact analysis has not been carried out because it was scheduled in 2013. However, there is a work plan for social impact management that will be conducted once a year and covers 2 negative impacts, such as community unrest related to the lack of communication and rivers pollution because mud comes to river's body during the establishment of bridge.

	Status: Not Applicable	
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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.

Company does not make any expansion within the current business area.

	Status: Not Applicable	
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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.

PT MPLWI does not have any expansion in a new area and does not have replanting activity. The cultivation data is inline with the areal statement, such as: the oldest plantation is in 1991 and the youngest is in 1997. Based on permit, the cultivation was conducted within the area with other use status (RTRW Bangka).

	Status: Not Applicable	
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7.4

Extensive planting on steep terrain, and/or on marginal and fragile soils, is avoided.

Refers to criteria 4.3.

	Status: Not Applicable	
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7.5

No new plantings are established on local peoples' land without their free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.

There is no new cultivation within PT MPLWI estate area or within the traditional land. The information on social aspect is presented in environment management report and environment monitoring report of PT MPLWI in 1995. These document state the monograph data from 8 villages near the estate area, but not specifically explains about the impact of estate activity.

There is also an environment management document (DPLH) for mills with a capacity of 60 ton FFB/Hours in 2011. This document covers the social aspect, such as: the condition of community, composition of society based on religion, livelihood and rate of dependency, formal education, health status, the availability of clean water, and security. Moreover, there also a perception of community toward several activities that has a positive impact, such as work opportunity, increasing in community's income per capita, the opportunity for entrepreneurship, and the enhancing number of public service and infrastructure.

In addition, company also conducted the identification on social impact from mill and estate's activity. For instance, the social impact analysis study back in 2012 in 7 affected-villages, such as: Ibul Village, Berang Village, Jebus Village, Mislak Village, Ranggi Asam Village, Terentang Village and Tumbak Petar Village. This document discusses the origin of impact, such as: right of access and use, livelihood such as working condition and activity, culture and religion value.

	Status: Not Applicable	
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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.

PT MPLWI does not make any expansion or replanting activity within its operation area. The impact of the loss of access and right over the land has been identified in environment management report and environment monitoring report, environment impact analysis document and social impact identification. Related to the compensation for community land during the land clearing on estate area – there were 146 land owners (105.23 Ha) in Berang Village and 190 land owners (363.78 Ha) Tumbak Petar Village have been compensated since 1995 – 1999, in accordance with the applicable regulation and known by related parties.

Status: Not Applicable
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.

There is no new estate expansion within PT MPLWI and PT BPL current operation area. Based on the Areal Statement the youngest plantation within the HGU area of PT MPLWI is in 1998 and in PT BPL is in 1995.

Status: Not Applicable
PRINCIPLE #8 Commitment to continuous improvement in key areas of activity
8.1
Growers and millers regularly monitor and review their activities and develop and implement action plans that allow demonstrable continuous improvement in key operations.

Company has a social impact management and monitoring document for PT. MPLWI (2012) and PT BPL 2014, as well as the document review on the implementation of social impact management and monitoring of PT MPLWI in a form of SOP communication and consultation socialization record for surrounding villages. Currently, company also prepares the CSR program for 2015; meanwhile PT. BPL doesn't have the social impact management and monitoring plan. There consultation with Jebus and Ibul village reveals the main problems during the collection of information about community's perspective, both in negative and positive side, as well as the utilization of community's perception on drafting the CSR program in 2015.

The sustainable improvement effort in term of agronomic, such as:

- Company does not use the rat poison with an active brodifakum material or WHO type 1A and WHO type 1B, but company used the rat poison from the active coumarin material
- Company makes an experiment of owl nest mirroring in order to separate the owlets from owl, so the owl can soon be productive again.
- Company decided to reduce the pesticide with paraquat material from 2.5 l/Ha to 2.4 l/Ha.
- Company present the evidence of improvements over the noncompliance minor that been identified during the surveillance stage 2.

Status: Comply

3.2. Summary of Assessment Report of Supply Chain Requirement

Clause	(Module D) CPO Mills - Segregation Requirements
1	Documented Procedures
1.1	<p>The facility shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:</p> <ol style="list-style-type: none"> Complete and up to date procedures covering the implementation of all the elements in these requirements. The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the facilities procedures for the implementation of this standard.
	<p>SOP for Product with RSPO Segregation Supply Chain Model No. PT MP LWI-LWSM/SOP/23 on 1st February 2015.</p> <p>Document covers:</p> <ul style="list-style-type: none"> Objective: guarantee the generated product by mill is comes from the traceable raw material and company can ensure that related unit and sub-units are implementing the sustainability principle and criteria that inline with the RSPO regulation. Scope: the <i>raw material</i> acceptance process consists of the processing FFB into CPO and PK that further being sent to <i>bulking station or warehouse</i> or to the next processing unit. The implemented supply chain system to ensure the traceability of product is based on the <i>Segregation (SG)</i> principles, where the raw material comes from the certified sources. <p>Duties and responsibilities:</p> <ul style="list-style-type: none"> Personnel related to the critical control point: Warden: ensures the SPB comes from certified supplier or related transporter; checking the CPO truck condition before dispatching and ensures the truck in a clean and no contamination condition, ensures the label is installed in each location in CPO truck and Kernel truck as well as the seal of kernel truck is correctly installed. Weighing clerk: ensures the weighing tools and weighbridge program are well functioning before weighing; ensures the completeness of the entire vehicle documents before weighing, including ensures the vehicle number comes from the certified estate; ensures the attribute of acceptance document is certified raw material and delivered certified product by put traceability symbols based on the RSPO SCCS procedure. Patch CPO & Kernel Silo Bin (KSB): supervises the loading process of product to tank, records the production data and the incoming product stock and store it in a storage tank. Assistant: ensures the traceability attribute is installed in SPB TBS, supervises the accepted FFB in accordance with grading standard, and supervises the raw material processing. Head of administration: records and reports product quantity and quality periodically; makes a three-months calculation based on the quantity of product that can be claimed as certified product; requests the validity of RSPO certificate from suppliers. Mill Unit Head (Management Representative): in charge on the implementation of standard system, in charge on the entire implementation of supply chain process, ensures the calculation of three-months is correct can be used to determine the number of certified product; and provides information to stakeholders who need the information related to the number of certified product. <p>LWSM has a Management Representative (MR), which was appointed by the Decree No. 001/PCBABEL/02/2015 on 2nd February 2015 and signed by Production Controller. This decree decided that Mr. Wahyu Indradi (Factory Manager LWSM)</p>

is person in charge on PT. MP LWI with duties and responsibilities to implement the Sustainability Palm Oil program. In addition, management also appointed him with a decree No. 001/MM-LWSM/22015 on 2nd January 2015 as a traceability officer and Mr. Armansyah Daulay as head of section who in charge on the implementation of SCCS (segregation) model.

Based on interview with Critical Control Point Person such as warden, weighing clerk, dispatch operator, head of section and manager. It's known that the entire personnel have understood the SCCS module D (segregation).

Status: Comply

1.2

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

SOP for Product with RSPO Segregation Supply Chain Model No. PT MP LWI-LWSM/SOP/23 on 1st February 2015.

6.1. FFB's acceptance

The FFB's sources or suppliers should hold a certificate of sustainable raw material, to differentiate the certified and non-certified supplier. This measurement was taken to ensure the entire accepted FFB has been RSPO certified (inline with the list of FFB's supplier).

