

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

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

Plantation Management/Owner : PT Laguna Mandiri subsidiary of SIME DARBY Plantation Sdn Bhd

Plantation Name : Rantau POM, Rantau Estate, Matalok Estate, KKPA Sungai Cengal

Location : Rantau Village, Sub-district of Pamukan Utara, Kotabaru Regency, Province of Kalimantan Selatan, INDONESIA

Certificate Code : **MUTU-RSPO/009**

Date of certificate issue : 30th December 2011

Date of expiry of certificate : 29th December 2016

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Review by	Approved by
ASA-3	16 – 19 Desember 2014	Yudwi Wisnu Rahmanto (Lead Auditor), Marsudi Eko Santoso, Trismadi Nurbayuto, Steve Mualim, Mahmud Firdaus, Doni	Octo HPN Nainggolan	Tony Arifiarachman

Assessment	Approved by MUTUAGUNG LESTARI on:
ASA-3	6 th February 2015

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Figure 1. Location Map of PT Laguna Mandiri (Rantau POM) within Kalimantan Island

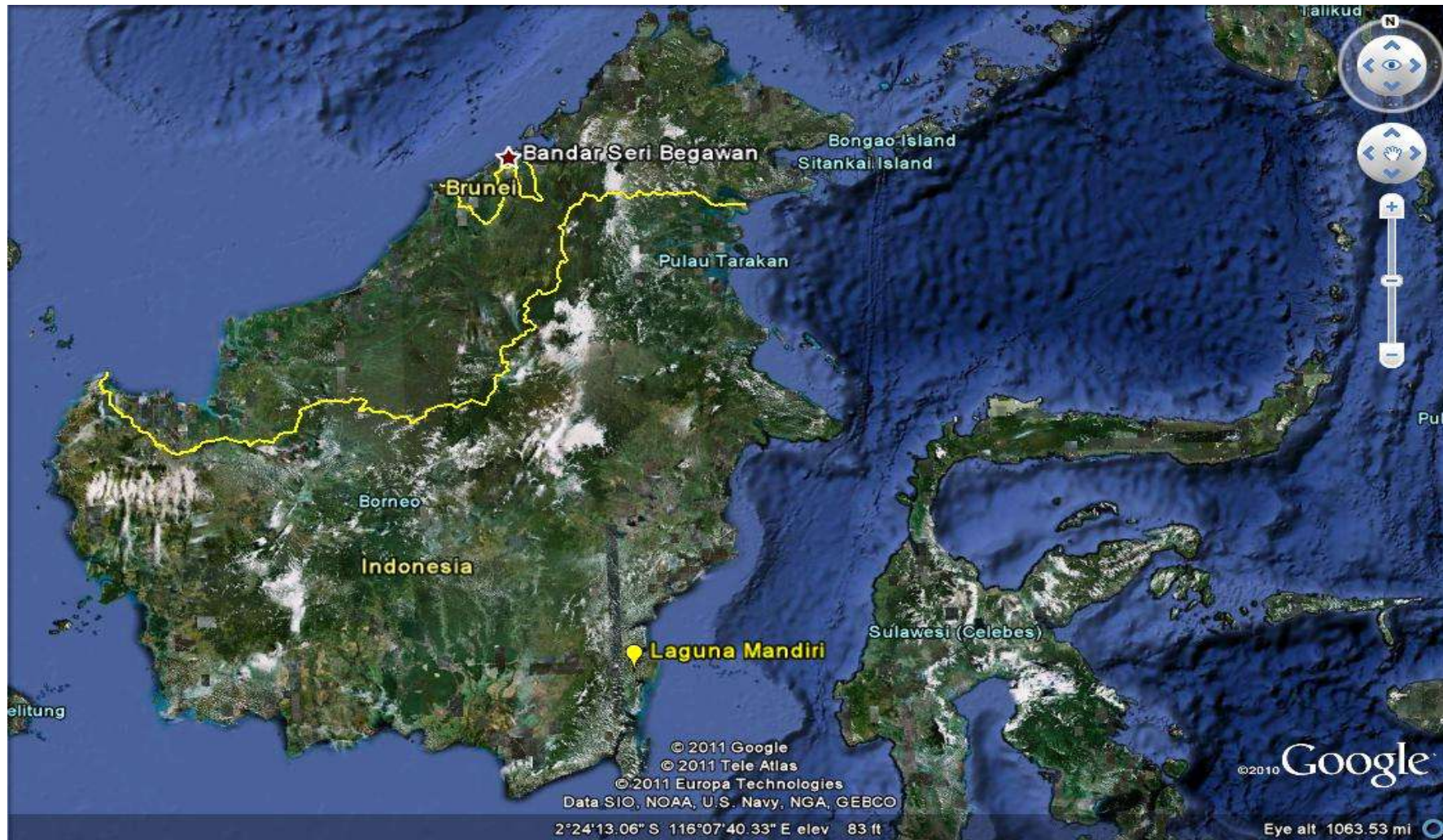


Figure 2. Operational Map of PT Laguna Mandiri (Rantau POM)

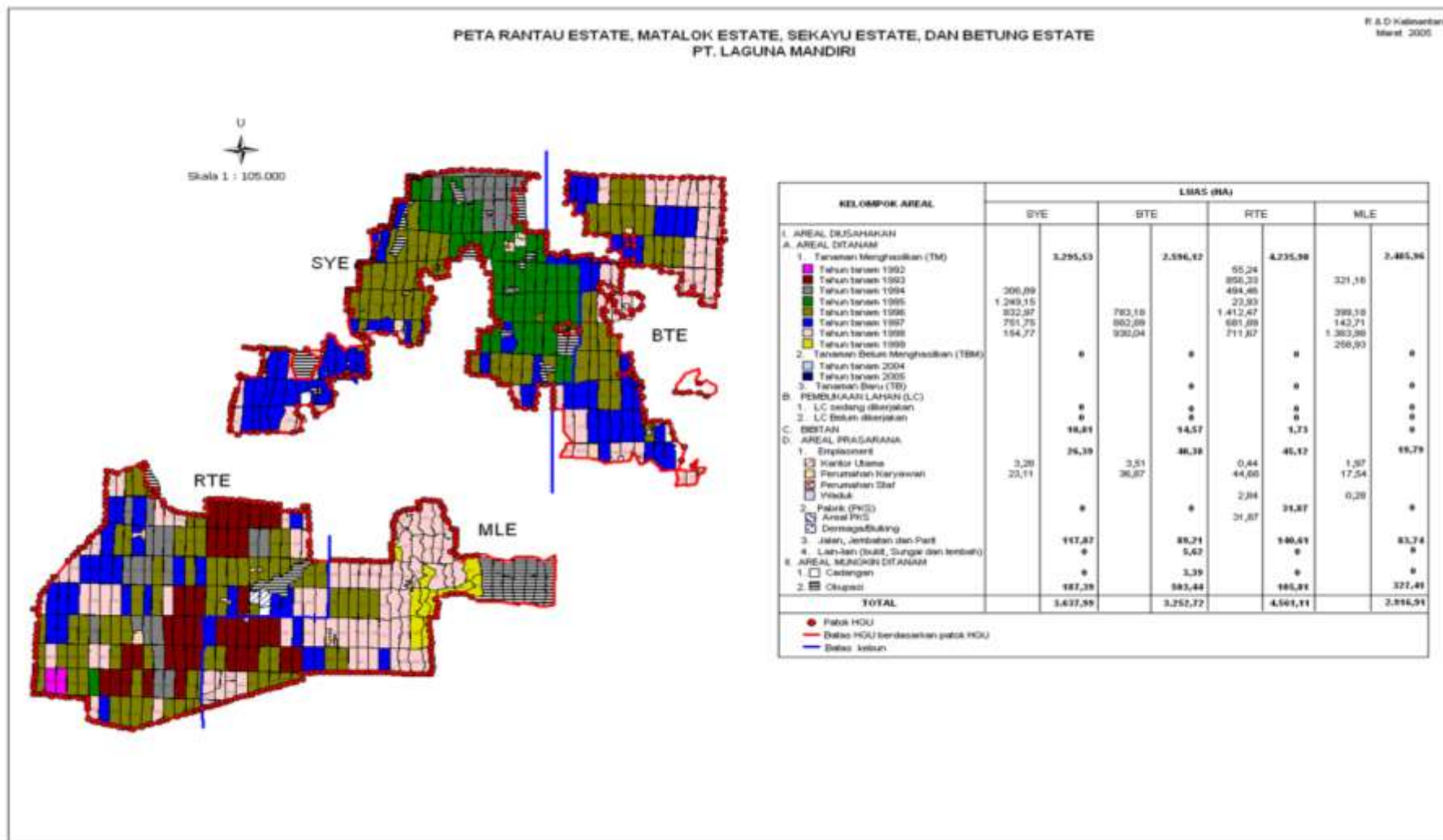
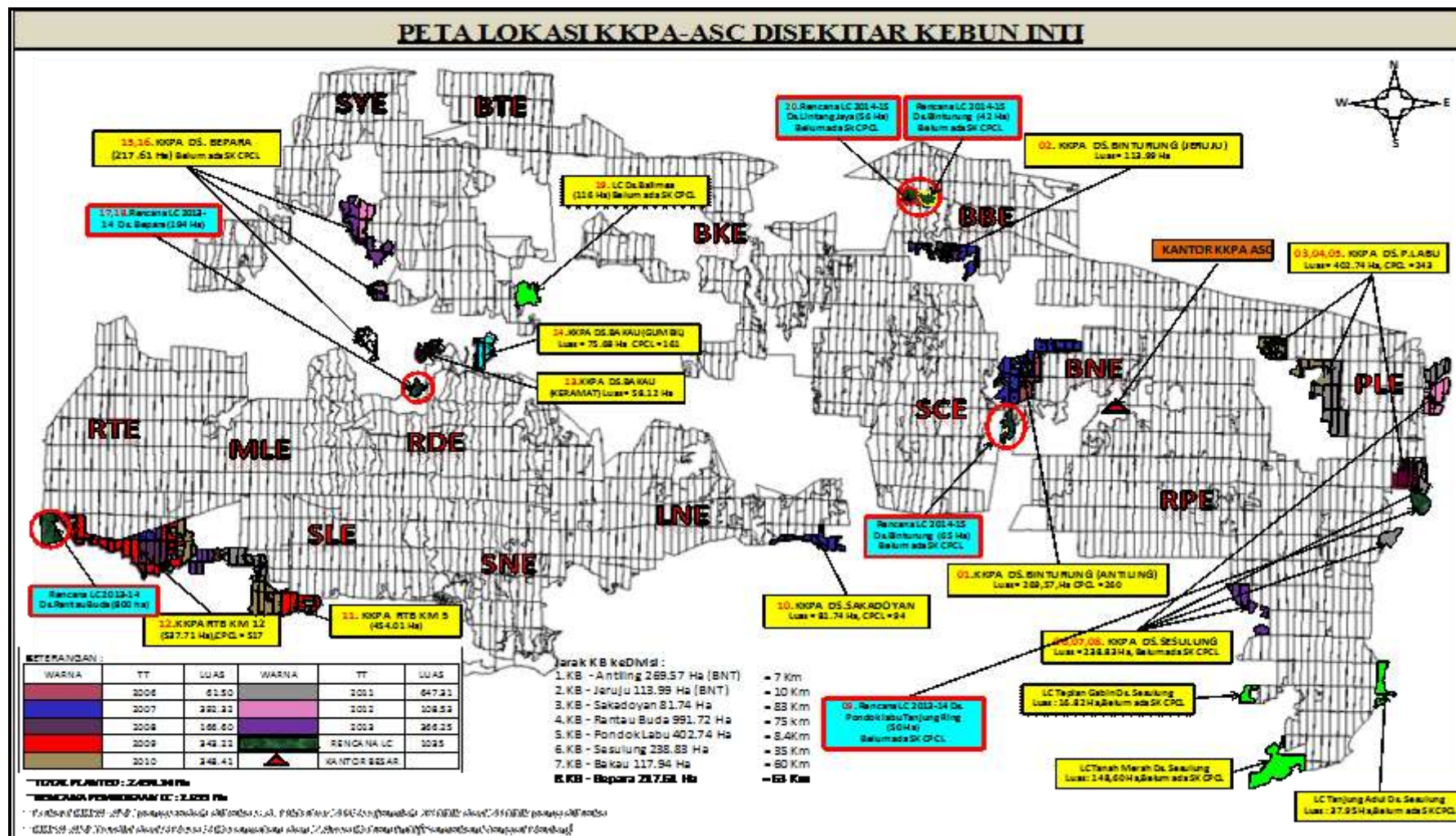


Figure 3. Operational Map of KKPA Sungai Cengal (Full managed Smallholder's scheme)



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. Laguna Mandiiri subsidiary of SIME DARBY Plantation Sdn Bhd					
1.2.2	Contact person	Tang Men Kon					
1.2.3	Company address and site address	Head Office: No: 2, Plantation Tower, Jalan PJU 1A/7 Petaling Jaya, Malaysia 47301. Indonesia Liaison Office The Plaza Office Tower, 36th Floor, Jl. M. H. Thamrin Kav. 28-30, Jakarta 10350 Site Location: Rantau Buda Village, Sub-district of Pamukan Utara, Kotabaru Regency, Province of Kalimantan Selatan					
1.2.4	Telephone	+62-21-29926000					
1.2.5	Fax	+62-21-29922686					
1.2.6	E-mail	mohamad.pirabaharan@simedarby.com					
1.2.7	Web page address	www.simedarby.com					
1.2.8	Company status	Private Company					
1.2.9	Management Representative who completed the application for certification	Mohamad Pirabaharan					
1.2.10	Registered as RSPO member	1-0008-04-000-00 (7 September 2004)					
1.3	Type of Assessment						
1.3.1	Scope of Assessment and Number of management unit	Palm Oil Mill and supply bases • Rantau Mill, Rantau Estate, Matalok Estate, and KKPA Sungai Cengal					
1.3.2	Type of certificate	Single					
1.3.3	Company names listed in the certificate	PT. Laguna Mandiiri – SIME DARBY Plantation Sdn Bhd					
1.4	Locations of Mill, Plantations and Area Statement						
1.4.1	Location of Mill						
	Name of Mill	Location	Coordinate <table border="1"> <tr> <td>Latitude</td> <td>Longitude</td> </tr> <tr> <td>2° 26' 21" S</td> <td>116°6' 51" E</td> </tr> </table>	Latitude	Longitude	2° 26' 21" S	116°6' 51" E
Latitude	Longitude						
2° 26' 21" S	116°6' 51" E						
	Rantau	Rantau Buda Village, Sub-district of Pamukan Utara, Kotabaru Regency, Province of Kalimantan Selatan					
1.4.2	Location of Supply Base						

	Name of Supply Base	Location	Coordinate			
			Latitude	Longitude		
	Rantau Estate	Rantau Buda Village, Sub-district of Pamukan Utara, Kotabaru Regency, Province of Kalimantan Selatan	2° 28' 49" - 2° 23' 51" S	116° 03' 26" -116° 07' 43" E		
	Matalok Estate	Bepara Village, Sub-district of Pamukan Utara, Kotabaru Regency, Province of Kalimantan Selatan	2° 28' 26" - 2° 24' 33" S	116° 06' 03" - 116° 10' 25" E		
	KKPA Sungai Cengal	Binturung Village, Sub-district of Pamukan Utara, Kotabaru Regency, Province of Kalimantan Selatan	2° 24' 14" S	116° 26' 34" E		
1.4.3	Tenure					
	• State		7,720.00 Ha			
	• Community		2,812.23 Ha			
1.4.4	Area Statement					
		PT Laguna Mandiri (Ha)	KKPA Sungai Cengal (Ha)	TOTAL (Ha)		
	• Total area	7,720	2,812.23	10,532.23		
	• Mature area	6,651.48	1,889.81	8,541.29		
	• Immature area	230.99	867.10	1,098.09		
	• Mill	34.00	-	34.00		
	• Emplishment	49,31	13.40	13.40		
	• Infrastructure (road, bridge, trench)	319,20	-	0.00		
	• Occupation	365,72	-	0.00		
	• HCV	69.67	41.92	111.59		
1.5	Description of Supply Base					
1.5.1	Description of Mill					
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/ year)	CPO Out put (tonnes) Extraction (%)	Palm Kernel Out put (tonnes) Extraction (%)	
	Rantau	60	205,678.25	45,679.97 22.21	10,395.11 5.05	
	*Source Production Data January 2014 - December 2014					
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) %
	Rantau Estate	4,638	4,231.94	81,045.30	19.15	81,045.30 100
	Matalok Estate	3,082	2,650.14	46,131.10	17.41	46,131.10 100
	KKPA Sungai Cengal (1,832 Smallholder's)	2,812.23	2,756.91	10,898.39	3.95	4,050.67 37.17
	TOTAL	10,532.23	9,638.99	138,074.79	14.32	131,227.07 95.04
	*Source Production Data January 2014 - December 2014					