Based on interview with the representative of company's management (MR) and by virtue of a declaration by de date of 31st January 2015, that since 1st February 2015 LWSM only accepts FFB from certified estate. List of suppliers, such as: Leidong West Selatan Estate (LWSE), Leidong West Utara Estate (LWUE) PT. MP Leidong West Indonesia; and Bukit Mas Estate (BMSE), and Bukit Intan Estate (BINE) PT. Bumi Permai Lestari. Furthermore, the interview with wardens and clerk in weighing station reveals that the FFB's truck that eligible to enter the mill only the certified FFB that comes from appointed supplier. If there are trucks that transport the non-certified FFB, then warden will make a report to head of administration.

6.4. Processing

The accepted raw material then goes to processing station. The FFB that will be processed in accordance with the sop for mill's processing (SOP/SMART/MCMD/I/TM-PKS). To implement the RSPO segregation supply chain model, both mill and KCP should ensure 95% of the processing product implement the physical segregation material and only 5% from the total production that can has a contamination. The increasing quality of supply chain model from MB to SG is possible with requirement that the increasing should be implemented in the physical stock at that moment.

Status: Comply

2 Purchasing and goods in

2.1

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

SOP for Product with RSPO Segregation Supply Chain Model No. PT MP LWI-LWSM/SOP/23 on 1st February 2015.

6.1. FFB's acceptance

The FFB's sources or suppliers should hold a certificate of sustainable raw material, to differentiate the certified and non-certified supplier. This measurement was taken to ensure the entire accepted FFB has been RSPO certified (inline with the list of FFB's supplier).

Based on interview with the representative of company's management (MR), since 1st February 2015 LWSM only accepts FFB from certified estate. List of suppliers, such as: Leidong West Selatan Estate (LWSE), Leidong West Utara Estate (LWUE) PT. MP Leidong West Indonesia; and Bukit Mas Estate (BMSE), and Bukit Intan Estate (BINE) PT. Bumi Permai Lestari. Furthermore, the interview with wardens and clerk in weighing station reveals that the FFB's truck that eligible to enter the mill only the certified FFB that comes from appointed supplier. If there are trucks that transport the non-certified

FFB, then warden will make a report to head of administration.

Sample of record on accepted volume of FFB from 11th February 2015 such as:

FFB's stock at previous day (Kg)	LWSE (Kg)	LWUE (Kg)	BINE (Kg)	BMSE (Kg)	Total FFB (Kg)
356,490	73,170	87,450	307,060	129,750	953,920

Status: Comply

2.2

The facility shall inform the CB immediately if there is a projected overproduction.

SOP for Product with RSPO Segregation Supply Chain Model No. PT MP LWI-LWSM/SOP/23 on 1st February 2015.

6.6. Calculation on three-months report

The three-months report calculation is to control the product sales not exceeding the volume that has been claimed by Certification Body and Certification Board. The three-months report should consider the number of certified product that can be claimed each month. If the forecast of certified production is bigger than the claimed product, then company should take the following actions:

Inform related RSPO certification body and RSPO IT System/e-trace. Certification Section and EHS Department (Support Department) will assist this communication after receives the information from Mill Unit Head and Sales Department.

Set the projection of certified product by considering the level of conversion risk that has been set by RSPO in accordance with the applicable Supply Chain model.

FFB and CPO production data from May 2014 to January 2015 as below:

Estate	FFB (ton)	CPO (ton)	PK (ton)
LWSE	10,383.66	2,247.21	637.13
LWUE	11,422.93	2,457.78	701.31
BINE	79,048.17	17,092.56	4,826.81
BMSE	53,371.17	11,526.34	3,250.84
Total	154,225.93	33,341.89	9,416.09

Based on FFB and CPO production from May 2014 to January 2015, it is known that the actual claim is under the annex of RSPO *main assessment* certificate (May 2014 – May 2015) such as CPO: 44,647.06 ton; PK: 11,669.12 ton.

Currently, the SCCS Module D (segregation) can't be claimed by the management unit, however in practice and the administration record has implemented the segregation system since 1st February 2015. The management unit has two units of storage tanks each with a capacity of 2,000 tons. The management unit has washed the tank and storage tank on 16th September 2014. To ensure there is no contamination from dirt or non-certified CPO, it is also cleaning Kernel Storage Bin.

Minutes of storage tank wash:

On 16th September 2014 the storage tank No. 01 has been washed from 9th to 16th September 2014 LWSM Askep checked this process, which covers the storage tank floor cleanness, the cleanness of steam coil surface, the hydro test activity, evaluation & thermometer calibrating, the evaluation on air ventilation, evaluation on steam trap & manhole packing condition as well as the washing of manhole.

Status: Comply

3 Record keeping

3.1

The facility shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of these requirements.

SOP for document control and record No.SOP/SMART/UMUM/SADV/II/001 on 1st July 2014

2.4.12.e. document storage duration: the document will be stored for 10 (ten) years.

Based on field visit to archive warehouse, there are documents, which related to the operational activity since 2002 and Mr. Alamsyah Daulay is head on section in charge.

**Clausul
3.1.**

Status: OFI

3.2

Retention times for all records and reports shall be at least five (5) years.

SOP for document control and record No.SOP/SMART/UMUM/SADV/II/001 on 1st July 2014

2.4.12.e. document storage duration: the document will be stored for 10 (ten) years.

Based on field visit to archive warehouse, there are documents, which related to the operational activity since 2002 and Mr. Alamsyah Daulay is head on section in charge.

Status: Comply

3.3

The facility shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO, PKO and palm kernel meal on a three-monthly basis.

Currently, the management unit has not claimed the CPO as a certified CPO, however the management unit has recorded and balanced the entire RSPO certified FFB and CPO, PKO and palm kernel delivery with a three-month basis. For instance record for three-months IV in 2014 when still using the Module E (MB) as below:

Data of FFB, CPO, PK (Certified and Uncertified) for period October to December 2014.

Period	FFB C (Kg)	FFB U (Kg)	CPO C (Kg)	CPO U (Kg)	PK C (Kg)	PK U (Kg)
Oct-Dec 2014	211,580,770	24,078,480	45,532,026	5,188,633	12,730,154	1,427,245

Description: C: Certified; U: Uncertified

Data Stock of CPO & PK (Certified and Uncertified) for period October to December 2014.

Period	Stock CPO C (Kg)	Stock CPO U (Kg)	Stock PK C (Kg)	Stock PK U (Kg)
Oct-Dec 2014	608,146	-274,757	3,796,474	-3,272,915

Description: C: Certified; U: Uncertified

Status: Comply

3.4

The following trade names should be used and specified in relevant documents, e.g. purchase and sales contracts, e.g. *product name*/SG or Segregated. The supply chain model used should be clearly indicated.

Based on interview with MR, currently the unit management does not purchase the FFB from external party (uncertified). Since 31st January 2015 LWSM gets the supply from certified estate, such as: Leidong West Selatan Estate (LWSE), Leidong West Utara Estate (LWUE) PT. MP Leidong West Indonesia; Bukit Mas Estate (BMSE), and Bukit Intan Estate (BINE) PT. Bumi Permai Lestari.

CPO is sent to bulking of PT. Bulking Bangka Station in Pangkalpinang (one group). Meanwhile the PK is sent to PT. Sumber Indah Perkasa in Lampung (one group).

SOP for Product with RSPO Segregation Supply Chain Model No. PT MP LWI-LWSM/SOP/23 on 1st February 2015.