1.5.3	FFB description from other source					
	Name of source(s)	Member(s)	Location		Supplied to Mill	
					FFB (tonnes/year)	%
	Randi Estate (PT Swadaya Andika)	RSPO Certified (MUTU-RSPO/015)	Sub-District of Pamukan Utara, Kotabaru Regency, Province of Kalimantan Selatan		37,265.52	-
	Selabak Estate (PT Swadaya Andika)				34,427.19	-
	Sangkoh Estate (PT Swadaya Andika)				1,079.61	
	Lanting Estate (PT Swadaya Andika)				1,693.04	-
	TOTAL				74,465.36	-
*Source Production Data January 2014 - December 2014						
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)
		Rantau Estae (Ha)	Matalok Estate (Ha)	KKPA Sungai Cengal (Ha)		
	1992	78.94			78.94	
	1993	873.67	229.06		1,102.73	
	1994	641.64			641.64	
	1996	1,388.76	528.25		1,917.01	
	1997	603.36	142.90		746.26	
	1998	645.57	1,404.93		2,050.5	
	1999		237.00		237.00	
	2006			61.50	61.50	
	2007			392.32	392.32	
	2008		108.00	166.60	274.60	
	2009			347.79	347.79	
	2010			302.13	302.13	
	2011			619.47	619.47	
	2012			99.20	99.20	
	2013			410.62	410.62	
	2014			199.82	199.82	
	2015			157.46	157.46	
	TOTAL		4,231.94	2,650.14	2,756.91	9,638.99
1.6.2	New Planting area after January 2010			Ha		
1.6.3	Planting Cycle			25 Years		
1.7	Approximate Tonnage Certified					

1.7.1	Past Annual Claim Certified Product		Previous Certificate Claim (tonnes/year)		Actual certified product (tonnes/year)		
	• FFB Production		153,231.94		184,430.26		
	• CPO Production		62,946.00		40,795.30		
	• Palm Kernel (PK) Production		13,168.00		9,326.22		
	<i>** Certificate Claim period 30 December 2013 – 29 December 2014</i> <i>** Actual Claim periode 30 December 2013 – 16 December 2014</i>						
1.7.2	Claim Certified of FFB						
	Name of Estate(s)		Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)	
	Rantau Estate		4,638	4,231.94	86,096.89	20.34	
	Matalok Estate		3,082	2,650.14	44,264.24	16.70	
	KKPA Sungai Cengal		2,812.23	2,756.91	19,684.40	7.14	
	TOTAL		10,532.23	9,638.99	150,045.53	15.57	
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 (%)
	Rantau	60	150,045.53	34,615.50	23.07	8,102.46	5.40
1.8	Other Certifications						
	ISO 9001:2008		-				
	ISO 14001: 2004		-				
	OHSAS 18001:2007		-				
	ISCC		-				
	Others		-				
1.9	Time Bound Plan						
1.9.1	Time Bound Plan for Other Management Units						
	MANAGEMENT UNIT		Estate (Supply Base)	Time Bound	LOCATION		
	P O M	Time Bound					
	Sekunzir. PT. Indotruba Tengah	Certified 2010	Sekunzir	Certified 2010	Seruyan and West Kotawaringin District – Central Kalimantan		
			Seruyan	Certified 2010			
	Manggala. PT. Tunggal Mitra Plantations	Certified 2010	Manggala 1	Certified 2010	Rokan Hilir District – Riau		
			Manggala 2	Certified 2010			
			Manggala 3	Certified 2010			
	PT. Sime Indo Agro	Certified 2010	PT. Sime Indo Agro	Certified 2010	Sanggau District –West Kalimantan		
	Teluk Siak. PT Aneka Inti Persada	Certified 2011	Teluk Siak	Certified 2011	Pekanbaru, Siak District – Riau		
			Pinang	Certified 2011			

			Sebatang		
			Aneka Persada	Certified 2011	
	Sungai Pinang. PT. Bina Sains Cemerlang	Certified 2012	Sungai Pinang	Certified 2012	Musi Rawas District – South Sumatera
			Bukit Pinang	Certified 2012	
	Sukamandang. PT. Kridatama Lancar	Certified 2011	Sukamandang	Certified 2011	Seruyan and East Kotawaringin District – Central Kalimantan
			Sapiri	Certified 2011	
			Baras Danum	Certified 2011	
			Kuala Kuayan	Certified 2011	
	Pematang. PT. Teguh Sempurna	Certified 2011	Pematang	Certified 2011	Seruyan and East Kotawaringin District – Central Kalimantan
			Kawan Batu	Certified 2011	
			Hatan Tiring	Certified 2011	
			Batang Garing	Certified 2011	
	Alur Dumai. PT Lahan Tani Sakti	Certified 2011	Alur Dumai	Certified 2011	Rokan Hilir District – Riau
	Teluk Bakau. PT. Bhumireksa Nusa Sejati	Certified 2011	Teluk Bakau	Certified 2011	Indra Giri Hilir District – Riau
			Nusa Perkasa	Certified 2011	
			Nusa Lestari	Certified 2011	
	Mandah. PT. Bhumireksa Nusa Sejati	Certified 2014	Mandah	Certified 2011	Indra Giri Hilir District – Riau
			Rotan Semelur	Certified 2011	
	Angsana Mini. PT Sajang Heulang	Certified 2011	KKPA-1 PT.SHE	Certified 2013	Tanah Bumbu District – South Kalimantan
			Pantai Bonati	Certified 2011	
	Angsana. PT Ladangrumpun Suburabadi	Certified 2011	Angsana	Certified 2011	Tanah Bumbu District – South Kalimantan
			Gunung Sari	Certified 2011	
			KKPA-4 PT.SHE	Certified 2013	
	Mustika. PT Sajang Heulang	Certified 2013	KKPA-2 PT.SHE	Certified 2013	Tanah Bumbu District – South Kalimantan
			KKPA-3 PT.SHE	Certified 2013	
			KKPA-5 PT.SHE	Certified 2013	
	Gunung Aru. PT Bersama Sejahtera Sakti	Certified 2011	Gunung Aru	Certified 2011	Kotabaru District – South Kalimantan
			Gunung Kemas	Certified 2011	
			Laut Timur	Certified 2011	
			Pantai Timur	Certified 2011	
	Bebunga. PT. Langgeng Muaramakmur	Certified 2011	Sungai Cengal	Certified 2011	Kotabaru District – South Kalimantan
			Bebunga	Certified 2011	
			KKPA Sungai Cengal	2014	
	Pondok Labu. PT Paripurna Swakarsa	Certified 2012	Binturung	Certified 2012	Kotabaru District – South Kalimantan
			Pondok Labu	Certified 2012	
			Rampa	Certified 2012	
			Sesulung	Certified 2012	
	Selabak. PT Swadaya Andhika	Certified 2012	Selabak	Certified 2012	Kotabaru District – South Kalimantan
			Randi	Certified 2012	
			Sangkoh	Certified 2012	

			Lanting	Certified 2012	
	Rantau. PT Laguna Mandiri	Certified 2012	Rantau	Certified 2012	Kotabaru District – South Kalimantan
			Matalok	Certified 2012	
	Betung. PT Laguna Mandiri	Certified 2014	Betung	Certified 2012	Kotabaru District – South Kalimantan
			Sekayu	Certified 2012	
	Ungkaya. PT Tamaco Graha Krida	Certified 2012	Ungkaya	Certified 2012	Morowali District – Sulawesi Tengah
			Plasma TGK	2015	
	Ladang Panjang. PT Bahari Gembira Ria	Certified 2012	Ladang Panjang	Certified 2012	Muaro Jambi District - Jambi
			Plasma BGR	2015	
	Rantau Panjang. PT Guthrie Pecconina Indonesia	Certified 2012	Rantau Panjang	Certified 2012	Musi Banyuasin District – South Sumatera
			Bumi Ayu	Certified 2012	
			Karang Ringin	Certified 2012	
			Napal	Certified 2012	
			Mangun Jaya	Certified 2012	
			KKPA Sungai Pinang	2015	
	Blang Simpo. PT Perkasa Subur Sakti	Certified 2013	Tamiang (PT PPP)	Certified 2013	Aceh Tamiang and East Aceh District – Nanggroe Aceh Darussalam
			Batang Ara ((PT PSK))	Certified 2013	
			Blang Simpo-01 (PT PPP)	Certified 2013	
			Blang Simpo-02 (PT PPP)	Certified 2013	
	MAS. PT Mitra Austral Sejahtera	2020	MAS 1	2020	Sanggau District – West Kalimantan
			MAS 1	2020	
			MAS 1	2020	
	Lembiru. PT Sandika Nata Palma	Certified 2014	Lembiru	Certified 2014	Ketapang District – West Kalimantan
			Awatan	Certified 2014	
			Pelanjau (PT BAL)	2014	
			Sungai Putih (PT BAL)	2014	
			Baturus (PT BAL)	2014	
	<p>Sime Darby has achieved 39 managment units in Malaysia and 21 Management Units in Indonesia RSPO certified. There was change of the Time Bound Plan under Sime Darby cause the Sime Darby postpone the others certification process. Change of the Time Bound Plan explanation: PT Mitra Austral Sejahtera. There are social issue still unresolved from the Serikat Petani Kelapa Sawit (SPKS) Sanggau however the improvement are in progress. Sime Darby has informed the Time Bound Plan progress, MUTUAGUNG has consider that Sime Darby still comply with the RSPO requirement for partial certification.</p>				
1.9.2	Progress of Associated Smallholders and Outgrowers for Certifiable Standard				
	KKPA Sungai Cengal as associated smallholder of Rantau Palm Oil Mill is been implemented and certified of RSPO standards within three years after the Rantau mill certified.				

2.0	ASSESSMENT PROCESS
2.1	Certification Body
	<p>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</p>
2.2	Assessment Team
ASA-3	<ol style="list-style-type: none"> Yudwi Wisnu Rahmanto (Lead Auditor). Bachelor of Forestry with Silviculture background. He worked at professional independent Certification Body as an Auditor for last 3 years and has involved in auditing activities with various certification schemes. Selected training which have been followed, such as RSPO Endorsed Lead Auditor Training Course, ISPO Auditor/Lead Auditor Course, Quality Management System (QMS) ISO 9001:2008 Auditor/Lead Auditor Course, GIS-Basic Mapping and Spatial Analysis, Timber Legality Assurance System (SVLK), Verification Organization Training C.A.F.E Practices (Starbucks) and others internal training programs. He has involved in auditing activities, such as Sustainable Forest Management by FSC FM/COC Scheme, Sustainable Palm Oil by RSPO and ISPO Scheme, Coffee And Farmer Equity (C.A.F.E Practices) Starbucks, Organic Standard (EU, NOP, JAS) for Coffee Farmers and Organic Exchange for Textile. During this audit S-3 audit, he assigned to verify of legal and conservation aspects Marsudi Eko Santoso (Auditor). Bachelor of Agriculture, majoring in Agro technology. Followed Auditor/Lead auditor Management System Certification (ISO 9001-2008), Awareness HACCP certification, training of RSPO auditor and training of RSPO Lead Auditor, ISPO Lead auditor training, awareness green house gas and OHSAS technical expert. Currently he works for Independent Certification Body. He had involved activities RSPO and ISPO certification assessment as an auditor. . During this audit S-3 audit, he assigned to verify of legal and bset preactice aspects Trismadi Nurbayuto (Auditor). Bachelor of Economics from the Department of Agribusiness, Faculty of Economics and Management, Bogor Agricultural University. Specialists for Environmental Social Impact Assessment (SEIA) and High Conservation Value (HCV). Has attended several training such as: HCV, Auditor for Indonesian Sustainable Palm Oil (ISPO) training and Auditor/Lead auditor Management System Certification (ISO 9001-2008). Previously worked in the private oil palm plantations, became HCV assessor who registered at the Roundtable on Sustainable Palm Oil (RSPO) until 2014. He has been involved in the SEIA and Identification of HCV in Plantation company. . During this audit S-3 audit, he assigned to verify of workers welfare and conservation aspect Steve Mualim (Auditor). Master in Environmental and natural resources management, Bogor Agricultural University. He has worked as a freelance in several consultant in the Environmental Impact Assessment. He has followed training of Lead Auditor training ISPO, RSPO awareness, Ecological Risk Assessment, Asian Network Update and Carbon, and Climate Change Mitigation and Adaptation for Agricultural Productivity and Auditor/Lead auditor Management System Certification (ISO 9001-2008). During this audit S-3 audit, he assigned to verify waste management and environmental aspects Doni (Auditor). Master's Program In Sociology Rural. Have been following the certification of Sustainable Production forest management (PHPL) Ecolabel of Indonesia (LEI) in 2008 and Training Up-Grading at the Pusdiklat PHPL Forestry Bogor in 2010. Since 2003 has been a several times to audit certification of PHPL, among others: PT Bintuni Straits Bay Main Agro Mina Prop. West Papua in 2010 PT. ITCIKU Prop. In 2009, Kaltim Cooperative Meranti Grow Beautiful Prop. In 2008, PT Kaltim Memberamo Indan Agro Mandiri in 2008, PT Arara Abadi Prop. Riau in 2005, PT INHUTANI III (Nanga Pinoh) Kaltim, 2003. Since 2005-present work free lance in BAPPENAS, Ministry of Regional development is lagging behind (KPDT) and Ministry Director General Cipta Karya PU as an evaluation team. 2006-2007 working in JICA-UN-HABITAT and UNDP. During this audit S-3 audit, he conducted an assessment on the employment and social aspects. Mahmud Firdaus (Trainee Auditor). Diploma of security supervisor food quality, bogor agricultural institute. He experienced in the field of quality assurance (qa). The training ever followed is training lead auditors ispo, rsपो awareness, iso 14001: of 2004 training is green house gases, iso 9001: 2008 and training haccp. During this audit S-3 audit, he assigned to verify factory best practice aspects

2.3	Assessment Methodology, Assessment Process and Locations of Assessment
2.3.1	Figure of person days to implement assessment
ASA-3	<p>Number of auditors : 6 auditor</p> <p>Number of days for ASA-3 at site : 4 days</p> <p>Number of working days for ASA-3 at site : 24 Working days</p>
2.3.2	Detail process of assessment
ASA-3	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT. Laguna Mandiri 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 Supply Chain Requirement for CPO Mill</p> <p>The assessment was conducted in three methods: (1) document review, aiming to observe the sufficiency of types or substances from required documents; (2) <i>interview</i>, aiming to obtain more detailed information and cross check the information; and (3) field observation, aiming to observe directly the sufficiency of implementation on site.</p> <p>Some opportunities for improvement of the results ASA-3 delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase (ASA-4).</p> <p>Improvement of findings from main assesment findings were observed by auditors at this ASA-3 assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of ASA-3</p> <p>The assessment program please find Appendix 2</p>
2.3.3	Locations of Assessment
ASA-3	<p><u>Matalok Estate:</u></p> <ol style="list-style-type: none"> Block E31&E31 Division 2. Auditor was observing the program of spraying, Auditor was also interviewing spraying workers. Entire workers have used PPE provided by company. Specific medical check is also held by company. Foreman has been equipped with First Aid Kit and proper drugs refer to the regulations. Central Clinic. Auditor was observing medicine room, hazardous waste storage and auditor was also interviewing estate paramedic. According to the information of estate paramedic, there was no work accident for last one year. Block D28&D29 Division 2. Auditor was observing FFB harvesting operation and interviewing the FFB harvester; during the field visit, entire employees have used the provided PPE; the employees have aware of mature fruit criteria. Foreman have been equipped with first aid kit and proper drugs refer to the regulation. LA Area of Block C24 Division 2. Auditor was observing the location of small pond and land application, there was no leakage indication. Furthermore, the procedure and time to open and close the effluent flow was described by the auditor-interviewed foreman. Workshop. Auditor was observing managementof environment nearby workshop and interview the employees, according to the information, there are employees who participate the welding expert certification. Petroleum Tank. Auditor was observing management of environment nearby petroleum tank. According to the observation, there has been secondary containment. Chemicals Warehouse. Auditor was observing management of environment nearby chemicals warehouse. According to the information, there has been MSDS provided and specific medical check up (spirometry) has been for employees has been held. BSS House. Auditor was observing the condition of BSS house, there are storing place of sprayers costum, equipment washing station, bathing station for employees and chemicals mixing station. Generator Station. Auditor was observing management of environment nearby generator station. According to the data, there has been second containment installed and no spillage of diesel fuel. Employees Housing Complex of Division1 and Division 2. Auditor was observing the condition of employees housing complex and interviewing one of the settler. According to the information, the house condition is proper. Block B003 PB14Barn Owl Box is found in good condition and there is indication of owl existence refer to the feses and food. Block B001 PB 11Turnerna Subulata is found well grown.