SOP 6.7.1. The acceptance of Delivery Order

Sales documents and DO should consists of: origin country/the origin unit, designation, DO's number, RSPO certificate number, SG (Segregation) information and the volume of delivered product. Duration of each DO should consider the production potency of generated certified product. Company is allowed to conduct the sell short but the delivered material should come from positive stock.

Currently, the management unit has not claimed the SG, only claimed the ISCC Certificate GHG Emission: 663,42KgCO₂eq/ton. Based on interview with Mill Manager (MR), in the future, the claim will be presented in DO's form.

Status: Comply

4 Sales and goods out
4.1

The facility shall ensure that all sales invoices issued for RSPO palm oil delivered include the following information:

- (a) The name and address of the buyer
- (b) The date on which the invoice was issued
- (c) A description of the product, including the applicable supply chain model (Segregated)
- (d) The quantity of the product delivered
- (e) Reference to related transport documentation

The Management units is not currently claiming product of CPO and PK with SCCS model Segregated (SG), but still claiming model Mass Balance (MB). Based on interviews with management representative, LWSM during the last years only claimed to Certified Sustainable Palm Kernel (CSPK). Where are there sales CSPK to PT. SMART, Tbk; it's based on document of Delivery Order, as below:

Buyers	No. Delivery Order	Volume (ton)	Date	No. Certificate
PT. SMART, Tbk	125011119	250,000	27 November 2014	MUTU-RSPO/041;RSPO MB
PT. SMART, Tbk	125011120	100,000	4 Desember 2014	MUTU-RSPO/041; RSPO MB

Also based on the CPO and PK delivery record (the last one on 6th February 2015 with a total 61,670 Kg), as below:

Delivery Note code M143LWSM T 00847, for CPO delivery to Bulking PT. Bulking Bangka Station (Pangkal Balam, Pangkal Pinang). With details:

CPO net weight: 15,530 Kg; FFA: 3.839%, Impurities: 0.022%, Moisture: 0.145%, temperature: 48.00° C. (does not claim the segregation until now).

Vehicle plat number: BN4051DS (PT. Satrindo Jaya Agropalma); Driver: Yuriadi (SIM: 750711240502), departure time: 08.51.

Meanwhile the last PK dispatch on 6th February 2015 was 34,370 Kg, for instance:

Delivery Note, code W124 LWSM 03015, for Palm Kernel delivery to PT. Sumber Indah Perkasa (Jakarta). With details:

PK net weight: 10,700 Kg; oil level: 5.763%, moisture 6.185%. (Does not claim the segregation until now).

Vehicle plat number: BN4925AI (PT. Wahana Jasa Bahtera); Driver: Sopan Sopian (SIM: 890711240134), departure time: 09.54.

Status: Comply

5 Processing
5.1

The facility shall assure and verify through clear procedures and record keeping that the RSPO certified palm oil is kept segregated from non certified material including during transport and storage and be able to demonstrate that is has taken

all reasonable measures to ensure that contamination is avoided. The objective is for 100 % segregated material to be reached. The systems should guarantee the minimum standard of 95 % segregated physical material; up to 5 % contamination is allowed.

The management unit will make a module D (segregation) revision on 1st February 2015, before; the company is using the module E (mass balance). For instance the FFB's acceptance record on 11th February 2015 as below:

FFB's stock at previous day (Kg)	LWSE (Kg)	LWUE (Kg)	BINE (Kg)	BMSE (Kg)	Total TBS (Kg)
356,490	73,170	87,450	307,060	129,750	953,920

Status: Comply

5.2

The facility shall provide documented proof that the RSPO certified palm oil can be traced back to only certified segregated material.

The management unit will make a module D (segregation) revision on 1st February 2015, before; the company is using the module E (mass balance). Below is the raw material balance for period October to December 2014:

FFB, CPO, PK (Certified and Uncertified) data for period October - December 2014.

Period	TBS C (Kg)	TBS U (Kg)	CPO C (Kg)	CPO U (Kg)	PK C (Kg)	PK U (Kg)
Oct-Dec 2014	211,580,770	24,078,480	45,532,026	5,188,633	12,730,154	1,427,245

Description: C: Certified; U: Uncertified

Data on CPO&PK stock (Certified and Uncertified) period October – December 2014.

Period	Stock CPO C (Kg)	Stock CPO U (Kg)	Stock PK C (Kg)	Stock PK U (Kg)
Oct-Dec 2014	608,146	-274,757	3,796,474	-3,272,915

Description: C: Certified; U: Uncertified

Status: Comply

5.3

In cases where a mill outsources activities to an independent palm kernel crush, the crush still falls under the responsibility of the mill and does not need to be separately certified. The mill has to ensure that:

- The crush operator conforms to these requirements for segregation
- The crush is covered through a signed and enforceable agreement

Does not have the separated KCP. N/A

Status: Comply

6

Training

6.1

The facility shall provide the training for all staff as required to implement the requirements of the Supply Chain Certification Systems

The management unit has a training program and SCCS (segregation model) socialization in 2015 that will be conducted in April and October 2015. In addition, there is a record on the implementation of SCCS training in 2014 as below:

RSPO SCCS training and upgrade supply chain socialization on 27th November 2014. 5 participants attended this program, such as manager; head of section, processing assistant, SPO officer, PC Babel and Ms. Nazlya Syahputri (SADV Head Office) is the resource person. Attached the attendance sheet, photos and copy of SCCS Segregation training module.

Training and SCCS socialization on 1st December 2014 that was attended by 14 personnel and SPO Officer acted as

resource person. Attached the attendance sheet, photos and copy of SCCS Segregation training module. Training and socialization on RSPO & SCCS segregation on 11th February 2015 that was attended by 9 transporters (who came from PT. SJA 6 persons, PT. Wahana Jasa Bahtera 1 person, and Transporter LWUE/FFB's contractor 1 person) with Unit Head acted as a resource person.

Based on interview result with key personnel such as warden, weighing clerk and dispatch operator, these key personnel have understood the SCCS with Segregation model

Status: Comply

7

Claims

7.1

The facility shall only make claims regarding the use of or support of RSPO certified oil palm products that are in compliance with the RSPO Rules for Communications and Claims.

SOP for Product with RSPO Segregation Supply Chain Model No. PT MP LWI-LWSM/SOP/23 on 1st February 2015.

6.7.4. Product Dispatch

If the weighing ticket and product delivery note have been printed, then the product (CPO/PKO) can be dispatched to bulking. However, it is necessary to consider that if product will be sent to more than one destination, then the entire recipient should be recorded and updated. The PK delivery note to KCP also need to be stored after the product inserted in FFB's processing cycle, however palm kernel become a raw material in a processing process into PKO. The product delivery in this case does not have a symbol, trademark and label that stated in RSPO Rules on Market Communication and Claims because product transfer is within the same processing mill.