Rantau Estate

1. **Spraying Program in Block D10-D11, Division 2.** Observation and interview with the sprayer and sprayer foreman, employees have aware of the spraying procedure, employees have used proper PPE, according to the interview, entire employees have received periodic medical check up and there is no pregnant or breastfeeding women on the spraying workers team.
2. **Landfill (Block B9), Division 2.** Auditor team was observing the operation in landfill. According to the result of observation, the storing and hoarding of domestic waste has been conducted refer to the procedure applied by company.
3. **Housing Complex of Block C10 Div 2 (House Number of H4&H3).** According to field visit and interview with the employees in housing complex, employees have aware of the procedure of complaint delivery, domestic waste management, and has been trained of fire emergency response.
4. **Barn Owl Box.** Auditor was visiting the location of barn owl box in block C9 division 2. The barn owl box is inhabited by the mature owl.
5. **Workshop.** Auditor was observing and interviewing the workers in workshop, workers are using standard PPE, workers have aware of the risk and danger level, welding expert has been certificated and company has conducted periodic medical check up.
6. **Used Agrochemical Warehouse.** Auditor team was observing the management of used agrochemical warehouse. According to the observation result, the package of the used agrochemical has been well managed. The storing of used agrochemical containers did not exceed the applied storing period and hazardous waste has been marked refer to the applied regulation. Company has also conducted routine delivery of the used agrochemical package to the licensed hazardous waste storage in POM.
7. **Herbicide Application in division 1 block D10.** According to the result of observation, sprayers have used proper PPE (apron, msker, helmet, glasses). Entire sprayers have well aware of the herbicide application procedure and protection of riparian area.
8. **Harvest in division 1 block B78.** According to field observation, the harvesters are able to describe the harvesting criteria, the harvesters have used PPE, and they have aware of the occupational health and safety procedure related to harvesting technique.
9. **Empty Fruit Bunch Application in block C11 division 2.** According to the field observation of the empty fruit bunch application. Entire empty fruit bunch application programs have been conducted refer to the applied procedure and the determined target.
10. **Landfill.** According to the field observation, the domestic waste management has been referred to the applied procedure, there is no hazardous waste disposed on the landfill and the location of landfill is away from the settlement to reduce the possibility of contamination.
11. **Barn Owl Box of block C09 division 2.** According to the observation result, the condition of barn owl box is good and actively inhabited refer to the owl feather and rat bones.
12. **Workshop.** According to the observation, workshop workers have used PPE (helmet, safety boots, and protection glasses).

Rantau POM

1. **Rantau POM.** According to the field observation and interview with the processing employees, the employees have aware of the procedure in each work station, company has provided PPE and workers have used PPE during the operation of their tasks. The signs of safety have been provided in each processing station, periodic medical check up has been held and employees have received the training to achieve certificate and SIO.
2. **Hazardous Waste Storage.** The auditor team has conducted observation of hazardous waste management in Rantau POM. According to field observation, the management unit has managed the hazardous waste refer to the applied regulation. The routine hazardous waste balance sheet is available, and according to the the result of observation, there is no hazardous waste which was stored exceed the allowed storing period.
3. **Central Warehouse.** Auditor team has conducted observation of central warehouse management. According to the result of observation, there are symbol of hazardous waste and MSDS on the warehouse. The condition of the warehouse is neat as well.
4. **Chemicals Warehouse** Observation on chemicals warehouse management in Rantau POM. According to the field visit result, entire chemicals in warehouse has been supported with MSDS, emergency response procedure is available, and chemicals spillage accomoder is available.

5. **Clean water processing installation.** According to the result of observation, the condition of flowmeter is good. Routine daily monitoring for the monitoring of water for domestic and operational usage has been conducted.
6. **WWTP.** The result of observation shows that the condition of flowmeter in the final WWTP pool is good and there is no indication of WWTP pool leakage.

Division 1 (Binturung Village) of KKPA Sungai Cengal (Full managed Smallholder's scheme)

1. **FFB Harvest and Transport.** Block G09 Field G001.
2. **Manual Road Maintenance.** Blok E10 Field E003.
3. **Pesticide Application.** Block E10 Field E003.
4. **KKPA border with secondary forest is an inspection road.** Block E10 Field E003
5. **Facility of Fertilizer Warehouse, Chemicals, BSS Station, Workshop.** Near the office of ASC KKPA.

Division 3 (Rantau Buda Village) of KKPA Sungai Cengal (Full managed Smallholder's scheme)

1. **Office of Division 3.** Observation of pesticide containers disposed to the garbage bin, spraying equipment washing by using drum to minimize contamination, management of oil spillage in generator station, observation on record of estate operational (spray, harvest, and fertilizer).
2. **Integrated Pest Management in form of Barn Owl Box.** Block B003.
3. **Observation of beneficial plant (*Turnera subulata*).** Block B002 – PB 11.
4. **Pesticide Application Program in Block PC15.** Observation and interview with sprayer and sprayer foreman, employees have been aware of the work procedure of spraying operation, employees have used proper PPE, according to the interview and employees have received regular medical check up. There is no pregnant nor breastfeeding women in spraying team.
5. **FFB Harvest and Transport Block PB09.** Observation on FFB harvest and interview with the harvester in term of employees wage payment by determining the basic salary, considering basic premium. PPE usage, safety harvesting practice and mature fruit criteria, providing labour social assurance.
6. **Housing Complex Number 16 & 17.** Field visit and interview with employees in housing complex, employees have been aware of the complaint delivery procedure, management of domestic waste, and received fire emergency simulation.

2.4	Stakeholder Consultation and Stakeholders Contacted
2.4.1	Summary of stakeholder consultation process.
ASA-3	<p>Summary of stakeholder consultation process</p> <p>Consultation of stakeholders for <i>PT. Laguna Mandiri</i> was held by:</p> <ul style="list-style-type: none"> Public Notification at www.mutucertification.com 30 days before ASA-3 was held Public consultation meeting with internal stakeholders by interviews and local stakeholders conducted by visits to villages and interviews with local peoples on 17 December 2014. Public consultation with national NGO's by email to Wahana Lingkungan Hidup, Sawit Watch, and World Wild Fund on 14 November 2014 <p>Numbers of input from stakeholders were clarified by PT Laguna Mandiri</p>
2.4.2	Stakeholder contacted
	Please find appendix 1
2.5	Determining Next Assessment
	The next visit ASA-4 will be determined one year after this ASA-3 (December 2015).

3.0. ASSESSMENT RESULT

3.1. Summary of Assessment Report of the RSPO Certification

MUTUAGUNG LESTARI has conducted an assessment of Rantau POM – PT. Laguna Mandiri subsidiary of SIME DARBY PLANTATION Sdn Bhd operation consisting of one (1) mill and three (3) oil palm estates.

During the assessment, there were five (5) Nonconformities were assigned against Major Compliance Indicator(s); three (3) nonconformity(s) were assigned against Minor Compliance Indicators and four (4) opportunities for improvement were identified.

Further explanation of the non-conformities raised and corrective actions taken by the company are provided in section 3.5. The company has already prepared and implemented the corrective action(s) that had been reviewed and accepted by Auditor(s) in form of documentation evidence(s) e.g. (document record/photographic/etc...). Those corrective action(s) taken that consist of word (5) Major non-conformities and word (2) Minor non-conformities had been closed out shall be verified during next assessment.

MUTUAGUNG LESTARI found that Rantau POM – PT. Laguna Mandiri subsidiary of SIME DARBY PLANTATION Sdn Bhd 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, Requirements of Supply Chain Certification System, November 2011.

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.
	Information request is regulated on SOP 032/LMI-stkhldr/2010 and on record of information request written on "document of information request and response". During period of August 2013 to October 2014, Rantai Estate has 15 incoming letters; Matalok Estate has 15 incoming letters; Rantau Palm Oil Mill has 2 incoming letter and 2 outgoing letters. Example of information request with Letter Number 310/KD-BPR/PER-BAN/VII/2014 on August 13 th 2014, request for clean water aid, request was proposed by representative of Neighbourhood Association 1, 3, 7 community (Suparman).
	Information response was recorded on the document of information request and response for Rantau Mill for period of 2014; responding Letter Number: 310/KD-BPR/PER-BAN/VII/2014 . The outgoing letter on behalf of Mr Juharudin Nasution (POM Manager) which contains clean water delivery on August 18 th 2014. Each house shall be delivered with 2 drums of water. Water is purposed for consumption only.
	Revision of SOP of Record Management (051/LMI-PC/2012) dated March 1 st 2012, company has determined the document maintaining period refer to the type and interest. For example; <ul style="list-style-type: none"> a. Permit ; Maintaining period refer to the applied maintaining period regulation. b. Daily Report; document maintaining period is 1 years. Budget Report; document maintaining period is for 5 years.
	KKPA Sungai Cengal Cooperative management unit have recorded entire incoming aspirations to External Log In and Log Out consistently and regularly. The incoming aspiration is recorded and responded by Scheme Manager. There were 67 incoming letter from several agencies during period of 2013 – 2014. For example, proposal of Al Hidayah

mushola construction in Binturung Village, Kotabaru District on July 2nd 2013 which has been responded by Manager of KKPA Sungai Cengal on November 1st 2013 and supported with official record of fund donation for Al Hidayah mushola construction.

Furthermore, KKPA Sungai Cengal has also routinely given information to the relevant stakeholder. For example, report of environmental management and monitoring plan period of 1st semester of 2014 to Regional Environment Agency on August 4th 2014.

Status: Full Compliance

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.

List of documents that are accessible for the stakeholders (Public) are written on SOP of Information Response with Document Number 033/LMI-stkhldr/2012 with the detail below:

1. Hectarage of LC, Mature Fruit Bunch, Mature Bunch, Facilities
2. Evidence of Labour Social Assurance payment
3. Evidence of Employees Medical payment
4. Public facilities for employees
5. Data of Pest and Disease Attack
6. Data of light vehicle and heavy equipment
7. Data of supporting machines
8. Data of CSR used by company
9. Data of bridge
10. Data of road length
11. Data of operational building
12. Data of school building
13. Type of the fertilizer used by company
14. Type of the agrochemical used by company
15. Data of Permanent employees
16. Data of students

KKPA Sungai Cengal

Cooperative Credite Scheme management unit has document 743/TQEM-ESH/10 year 2010. The document describes the maintaining period and document and record destruction as follow:

- Audit need (3 years)
- Reference need (10 tahun)
- Government Law and Act (untill Govt Law and Act revision)
- Costumer request and information response (2 years)
- Company Policy (untill its revision)
- Record of Land Compensation (During Company Operations)

Status: Full Compliance

PRINCIPLE #2 COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS

2.1

There is compliance with all applicable local, national and ratified international laws and regulations.

According to the result of document review, the valid period of OHS Expert on behalf of Julian Damanik has been expired. Furthermore, the Decree of Appointment for PT.Guthrie Pecconina Indonesia. Therefore, it does not compliedwith Manpower Ministry Regulation Number Per.04/MEN/1987 in term of OHS Guiding Committee and appointment of OHS. **Nonconformity 2014.01.**

Root Cause: Letter of OHS expert appointment on behalf of Julian Damanik which has expired on March 21st 2013.

Corrective Action:Re-proposing the changes of OHS Guiding Committee Structure to Kotabaru Manpower and Transmigration Agency by replacing OHS Guiding Committee Secretary with Asmara Hadi who has received appointment of OHS Expert and still valid and has received the legalization of OHS Guiding Committee Structure which was legalized by Kotabaru District Manpower Agency per December 21st 2014.

Preventive Action: committed to update and extend OHS Expert certificate that has been expired.

Auditor Observation on January 26th 2015

Company management unit has shown the Decree of the Head of Manpower and Transmigration Agency Number KEP-556./438/P2K3/Naker-2/XII/2014 on December 31st 2014 with structure:

Leader: Jaharuddin Nasution

Secretary: Asmara Hadi

In charge of Division of Work Safety Monitoring, Management of Fire Danger, First Aid, and Education and Training.

According to the corrective actions conducted. Hence **Nonconformity 2014.01 is closed**

KKPA Sungai Cengal

ASC KKPA has shown several law requirement compliance. For example:

1. Implementation of risk analysis, regular OHS program, PPE usage and implementation of safety briefing related to Statue Number 1 year 1970 in term of work safety and Government Regulation Number 50 year 2012.
2. Labour Social Assurance implementation for workers, report of work accident related to Statue Number 3 year 1992.
3. Ownership of Land Use Title (HGU), Business Permit and Environmental Impact Assessment related to Statue Number 18 year 2004 in term of plantation.

Changes of regulation:

- Government Regulation Number 27 year 2012 in term of Environment Permit.
- Agriculture Ministry Regulation Number 98 year 2013 in term of Estate Company Permit Manual
- South Kalimantan Governor Regulation 188.44/0595/KUM/2014 in term of Minimum Sectoral Wage Standard in South Kalimantan.

KKPA has documented system which provide information and law requirement the company must comply on SOP of Sustainable Estate Management Manual No. 724/TQEM-SPMS/09 on Chapter 1.2 which describes the compliance to the Statue and Government Regulation and SOP of Lw Requirement Number 50/KKPA ASC SOP/14 which was legalized on August 14th 2014. It describes the procedure of identification of the applied and related regulation compliance.

Cooperative Credite Scheme has document of record of Statue List which consisted of 69 statue regulations such as:

- Agriculture Ministry Regulation Number 98 year 2013 in term of Manual of Estate Company Permit
- Environment Ministry Regulation Number 74 year 2001 in term of Hazardous Materials Management
- Manpower Ministry Regulation Number 1 year 1999 in term of Minimum Wage Standard
- President's Decree Number 32 year 1999 in term of conservation area management

Status: Full Compliance

2.2

The right to use the land can be demonstrated, and is not legitimately contested by local communities with demonstrable rights

Rantau POM unit is a part of PT LMI with the estate supplier of Matalok Estate and Rantau Estate. Therefore, right for the land ownership is integrated to one Land Use Title owned by PT LMI. Total of land right in form of Land Use Title is 15,300 Ha, it consisted of 10 Land Use Title certificate. Meanwhile, for the scope of Rantau POM, Matalok Estate, and Rantau Estate with total are of **7,720.00 Ha** where Matalok Estate is 3,082.01 Ha and Rantau Estate is 4,638.00 Ha. Entire copy of document of land ownership is available and well maintained.

Evidence of the legal/boundary of demarcated legal area as follow:

Rantau Estate (RTE): Field visit to Division 1 and 2 on December 17th 2014



Figure 1. Patok HGU Field P001, Div.1



Figure 2. Patok HGU Field P001, Div. 2



Figure 3. Patok HGU Field P002, Div. 2

KKPA Sungai Cengal

Management of scheme smallholders with scheme of KKPA is based on:

1. Document of official record which discuss the land issue by forming Project of KKPA of ASC on February 1st 2002 in National Land Agency office in Kotabaru which was attended by 9 company representatives; 10 people of Kotabaru land problem resolution team; and 26 community representatives.
2. Recommendation from Kotabaru Regent Number: 525/098/PG.III dated February 28th 2004 (Document was not available, information received from Letter of KKPA General Manager to Head of Indonesia Plantation on June 1st 2006).
3. Scheme smallholder management was supported by Cooperative Agreement as follow:
 - Cooperative Agreement Letter between PT Swadaya Andika and Bina Swadaya Karya Cooperative Unit Number 001/PK-SAA/X/2008 dated August 11th 2008. Scope of cooperation was the area managed to be scheme smallholder estate for \pm 1,750 Ha.
 - Cooperative Agreement Letter between PT Paripurna Swakarsa and Bina Swadaya Karya Cooperative Unit Number 001/PK-PSA/X/2008 dated August 11th 2008. Scope of cooperation was the area managed to be scheme smallholder estate for \pm 1.750 Ha.
4. MoU of Cooperation of Palm Oil Plantation Establishment with Scheme Smallholder of Nina Swadaya Karya Village Cooperative Unit with Swadaya Andika and PT. paripurna Swakarsa on February 25th 2013 on Representative Office of PT Minamas Plantation Banjarbaru, Jl. Ahmad Yani Km 22,6, Landasan Ulin Tengah Village, Landasan Ulin Sub-District, South Kalimantan Province.
5. Determining Future Owner and Future Land (CPCL):
 - Decree of Regent Number 188.45/448/KUM YEAR 2008 dated November 27th 2008 in term of Revitalization Program of Palm Oil Estate Comodity and partnership with Sesulung Village, Pondok Labu, and Binturung Village, Kotabaru District for 1,750 Ha and was participated by 260 head of family.
 - Decree of Regent Number 188.45/449/KUM YEAR 2008 dated November 27th 2008 in term of Revitalization Program of Palm Oil Estate Comodity and partnership in Rantau Budha, Sungai Durian Sub-District, Kotabaru District for 1,200 Ha and was participated by 517 head of family.
6. Financing Program:
 - Financing program of palm oil between Bina Swadaya Karya Village Cooperative Unit, PT Swadaya Andika and PT Bank CIMB Niaga Tbk based on Official Letter Number 58 dated September 19th 2013 with notary Robensjah Sjahran, S.H., M.H (Decree of R.I Human Right and Law Ministry Number M-72-HT.03.01-Th 1986 Dated May 31st 1986). Financing program refer to Partnership Cooperative Agreement Letter Number 006/PLASMA/SAA/IX/2013 and FFB Purchase and Sale Agreement Number Number 007/SPJB TBS/SAA/IX/2013 for 155 Ha of planting area (77 Head of Family).
 - Financing program of palm oil between Bina Swadaya Karya Village Cooperative Unit, PT Swadaya Andika and PT Bank CIMB Niaga Tbk based on Official Letter Number 55 dated September 19th 2013 with notary Robensjah Sjahran, S.H., M.H (Decree of R.I Human Right and Law Ministry Number M-72-HT.03.01-Th 1986 Dated May 31st 1986). Financing program refer to Partnership Cooperative Agreement Letter Number 004/PLASMA/PSA/IX/2013 and FFB Purchase and Sale Agreement Number Number 005/SPJB TBS/PSA/IX/2013 for 383.56 Ha of planting area (192 Head of Family).
7. Credit Agreement:
 - Financing program of palm oil between Bina Swadaya Karya Village Cooperative Unit, PT Swadaya Andika and