Status: Comply

3.3. Conformity Checklist of Certificate and Logo Use *(Only apply for Surveillance Assessment Report)*

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

3.4. Summary of RSPO Partial Certification.

Management unit(s) observed:		
<ul style="list-style-type: none"> Jakluay POM (PT Tapian Nadenggan, East Borneo), supply base: Jakluay Estate (JLYE), Pantun Mas Estate (PMSE), Bukit Subur Estate (BSRE), and Long Buluh Estate (LBLE). 		
2.1	There is compliance with all applicable local, national and ratified international laws and regulations.	X or√
	<p>This company has the evaluation mechanism to measure its compliance toward palm oil plantation related regulation through the SOP regulation and other regulations (SOP / SPO / SMART / LH-03) that issued by EHSD (Environment Health and Safety Department) on 1st July 2010. The SOP explains that the identification and verification on the entire relevant regulation are conducted every six months.</p> <ul style="list-style-type: none"> SK. HGB JLYM: 164-520.2-44.9-2008 PT Tapian Nadenggan: 10.29 ha building certificate (HGB) JLYM No. 01 in 2008 IUP-P JLYM: Kutai Timur Reagent Decree No. 500/675/Eko.2-VIII/2009 PT Tapian Nadenggan: 80 ton/hours. SK.HGU LBLE, JLYE, PMSE: No. 128/HGU/BPN RI/2009: PT Tapian Nadenggan: 11,503.48 ha business license (HGU) No. 68, 69, 70, 71, & 72 in 2009. IUP LBLE, JLYE, PMSE: Kutim Reagent Decree No. 188.4.45/160/Eko.1-X/2012 PT Tapian Nadenggan: 11,703 ha. Location permit BSRE: No. 525.26/K.269/HK/V/2011: PT Tapian Nadenggan: 6,683 ha No. 525.26/K.113/HK/II/2013: PT Tapian Nadenggan: 6,683 ha No. 525.26/K.452/HK/V/2014: PT Tapian Nadenggan: 6,683 ha IUP: Kutim Reagent Decree No. 188.4.45/121/Eko.1-XII/2011 PT Tapian Nadenggan: 6,683 ha. Location permit LBLE: No. 525.26/K.552/HK/VIII-2011: PT Tapian Nadenggan: 560 ha No. 525.26/K.878/HK/XII-2012: PT Tapian Nadenggan: 560 ha No. 525.26/K.451/HK/V/2014: PT Tapian Nadenggan: 560 ha IUP: Kutai Timur Reagent Decree No. 525.26/K.552/HK/VIII/2011 PT Tapian Nadenggan: 560 ha. HGU LBLE and PMSE: on progress. 	√
	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√
	<p>HGU LBLE, JLYE, PMSE:</p> <p>Decree No. 128/HGU/BPN RI/2009: PT Tapian Nadenggan: 11,503.48 ha</p> <p>Business license (HGU) No. 68, 69, 70, 71 & 72 in 2009.</p>	√
	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√
	<p>Unit Management has the SOP-IK cultivation technic for palm oil plantation, SCEP policy (Social And Community Engagement Policy), Company has the SOP for complaint and grievance management, fort internal and external (SOP/ NP / SMART / XII / MCAR001) on 1st July 2010 and</p>	√

	has been socialized to stakeholders on 5 th November 2015, PT. TN has a mechanism for conflict resolution, document number SOP / SPO / SMART / LH-04 on 1 st July 2010 that approved by management in a capital office, Division Environment & Sustainability Division.	
	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√
	Unit Management has the SOP-IK cultivation technic for palm oil plantation, SCEP policy (Social And Community Engagement Policy), Company has the SOP for complaint and grievance management, fort internal and external (SOP / NP / SMART / XII / MCAR001) on 1 st July 2010 and has been socialized to stakeholders on 5 th November 2015, PT. TN has a mechanism for conflict resolution, document number SOP / SPO / SMART / LH-04 on 1 st July 2010 that approved by management in a capital office, Division Environment & Sustainability Division.	√
	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√
	HCV identification has been done, such as: Bukit Subur Est, Bukit Subur KKPA, Pantun Mas KKPA: 23-28 July 2010 Jakluay Est, Pantun Mas Est.: 20-24 th August 2011 Long Buluh Est, Jakluay KKPA: 10-15 th Feb 2012 The NPP audit has been done by PT. Mutuagung Lestari on 19 th August 2013	√
	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√
	Mutuagung Lestari conducted the NPP verification and has been uploaded on RSPO website on 6 th June 2014.	√
	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√
	Land compensation documents are available. Company has a land compensation procedure, stated in SOP / NP / SMART / VII / D & L 002 on 1 st July 2010. The SOP explains: duties and responsibilities, socialization stages, identification, negotiation, compensation payment and documentation from land compensation. The SOP explains the compensation process is based on the agreement, consultation and dialogue by involving the participation from local community leader and local government.	√
	Status: Comply	

3.5 Identification of Findings, Corrective Action, Observations, Opportunity for Improvement and Noteworthy Positive Components.

3.5.1 Identification of Findings, Corrective Actions and Observations at ST1 Assessment

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
2013.01	Major 2.1.1	Compliance Applicable Regulatory Based on documents review, it is known that PT MP LWI has not been able to demonstrate a legitimate Plantation Business Permit (estate and mill) in accordance with applicable regulations.	Mill & Estate	Potential NC	Prior Stage-2	The company must have evidence of compliance of the regulations	<ul style="list-style-type: none"> <i>Root Cause:</i> PT MP LWI has had a legitimate Plantation Business Licensing (estate and mill) in accordance with applicable regulations. But the documents have not been able to demonstrate clearly related area before discharge Permanent Business License No. 610/T/PERTANIAN/INDUSTRI/2009. <i>Problem Solving:</i> Tracing the licensing process related to estates of legitimate businesses (farm and factory) in accordance with applicable regulatory approval of the merger Letter (merged) company No.349/III/PMDN/1998 dated October 21, 1998 which has been explained about the extent and FFB production capacity and has amended in No. Permanent Business License. 610/T/PERTANIAN/INDUSTRI/2009. <i>Preventive Action:</i> PT MP LWI can show documents - related documents and business 	Closed	26 Nov 2013

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							<p>licensing plantation.</p> <p>Auditor Observation: 26 November 2013 In documents Merger or the Merger Agreement Letter Company No: 349/III/PMDN/1998, No.. Project: 1110/3115-07/13-09443, dated October 21, 1998 issued by the Minister of State for Investment / BKPM, has been widely noted land use for PT MP LEIDONG WEST INDONESIA Indonesia is 10,000 ha. The document as a basis for the issuance of business licenses Permanent Head of BKPM Decree No.: 610/T/PERTANIAN/INDUSTRI/2009, dated June 16, 2009 as a valid document permitting plantation owned businesses. So that the potential non conformance stated CLOSED</p>		
2013.02.	Major 2.2.1	<p>Documents of land ownership and land use. PT MP LWI has had a form of land tenure document in the form of HGU certificate issued in 2004. However, documents in the form of land exploitation legitimate Plantation Business Permit (mill) can not be demonstrated.</p>	Mill & Estate	Potential NC	Prior to Stage-2	Companies must be able to show the documents of land cultivation (plantation business permit) in accordance with applicable regulations.	<ul style="list-style-type: none"> Root Cause: PT MP LWI has had a legitimate Plantation Business Licensing (mill) in accordance with applicable regulations. But the documents have not been able to demonstrate clearly related area before discharge Permanent Business License No. 610/T/PERTANIAN/INDUSTRI/2009. Problem Solving: Tracing the licensing process related to estates of legitimate businesses (farm and 	Closed	26 Nov 2013