PT Bank CIMB Niaga Tbk based on Official Letter Number 59 dated September 19th 2013 with notary Robensjah Sjahran, S.H., M.H (Decree of R.I Human Right and Law Ministry Number M-72-HT.03.01-Th 1986 Dated May 31st 1986) for 155 Ha of planting area (77 Head of Family).

- Financing program of palm oil between Bina Swadaya Karya Village Cooperative Unit, PT Swadaya Andika and PT Bank CIMB Niaga Tbk based on Official Letter Number 56 dated September 19th 2013 with notary Robensjah Sjahran, S.H., M.H (Decree of R.I Human Right and Law Ministry Number M-72-HT.03.01-Th 1986 Dated May 31st 1986) for 383.56 Ha of planting area (192 Head of Family).

Land Certificate Proposing Process:

According to document of credit agreement, the planting area for 155 Ha and 383.58 Ha is given time to 2016. The process ongoing for now is just area measurement as additional data for Land Ownership Certificate proposal.

Status: Full Compliance

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.

According to the interview result on December 17th & 18th 2014 in Rantau Buda Village and Binturung Village, in general there is no traditional right within Rantau Estate and Matalok Estate. However, there are community land planted with commodity of rubber and agroforestry. Partnership program of KKPA Sungai Cengal is considered very helpful for the economy development of the community of villages nearby. It is supported by the fact that Rantau Buda Village and Binturung Village has received KKPA land allocation.

Several land cultivated by the community are located within Rantau Estate and Binturung Estate Operational area has been programmed as enclave area (kicked out of Land Use Title) and it will not be cultivated by PT LMI management. Entire enclave area have been identified and mapped within Rantau Estate and Binturung Estate operational area.

KKPA Sungai Cengal

According to the Map of KKPA area, Statement Area, and field verification on December 17th 2014 (Division 3 Rantau Buda Village) and on December 18th 2014 (Division 4 Binturung Village), there is no traditional right within KKPA area. Implementation of ASC KKPA Program is referred to the Cooperative Agreement Letter between PT. Paripurna Swakarsa and PT Swadaya Andika with Bina Swadaya Karya Cooperative Unit. Entire area of KKPA is now belong to each member of KKPA (Land Ownership evidence are Land Ownership Certificate and Seal of Chief of Village).

Status: Full Compliance

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.

Estate of Matalok and Rantau has document of workplan and the cost for entire estate operation: Treatment of mature plant, manuring, harvesting, transportation of FFB and permanent cost (estate administration, employees wage, etc) for period of 2014 – 2015 which was legalized by Head Office of Jakarta on January 18th 2014.

Rantai POM has summary of budget for period of 2014/2015 and budget projection until period of 2018/2019 which was legalized by Head Office of Jakarta on January 18th 2014. Palm Oil Mill operational cover the cost of process and production plan.

Company has replanting program as presented below:

Estate		Budget Year				
		2012-2013	2014-2015	2015-2016	2016-2017	2017-2018
Rantau	Hectarage (ha)	78.21	171.41	224.08	135.22	165.66
Matalok	Hectarage (ha)	271.45	296.60	181.40	277.21	255.38

Replanting criteria is considering several factors such as plant age should be >25 years; Yield <18 tonnes; plant height

>15 m; 1 Ha and systematic replanting should be applied, centralized and following the operational pattern. Review is conducted once in a year along with the budget discussion for period of 2014/2015.

Company management unit has had the analysis of seed need for replanting of period of 2014/2015 refer to GM Memo Number POD-UM-052/X/2013 dated October 23rd 2013 which describes the calculation of seed need, SPH of replanting and seed derived from Marihat.

Replanting periode for 2014-2015 was started on August 14th 2014. It was begin with land clearing in Field A001. There is a record of land clearing activity which was conducted by PT. Mitra Karya Jaya Perdana with contract number 008/Replanting/LMI-RTE/VII/2014 (Task completetion on Septermber 19th 2014 with type of the task is cut down, slaughter, and mincing of 8.488 + 161 Plants).

KKPA Sungai Cengal

Manager of KKPA has had company management plan for short term (annual) and mid term (3 years).

Annual plan has beenprovided in form of "annual budget". Document review shows that annual plan document for period of 2013/2014 has been known by Estate Manager on January 9th 2014.

- Production forecast (ton/ha), administration cost, labour cost, mature upkeep, manuring, harvesting and collection, transport, etc.
- In order to manage environment, company has allocated the detail of the cost. For example, cost for employee's water supply, OHS cost, RSPO cost, HCV cost and company has also allocated cost for social management plan. For example, cost for religious feast, public relation workers salary on the Overhead Cost Allocation (Account LZ010199).

Furthermore, there is also mid term production plan which contains production forecast (ton/ha), administration cost, labour cost, mature upkeep, manuring, harvesting and collection, transport, etc)

Head of Division compiles Long Range Program for period of 2013 – 2016 which cover the planting program, LC program, credit agreement program which is informed by Manager to cooperative unit representatives, GM, PSD, and community representatives through meeting on September 20th 2013.

Management unit has Production Forecast and ASC Cooperation Credit Scheme of Land Use Title (HGU) estimation Unit for period of 2014 – 2019

Management unit also has Scheme Smallholder Management Report for period of 2010/2014 which was legalized by Manager and informed to representative of Cooperative Unit, GM, PSD, and Community representative on March 4th and 6th 2014 in Banjarmasin Representative Office. It was informing about production, cost, price estimation, credit interest, and management fee, installment, surplus (profit/loss)

Status: Full Compliance

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

4.1

Operating procedures are appropriately documented and consistently implemented and monitored.

There is Estate SOP started from LC to harvest which is attached on:

- a. Document of SOP Manual, Agronomy Practice – Oil Palm, Member of Guthrie Berhard Group, was legalized by Md Tahir Mohammed as Head of Plantation Group on December 1st 2004.
- b. Agronomy Manual Reference (Agricultural Reference Manual) No. Policy: 110/EST-ARM/08 Minamas Plantation Indonesia which was distributed to company management unit on December 22nd 2008.
- c. Agronomy Manual Reference No. Policy 110/EST-ARM/2013 which was legalized by Head of Plantation.

Company has SOP of FFB receipt until its CPO and PK dispatch as written on Palm Oil Technique Manual Chapter I and II, Minamas Plantation which was legalized by GM of Mill of Durian River Region, PT LMI, Mr. Vengata Subramaniam. The procedure contains stage of FFB processing to CPO which covers: FFB receipt, boiling, thressing, stirring, forging, purifying, separating fiber and kernel, and kernel station. This procedure is regulating the operation procedure in several stations as well.