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							<p>factory) in accordance with applicable regulatory approval of the merger Letter (merged) company No.349/III/PMDN/1998 dated October 21, 1998 which has been explained about the extent and FFB production capacity and has amended in No. Permanent Business License. 610/T/PERTANIAN/INDUSTRI/2009.</p> <ul style="list-style-type: none"> <i>Preventive Action:</i> PT MP LWI can show documents - related documents and business licensing plantation. <i>Auditor Observation:</i> 26 November 2013 In documents Merger or the Merger Agreement Letter Company No: 349/III/PMDN/1998, No.. Project: 1110/3115-07/13-09443, dated October 21, 1998 issued by the Minister of State for Investment / BKPM, has been widely noted land use for PT MP LEIDONG WEST INDONESIA Indonesia is 10,000 ha. The document as a basis for the issuance of business licenses Permanent Head of BKPM Decree No.: 610/T/PERTANIAN/INDUSTRI/2009, dated June 16, 2009 as a valid document permitting plantation owned businesses. So that the non conformance stated CLOSED. 		
2013.03	Minor 2.2.1	Completion evidence of land acquisition and compensation	Estata	Potential NC	Prior to	Companies must be able to show all the recorded	<ul style="list-style-type: none"> <i>Root Cause:</i> PT MP LWI has undergone the completion 	Closed	26 Novemb

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
	Major 2.3.1; 2.3.2; 2.3.3 Minor 6.4.1; 6.4.2; 6.4.3 Major 7.5.3 Major 7.6.1 Minor 7.6.1; 7.6.2; 7.6.4	records. PT MP LWI has not been able to provide evidence related to the completion of land acquisition and compensation process of recording has been made.			Stage-2	evidence completion of land acquisition and compensation have been implemented.	of land acquisition, but has not been able to demonstrate evidence of recording compensation process that has been done. <ul style="list-style-type: none"> <i>Problem Solving:</i> Showing evidence of compensation process record that has been done. <i>Preventive Action:</i> Documentation can be done in the unit location. <i>Auditor Observation:</i> 26 November 2013 Companies can show the evidence of completion of land acquisition in accordance with the reference No. SK Beaver Village Head. 05/2007/3-2004 (146 land owners) and Decree No. Petar Tumbak village head. 470/04/2003/2004 (190 land owners). So that the non conformance stated CLOSED. 		er 2013
2013.04	Minor 5.3.1	Hazardous Waste Management Based on a documents review and interviews, it is known that Hazardous well has been well managed. However, there is still a hazardous waste stored outside depositories licensed Hazardous	Estate	Potential NC	Prior to Stage-2	. Companies must ensure that hazardous waste management in accordance with applicable regulations.	<ul style="list-style-type: none"> <i>Root Cause:</i> Permission Hazardous waste temporary storage not yet clearly state the location and its life cycle in support units (estate, bulking and transport.). <i>Problem Solving:</i> The Company filed a petition regarding the direction and approval of the support unit hazardous waste management to environment bodies of Bangka Barat District and has been approved with storage period for 3 months before being sent to the hazardous waste temporary storage of the 	Closed	26 November 2013

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							<p>mill as a letter No. 660/282/1.08.02/2013 and No. 660/283/1.08.02/2013.</p> <ul style="list-style-type: none"> <i>Corrective Action:</i> The company ensures that the hazardous waste from hazardous waste temporary storage unit support that has been transported to the mill before 3 months. <i>Auditor Observation:</i> 26 November 2013. In accordance with the Hazardous waste management record indicated by PT. BPL and PT. MPLWI, hazardous waste produced in estate (real) sent periodically to the permitted Hazardous Waste Temporary Warehouse polls in Mills (BPRM and LWSM) with a minimum period of 3 months to be sent to a third party who has permission. Collection in TPS with a minimum period of 3 months has received approval from Bangka Barat Regional Environment Impact Control Agency as the competent authority through letter No.660/282/1.08.02/2013. about Hazard Waste Management in response to a request the opinion / advice of the company to Regional Environment Impact Control Agency through letter no. 014/PC-BB/X/2013 on Hazardous waste management. With the approval of Hazardous waste storage permit in PT. BPL 		



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CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							and PT. MPLWI for a maximum of three months as mentioned above, the non conformance CAR.2013.04. stated CLOSED.		

3.5.2 Identification of Findings, Corrective Actions and Observations at ST2 Assessment

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
2013.05	Minor 4.4.1	Groundwater contamination by pollutants The results of water testing in 2012 showed that residential water wells in a LWSE contain contaminants, Coliform, above the clean water quality standards. However, the company has not shown the evidence of evaluation and corrective actions to ensure that no groundwater contamination by pollutants corresponding water quality standards (Minister Regulation. 416 1990).	Estate	NC Minor	S-1	The Company must show evidence of management actions to ensure water sources are not contaminated by pollutants	<ul style="list-style-type: none"> Root Cause: Company has not conducted any evaluation nor improvement actions toward contaminated-well water. Problem Solving: Conducted the examination on well water quality in LWSE housing at laboratory in 2013 thus evaluated the result. Maintaining the well in housing to avoid contamination. Preventif Action: Conducting monitoring on quality of water periodically (annually). Ensuring and maintaining well in LWSE housing to prevent contamination with pollutants. Auditor's observation: 10th February 2015 Company has conducted the examination on water's quality in Leidong West Selatan Estate Division hut and been analyzed by PT. Unilab Perdana, based on the analysis result on 7th December 2013 and on 9th December 2014, the entire parameters including the total coliform is inline with the standard threshold of Ministry of Health Decree No. 416/MENKES/PER/IX/1990 Requirement for clean water. The measured total coliform parameters in 2013 was 21 	Closed	10 Februari 2015

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							MPN/100 ml, in 2014 was 39 MPN/100 ml, still below the standard threshold amount 50 MPN/100 ml		
2013.06	Minor 6.1.3	Monitoring of social impacts The company has not shown evidence of implementation of the social impact monitoring of participatory and involve relevant communities.	Estate & Mill I	NC	S-1	The Company must show evidence of monitoring implementation social impact is participatory and involve relevant communities	<ul style="list-style-type: none"> • Root Cause: There is no evidence that the social impact monitoring has been conducted (due date for the social impact monitoring was in November 2013). • Problem Solving: Provides the implementation evidence of social impact monitoring, which used the participatory approach by involving participation from local community. • Preventive Actions: Company should ensure that the social impact monitoring will be conducted every year and provides the timeline for monitoring schedule • Auditor's observation: 10th February 2015 Company has presents the evidence of in-depth interview with head of Jebus Village, Head of Ibul Village; head of Terentang Village on 16th December 2014 as the evidence of the implementation of social impact monitoring, which has been carried 	Closed	10 Februari 2015

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							out with a participatory approach by involving local community.		
2013.07	Minor 6.5.1	Provision of Adequate Water Facility The company has been providing water supply that is sourced from shallow groundwater (wells) in the housing and has conducted water quality testing. However, based on the results of water testing in the South West Leidong Estate cottage, there are Coliform parameters that have not been appropriate with water quality standards (Minister Regulation. Number 416 in 1990), so that the water supply is not adequate.	Estate	NC	S-1	The company should ensure that an adequate water supply for workers in accordance with the defined quality standards.	<ul style="list-style-type: none"> Root cause: Company has not evaluated yet conducted improvement action on the contaminated clean water source. Problem solving: Conducting the examination on housing well water quality in LWSE laboratory in 2013 thus evaluating the result. Maintaining well in housing to prevent the contamination. Preventif Actions: Conducting periodic monitoring on well water quality (annually). Ensuring and maintaining well water in LWSE husing to prevent pollution. Auditor's observation: 10th February 2015 Company has examined the quality of well water in Leidong West Selatan Estate Division hut and the well water has been analyzed in PT. Unilab Perdana, based on the analysis result on 7th December 2013 and on 9th December 2014, the entire parameters including the coliform has been inline with the standard threshold by Ministry of health decree No. 	Closed	10 Februari 2015

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							416/MENKES/PER/IX/1990 requirement for clean water. Total measured coliform parameters in 2013 was amount 21 MPN/100 ml, in 2014 was 39 MPN/100 ml, both were under the standard threshold 50 MPN/100 ml		

3.5.3 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
2015.01.	Minor 2.1.1	<p>The evaluation mechanism for compliance toward the applicable regulations and policies.</p> <p>Based on document's review over the compliance toward the applicable regulations and policies, its known that some regulation have not been stated in the document, such as:</p> <ul style="list-style-type: none"> • Law No. 37 in 2014 and water conservation • Ministry of Forestry Decree No. 60 on 2014 classification of river's flows area. • Law No. 18 in 2013 related to prevention and eradication on forest destruction. • Law No. 39 in 2014 related to plantation. • Ministry of home Affairs, Ministry of Forestry and Plantation, National Land Agency Collective Decree No. 8 in 2014 regarding the settlement mechanism for land occupation within the forest area • Ministry of Environment Decree No. 97 in 2014 regarding the 	Estate & Mill	Minor	S-2	<p>The management unit must present the evaluation evidence on the compliance toward the applicable regulations and policies.</p>	<p><i>Root cause:</i></p> <p><i>Problem Solving:</i></p> <p><i>Preventive Actions:</i></p> <p><i>Auditor's Observation:</i></p>	Open	

		<p>handover of responsibility to grant the permit for environment and forestry to investment coordination bureau.</p> <ul style="list-style-type: none"> • Law No. 66 in 2014 regarding the environment health • Law No. 40 in 2004 regarding the national social insurance system • Government regulation No. 86 in 2013 regarding the implementation of social insurance. 							
2015.02.	Minor 4.6.2.	<p>Special medical examination for spraying personnel.</p> <p>Based on documents' review of special medical examination on 7th October 2014 from UPT Balai Hiperkes, Bangka Belitung Province for spraying personnel in 2014, its known that:</p> <p>LWUE: there were 9 out of 15 spraying personnel who did not followed the special medical examination.</p> <p>BMSE: 1-spraying personnel (spraying supervisor) did not follow the special medical examination.</p>	Estat e	Minor	S-2	The management unit must present the evidence that spraying personnel have participated in special medical examination.	<p><i>Root cause:</i></p> <p><i>Problem Solving:</i></p> <p><i>Preventive Actions:</i></p> <p><i>Auditor's Observation:</i></p>	Open	
2015.03.	RSPO Certification	<p>Implementation of Time Bound Plan</p> <p>There was evidence on <i>time bound plan</i> revision for SMART Tbk, for instance</p>	-	Minor	S-2	The management unit must present the evidence of the justified <i>Time Bound Plan</i>	<p><i>Root cause:</i></p> <p><i>Problem Solving:</i></p>	Open	



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	Syste m 4.2.4.c (Minor)	Pelakar Mill and its supply base. However, company cannot present the evidence of the justified <i>Time Bound Plan</i> revision.				revision.	<i>Preventive Actions:</i> <i>Auditor's Observation:</i>		
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3.5.4 Opportunity for Improvement

No	Ref Std	Descriptions
1	Minor 4.2.1	Records of periodic soil, leaf and visual analysis activities. Company has an opportunity to evaluate the duration of soil analysis for soil sample analysis from 23 years old plantation location, which has been taken as sample since February 2014. (Observation)
2	Major 5.1.2.	Record on Environment management report Company has an opportunity to present periodic monitoring data and information as an input for evaluating and improving the environment management <i>(continual improvement)</i> . (Observation) .
3	Major 5.2.3.	Company's efforts to protect rare and endangered wildlife should be inline with the applicable regulation, including the prevention actions on hunting activity, illegal fishing and so forth. Company has an opportunity to the monitoring data of natural vegetation and ensuring that there habitat within the HCV area in a good condition. (Observation) .
4	Minor 5.3.1.	There is a plan for hazardous waste management as well as the guideline to dispose agro chemical waste and its package in accordance with the applicable regulation. Company has an opportunity to ensure the existing of temporary hazardous waste storages are within the permit that owned by both entities, PT. MP LWI and PT. BPL. (Observation) .
5	Minor 6.1.1.	Periodic social impact management and monitoring plan by involving community's participation. Company has an opportunity to present periodic monitoring data and information by involving community's participation as an input for drafting social impact management and monitoring plan.
6	SCCS Version 2011 Clause 3.1.	Facility should records the accurate, complete and update documents and make sure that it is easy to access and the record should covers the entire required aspects. The LWSM unit has a chance to complete its record to be accurate, complete and up date.



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3.5.5 Noteworthy Positive Components

No	Ref Std	Descriptions
1		The company's commitment to implement the principles of sustainable management of oil palm
2		personal competence in their field
3		PT. MP LWI has ISCC certified in 2013

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

Public Issues (Institution/ NGO/Community)	Management Responses	Auditor Responses
<p>Manpower and Transmigration Agency in Bangka Barat District</p> <p>Company has been periodically reporting its guiding committee for occupational health and safety report, work accident report and mandatory manpower report.</p> <p>The license for machinery equipment in BPRM, BPTE, BPRE have been expired.</p> <p>Heavy equipment operator in PT. MPLWI and PT. BPL using the inadequate PPE, such as not wearing safety shoes.</p>	<p>Company has been periodically reporting its guiding committee for occupational health and safety report, work accident report and mandatory manpower report, in accordance with the applicable regulation.</p> <p>The license for machinery equipment in BPRM, BPTE, BPRE are valid from 24th November 2014 to 24th November 2016</p> <p>All heavy equipment operators in PT BPL and PT MPLWI are wearing safety shoes in accordance with their type of work.</p> <p>As a heavy equipment operator, their main duty is to operate the equipment. If there is a damaged on the equipment, then mechanical person and technician from vendor together with company will fix it. Personnel are obligated to wear complete PPE.</p>	<p>Documents review reveal that the units management, have been periodically reporting its guiding committee for occupational health and safety report, work accident report and mandatory manpower report</p> <p>Documents review reveals that the entire equipment has a valid license.</p> <p>The unit's management can re-evaluate the PPE's distribution in accordance with work risk.</p>
<p>Environment management and monitoring Bureau in Bangka Barat District</p> <p>The LA licensed almost expired, company should consider to</p>		



Public Issues (Institution/ NGO/Community)	Management Responses	Auditor Responses
<p>extent the license.</p> <p>There is an ambiguity in PT. MPLWI and PT. BPL's environment documents (using the environment management report and environment monitoring report or environment impact mangement report), in addition, the implementation report on environment management and monitoring report does not contains the entire exiting documents (UKL-UPL&DPLH).</p> <p>examination on environment quality stated in environment management report and environment monitoring report or environment impact mangement report in December 2014 did not have KAN accreditation symbol. Company must ensure the laboatory has been accredited by KAN.</p> <p>Company will verify the environment document with the actual mill and estate operation activity.</p>	<p>Based on date of license stated in LA, the license is valid until 23rd May 2015.</p> <p>Company should re-register at least two months prior to the expiration date, which is in March 2015.</p> <p>PT. MP LWI has 2 (two) environment documents, such as the environment management report and environment monitoring report for estate and environment impact mangement report for mill. So far company has periodically submitted the environment management report and environment monitoring report or environment impact mangement report every six months.</p> <p>PT. BPL has an environment report in a form of environment impact analysis that has been submitted its environment management report and environment monitoring report periodically every six months.</p> <p>Company has collaboration with UPTB. Environment laboratory BLH Sumatera Selatan Province, which has been accredited by KAN with the accreditations No. LP 231-IDN.</p>	<p>The unit management must ensure that the LA licensed extended in accordance with the applicable regulation.</p> <p>The unit management should communicate with the environmental agency to ensure which document should be used for managing and monitoring environment.</p> <p>The unit management should communicate with the UPTB. Environment laboratory BLH Sumatera Selatan province to ensure the accreditation status.</p> <p>The unit management has an opportunity to increase its environment management and monitoring activity in accordance with the applicable regulation.</p>

Public Issues (Institution/ NGO/Community)	Management Responses	Auditor Responses
	Company has evaluated the appropriateness of environment report with the actual mill and estate operation activity; hence company is ready to be verified.	
Plantation agency in Bangka Barat District Company has submitted its report periodically: the plantation bussines report. There will be an assesment for estate class suitability in 2015. There is an indication that small part within the PT. BPL's estate area has a production forest enclave	Company will regularly carry its obligations in accordance with the applicable regulation. Company has managed its estate based on the applicable regulation and ready for verification. The overlay estate map in PT. BPL and map of Bangka Belitung Island Province, PT. BPL area is not side by side with the protected forest area/production forest area, thus PT. BPL does not have the protected or production forest enclaves within its estate area. The issuance of business license has involved related agencies, hence that is impossible for protected or production forest being included in company business license.	The management unit will ensure the entire periodic reports being submitted to related agencies. The unit management of the entire estate and mill's has been inline with the applicable regulation. The unit management can communicate with related agencies to ensure the status of PT. BPL estate area.
Ibul Village (Head of Amzan Village) Since the beginning of company's operation, there was no	Company maintains its communication with local	The management unit has had the business license.

Public Issues (Institution/ NGO/Community)	Management Responses	Auditor Responses
<p>indication of land conflict because the entire area has earned the business license.</p> <p><u>Aspirations:</u> The realization of proposal or assistance request takes time too long.</p> <p>Lack of recruitment for local community.</p> <p>There is no socialization about the SOP for communication, consultation and complaint.</p> <p>Waste management and monitoring from mill (LWSM) to Lambur River.</p> <p>Jebus Village (Acting as Head of Village, Ms. Endang Siti Rohana)</p> <p>In general, the relationship between company and village administrative runs harmoniously.</p> <p>Mislak Village (Head of Village, Mr. Yuzir AN)</p> <p>In general, the relationship between company and village administrative runs harmoniously.</p> <p><u>Aspiration</u></p>	<p>government and local community in Amzan Village.</p> <p>The entire accepted proposal will follow up in accordance with company's regulation and procedure.</p> <p>Most of personnel in PT. BPL and PT. MP LWI are local community from surrounding estate area and main priority for recruitment is for local community</p> <p>Socialization on SOP of communication, consultation and complaint has been delivered on 16th December 2014.</p> <p>Company has managed and monitored waste pollution from LWSM Mill to Lambur River periodically and regularly, based on the applicable regulation.</p> <p>Company maintains its communication with local government and local community in Jebus Village.</p> <p>Company maintains its communication with local government and local community in Mislak Village.</p>	<p>The management unit implements the assistance program based on the applicable regulation.</p> <p>Document's review reveals that there are some local personnel and when there is a recruitment opportunity, company always prioritizes local recruitment.</p> <p>He management unit can improve the socialization implementation of SOP communication, consultation and complaint.</p> <p>Company can socialize the result of water examination in Lambur River to surrounding community to ensure that there is no contamination.</p> <p>Company has a chance to increase the relationship with local community.</p> <p>Company has a chance to increase the implementation of CSR</p>

Public Issues (Institution/ NGO/Community)	Management Responses	Auditor Responses
Company's attention toward poor people and orphan is in a form of grant assistance.	So far, company has participated on community development, such as through the CSR program for surrounding community.	program for local community.
Local Contractor (CV. Hairunisa-Tito DP) Company makes an open and transparent bidding for the entire projects. Company conducting the socialization on occupational health and safety, and manpower regularly. The payment has been inline with the signed work agreement.	Company conducting an open and transparent bidding for its entire projects It is company's responsibility to deliver the socialization of occupational health and safety, and manpower regularly. Company is committed toward the signed work agreement.	Company offers the project to contractors in a transparent way. Company may improve its implementation on the occupational health and safety program. Company has paid contractor salary based on the signed work agreement on time.
SPPP Indonesia worker union Company gives a freedom to establish and join the worker union and there is no intervention on worker union's activities. Complaint from personnel (harvesting personnel in LWUE) who has been rejected by health integrative service in Tumbak Petar Village	Company gives a freedom to establish and join the worker union So far, the entire personnel in LWUE receive medical service from health integrative service in Tumbak Petar Village, but currently, this integrative service has been changed into medical service for	Company gives a freedom to establish and join the worker union based on the applicable regulation. Company has an opportunity to speed up the delivery of health service to its personnel based on need

Public Issues (Institution/ NGO/Community)	Management Responses	Auditor Responses
Health facility is located far away.	<p>indonesian health insurance member only, thus no longer delivers service for public/ general patient. Hence company provides transportation for LWUE personnel who need to take medical treatment in Polyclinic BINE (PT. BPL) until the registration process in Indonesian health insurance finish.</p> <p>So far, the entire personnel in LWUE receive medical service from health integrative service in Tumbak Petar Village, but now this integrative service has been change into medical service for indonesian health insurance member only, thus no longer delivers service for public/ general patient. Hence company provides transportation for LWUE personnel who need to take medical treatment in Polyclinic BINE (PT. BPL) until the registration process in Indonesian health insurance finish.</p>	
WALHI – Bangka Belitung Consultation has been conducted through questioner email but there is no response yet.	-	-
Sawit Watch – Bogor Consultation has been conducted through questioner email but there is no response yet.	-	-

4.0	CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY
4.1	Formal Sign-off of Assessment Findings
	<p>Hereunder sign by management representative from inspected company to acknowledge a field assessment and agree for all content explained in this assessment report, included of non-compliance findings.</p> <p>Signed on behalf of:</p> <div style="display: flex; justify-content: space-around; align-items: flex-end; margin-top: 100px;"> <div style="text-align: center;"> <p>Company Name Management Representative</p>  <p><u>Ismu Zulfikar</u> Friday, 27th March 2015</p> </div> <div style="text-align: center;"> <p>Mutuagung Lestari Lead Auditor</p>  <p><u>Trismadi Nurbayuto</u> Friday, 27th March 2015</p> </div> </div>

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, District of West Bangka	West Bangka	-	Interview/Direct Visit	09 Februari 2015	Yes	
2	The Superintendence Agency of Manpower and Transmigration, District of West Bangka	West Bangka	-	Interview/Direct Visit	09 Februari 2015	Yes	
3	The Superintendence Agency of Environment Impact (BAPEDALDA), District of West Bangka	West Bangka	-	Interview/Direct Visit	09 Februari 2015	Yes	
4	Village of Jebus, Sub District. Of Simpang Teriti, District of West Bangka	Village of Jebus, Sub District. Simpang Teriti, District West Bangka	-	Interview/Direct Visit	10 Februari 2015	Yes	
5	Village of Mislak, Sub District. Of Teritip , District of West Bangka	Village of Mislak, Sub District. Of Teritip , District of West Bangka	-	Interview/Direct Visit	10 Februari 2015	Yes	
6	Local Contractor (CV. Hairunisa)	Village of Pangkalan Beras, Sub District Of Kelapa, District Of West Bangka	-	Interview/Direct Visit	10 Februari 2015	Yes	
7	SPPP SPSI	PT MPLWI	-	Interview/Direct Visit	10 Februari 2015	Yes	
8	WALHI Bangka Belitung	Province of Bangka Belitung	-	Email	30 Januari 2015		No
9	Sawit Watch	Bogor	-	Email	30 Januari 2015		No

Appendix 2. Assessment Program

DATE		9 – 12 February 2015	
PLANNED TIME	ACTUAL DURATION	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
Monday, 9 February 2015			
07.00 – 08.30 09.00 – 11.30	07.00 – 08.30 09.00 – 11.30	JAKARTA → BANGKA (PANGKAL PINANG) BANGKA (PANGKAL PINANG) → PT. MP LWI	• BY / TM / PH / RR / IWS
09.00 – 10.30 10.30 – 13.30	09.00 – 10.30 10.30 – 13.30	PANGKAL PINANG → Bangka Barat District Government Stakeholders consultation to Related Government Institution (Bangka Barat District Government and local NGO)	• BY / TM / RR / IWS • PH
11.30 – 12.00 14.00 – 17.00	11.30 – 12.00 14.00 – 17.00	• OPENING MEETING • Document Review and Review of Previous Visit Non-conformance (Stage-2)	BY / TM / RR / IWS BY / TM / SP / RR / IWS
Tuesday, 10 February 2015			
08.00 - 12.00	08.00 - 12.00	Field Observation BUKIT MAS Estate • Manuring, Spraying, Harvesting, best agricultural practices • Worker Welfare (payments, complaint mechanism) • Hazardous Waste Material (B3) management • Legal operational and Conservation Area • Worker facilities (housing, health clinic, clean water, etc) and • Land Fire facilities, Storage, ect..	• RR • RR • IWS • BY / TM • IWS • IWS
08.00 – 12.00	08.00 – 12.00	Stakeholders consultation to Nearest village and community leader	• PH
12.00 – 14.00	12.00 – 14.00	BREAK	
14.00 – 17.00	14.00 – 17.00	• Clarification of Public Consultation • Document Review and Review of Previous Visit Non-conformance (Stage-2)	• BY / TM / PH / RR / IWS • BY / TM / PH / RR / IWS
Wednesday, 11 February 2015			
08.00 – 12.00	08.00 – 12.00	Field Observation LEIDONG WEST UTARA Estate • Manuring, Spraying, Harvesting, best agricultural practices • Worker Welfare (payments, complaint mechanism) • Hazardous Waste Material (B3) management • Legal operational and Conservation Area • Worker facilities (housing, health clinic, clean water, etc) and • Land Fire facilities, Storage, ect..	• RR • RR • IWS • IWS • PH • IWS
08.00 – 12.00	08.00 – 12.00	LEIDONG WEST POM : WWTP (IPAL), Operational, K3 (OHS), Supply Chain (Segregation), Hazardous Waste Material (B3) management	• BY / TM
12.00 – 14.00	12.00 – 14.00	BREAK	
14.00 – 15.30	14.00 – 15.30	Continue Field Observation to LEIDONG WEST POM	• BY / TM
14.00 – 17.00	14.00 – 17.00	field observation clarification	• PH / RR / IWS
Thursday, 12 February 2015			
08.30 - 09.30	08.30 - 09.30	CLOSING MEETING	• BY / TM / PH / RR / IWS
10.30 – 12.30 12.00 -	10.30 – 12.30 12.00 -	PT MP LWI – PANGKAL PINANG PANGKAL PINANG - JAKARTA	• BY / TM / PH / RR / IWS • BY / TM / PH / RR / IWS

Appendix 3. Glossary

AAA	:	Agronomy Audit and advisory
AMDAL	:	Analisis Mengenai Dampak Lingkungan (Social and Environmental Impact Assessment)
APD	:	Alat Pelindungan Diri (Personal Protective <i>Equipment</i>)
ASEAN	:	Association of South East Asian Nations
B3	:	Bahan Beracun dan Berbahaya (<i>Hazardous Material</i>)
BOB	:	Barn Owl Box (rumah sarang burung hantu)
BMSE	:	Bukit Mas Estate
BINE	:	Bukit Intan Estate
BLHD	:	Badan Lingkungan Hidup daerah (Environment Agency)
BOD	:	Biological Oxygen Demand
BPL	:	Bukit Permai Lestari
BPN	:	Badan Pertanahan Nasional (National Land Agency)
CBD	:	Convention on Biodiversity
CD	:	Community Development
CPO	:	Crude Palm Oil
CSR	:	Corporate Social Responsibility
EWS	:	Early Warning System
FFB	:	Fresh fruit Bunch
GRK	:	Gas rumah Kaca (Green House Gas)
HCV	:	High Conserbation Value
HGU	:	Hak Guna Usaha (Land Use Title)
HIRARC	:	Hazard Identification Risk Assessment and Risk Control (Identifikasi Resiko Bahaya, Penilaian, dan Pengendalian Resiko Kecelakaan)
IK	:	Instruksi Kerja (Work Instruction)
IPAL	:	Instalasi pengolahan Air Limbah (Waste Water Treatment Plan)
IUP	:	Ijin Usaha Perkebunan (Plantation Operation Licence)
JAMSOSTEK	:	Jaminan Sosial Tenaga Kerja (Social Assurance of Labor)
K3	:	Keselamatan dan Kesehatan Kerja (Occupational Health and Safety)
KER	:	Kernel Extraction Rate (Rendemen Kernel)
KLH	:	Kementrian Lingkungan Hidup (Environment Ministry)
LA	:	Land Application
LB3	:	Limbah Bahan Beracun dan Berbahaya (<i>Hazardous Material Waste</i>)
LC	:	Land Clearing
LWSE	:	Leidong West Selatan Estate
LWSM	:	Leidong West Mill
LWUE	:	Leidong West Utara Estate
MAA	:	Mill Audit and Advisory
MCAR	:	Management Committee Agronomy and Research

MCMD	:	Management Committee for Mill Development
MN	:	Main Nursery
MSDS	:	Material Safety Data Sheet
NGO	:	Non Government Organization
OER	:	Oil Extraction Rate (Rendemen Minyak Kelapa Sawit)
P2K3	:	Panitia Pembina Keselamatan dan Kesehatan Kerja (<i>Committee of Occupational Safety & Health</i>)
PC	:	Production Controller
PHT	:	Pengendalian Hama Terpadu (Integrated Pest Management)
PK	:	Palm Kernel (Inti Sawit)
PKB	:	Perjanjian Kerja Bersama
PKO	:	Palm kernel Oil
POM	:	Palm Oil Mill
PN	:	Pre Nursery
PT BPLP	:	PT Bumipalma Lestari Persada
PUK SPPP-SPSI	:	Pengurus Unit Kerja Serikat Pekerja Pertanian Perkebunan – Serikat Pekerja Seluruh Indonesia
RC	:	Regional Controller
RKL/RPL	:	Rencana Kelola Lingkungan/ Rencana Pemantauan Lingkungan (Environmental Management Plan/ Environment Monitoring Plan)
SMARTRI	:	Smart Research Institute
SMK3	:	Sistem Manajemen Keselamatan dan Kesehatan kerja (OHSAS)
SOP	:	Standart Opearional Prosedur
TPSA	:	Tempat Pembuangan Sampah Akhir
UMR	:	Upah Minimum Regional (Regional Minimum Wages)
UMSP	:	Upah Minimum Sektor Perkebunan (Regional Minimum in Plantation Sector)