Inspection of estate and mill operational involving internal management of Minamas Plantation is conducted each

semester. Detailed as showed below:

- Mill operations of inspection which was conducted by Mill Advisory. It is written in the plant operational checks performed by Mill Advisory Report No. MINAMAS / RTF / 01/1314. Visits Mill advisory performed on 27 - September 28, 2014 by Shahar bin Abdul Kadir in Rantau Factory and plan a return visit on January 15, 2015.
- Operational checks performed by GM- area Pamukan & Sungai Durian, for example, recording the results of April 23, 2013 by recording the overall improvement on May 5, 2014; the results of the examination date of 3 to 4 September 2013 with an overall improvement recorded on September 23, 2013 and 23 April 2014 and recorded entirely improvement has been fixed on May 10, 2014.
- Records of the results of Plantation Advisory based visits in RTE 16 to 18 May 2014 and in MLE July 19 - May 21, 2014.
- Internal audit inventory taking dated February 3, 2014 examination for funds expended, premiums and payroll administration and third party payments.
- Internal Audit RSPO dilakukan on 16 -17 September 2014 by Trijono and Asmara Hadi and all findings have been corrected.

Records of operational results and clearly documented in several documents , namely :

- Book foreman activity per activity. Chemical treatments and manual activities presents information of employees , type of work , the realization of the work , the application blocks , chemicals used , and employee performance.
- Monthly Committee on Management (MCM), for example MCM month on October 2014 describes the operations report the estate.
- Daily work report informs processing operations performed each day covering today FFB production , FFB leftover, recording station, level / temperature tank etc

MCC also has a monthly report manager (updated month of November 2014), which describes the general data (briefly review the achievement of the management) , production and delivery , quality analysis , and application losses , costs of production , the data staff , employees and housing.

KKPA Sungai Cengal

ASC KKPA has operational procedure in form of:

- Document of SOP of AGRONOMY MANUAL REFERENCE (AGRICULTURAL MANUAL REFERENCE) Policy Number: 110/EST-ARM/08, which was legalized by CEO, GM, Controller, HPO, SGM on December 22nd 2008. The document contains planting material, nursery technique, replanting, land preparation, planting density, maturity age, field upkeep, manuring, canopy management, water management on petaland area, ablation, ripeness standard, harvesting interval, traceability, plant protection.
- Document of SOP of AGRONOMY MANUAL REFERENCE Policy Number 110/EST-ARM/13 date of distribution was September 16th 2013 and was legalized by Head of Indonesia Plantation Upstream refer to MoU Number M-0101/HPUI/IX/2013 dated September 16th 2014, the document contains planting material, nursery technique, replanting, land preparation, planting density, maturity age, field upkeep, manuring, canopy management, water management on petaland area, ablation, ripeness standard, harvesting interval, traceability, plant protection.

Status: Full Compliance

4.2

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

Record of periodic soil, leaf, and visual analysis program:

The company has reported Testing Analysis Leaf , for example :

- Analysis of the leaves in the Field Block D17 D009 No. LSU RTE 401 years of planting 1996, seed type Marihat , population 131 principal / ha with N content = 2.41% ; P = 0.135 % ; K = 0.886 % ; Mg = 0.264 % , 0.536 % Ca and B = 11.8 ppm .
- Analysis of the leaves in the Field A008 Block A17 No. LSU MLE 104 years of planting 1998 Marihat seed type , population 124 principal / ha with N content = 2.00 % ; P = 0.109 % ; K = 0.994 % ; Mg = 0.304 % , 0.538 % Ca and B = 10.4 ppm .
- visual analysis performed in conjunction with sampling leaves

Soil Analysis:

- a. Records of soil analysis as outlined in the document review the results of the soil survey, published by the Ministry of Research. Semi-detailed soil survey Matalok and Rantau Estate carried in 2005.
- b. Reports soil Soil Fertility Survey for Rantau Estate based on a letter from Head MRC No. 1077 / MRC / EST / XII / 2014 dated December 1, 2014, describes the distribution of the type of soil, organic matter content, topography, total P2O5 content of potassium, cation exchange Kapasitas, Base saturation, soil pH, total nitrogen, available phosphorus, magnesium and Recommendations agronomist.
- c. Survey details (ground surveys) for Matalok, which take effect on May 9th - 13 May 2011 and the results of the soil analysis report No. 1081 / MRC / EST / XII / 2014 dated December 15, 2014, describes the distribution of the type of soil, organic matter content, topography, total P2O5 content of potassium, cation exchange capacity, Base saturation, soil pH, total nitrogen, available phosphorus, magnesium and Recommendations agronomist.

Based on the above **explanation NC-2013.01 is closed**

Activities to maintain and improve soil fertility through the application of fertilizer, empty bunch and land application. Fertilizer recommendation data available for the period December 2013 RTE and MLE fertilizers containing RP, HGFB, Kieserite, and NK Blend based on test results of sampling and analysis of soil leaf of Minamas Research Center. Recording increase soil fertility, among other things:

- Current manuring record is intended to run manuring program 2013/2014 in accordance with Memo of Head Plantation Upstream Indonesia No. POD-UM-033 / VI / 2013. Realisation of fertilization 2014/2015, for example, on 15 September 2014 at the Field A010 MLE as much as 6250 kg of fertilizer RP, covering an area of 31.5 ha, the principal amount of 4315 with 4 HK, fertilizer dose (1.5 Kg / principal) is in accordance with the recommendation. The manuring activity in RTE in Block E12 Field E004 dated October 31, 2014 as much as 6206 kg of fertilizer RP, covering an area of 30.03 ha, 4,137 principal amount at 10 HK, fertilizer dose (1.5 Kg / principal) is in accordance with the recommendation as well.
- EFB application in October as many as 782,910 tons and 1,176 tons Matalok Estate and Rantau Estate. With reference details in the blank Husks application monitoring, for example in the Field C012 in November 2014 to the application area of 1.77 hectares with volume 52,970 K

Activity Land Application implemented in Division I Matalok Estate in Block A010, B009, B010, B011, B012, C010, C011 and C012 broad area of 561.55 Ha effective 345.80 with a number of holes 22,332 land hole applications.

KKPA Sungai Cengal

Leaf analysis:

- Company shows the recommendation letter of leaf sampling which was conducted by research field operator on August 16th – 30th 2014.
- Company has the result of LSU on October 2012 for manuring program for period of 2013/2014, for example in Di Field G001 Block F9 Division 1 with the result of analysis: ASH 9,24 % On Dry Matter; N = 2,98 % On Dry Matter; P = 0,171% On Dry Matter; K = 1,217% On Dry Matter; Mg = 0,237% On Dry Matter; Ca = 0,655% On Dry Matter dan B = 13,5 PPM On Dry Matter.

Soil Analysis:

The report of Land Feasibility Study of KKPA Sungai Cengal for 3,063.52 Ha area on November 2010 was available.

Record of Manuring:

- Recommendation of manuring for period of 2013/2014 which was compiled by RnD division on December 31st 2014.
- Company has also document of manuring realization which was compiled by Division Clerk to be informed to the HQ. For example: Record of MOP manuring in Block E13 Field F 003 for 12.09 Ha area with 3,900 Kg of MOP (Recommended dosage is 2 Kg/Ha).
- According to program evaluation and realization of manuring for period of 2013/2014, there was dolomite that was not recommended by RnD division and kieserite manuring refer to the recommendation letter on August 12th 2014.
- Company has recapitulation of nut planting for period of January 2014 to July 2014. For example, nut planting on

May 2014 in Block LCD5 Division 5 (Sesulung) for 24 Ha of area (72 Kg PJ, 72Kg CM, 24Kg CC). According to the information of RnD staff and the Head of Administration, the soil nutrient will still be analyzed through leaf analysis research. The result of soil and leaf analysis will be used as reference for determining manuring recommendation for next period.		
	Status: Full Compliance	
4.3		
Practices minimize and control erosion and degradation of soils.		
Based on the final report of 2005 semidetall soil and soil fertility survey report in 2014 by the Research Center 2014 Minamas known no marginal areas and peat in both operational scope of the current company.		
Study on plantation soil fertility survey report in 2014 by Minamas Research Center in 2014 showed no area with slopes> 40% in area and Matalok Rantau estate, plantation and Matalok Rantau dominated by land with a slope of 4-12%. The strategy undertaken by the management unit associated with land management with a certain slope, among others:		
<ul style="list-style-type: none">• Development Nephrolepis: until the period of October 2014 the planting of nephrolepis has been realized for 4,028 ha Nephrolepis in Rantau Estate• Field observation in block B78 Rantau Estate Division 1 shows management unit has done a front stacking is performed in conjunction with the harvested FFB every day• Monitoring the rate of erosion using eg erosion peg period January-November 2014 on the block D018 peg number 9 shows the erosion rate of 3 mm in Matalok Estate.		
PT management unit. Laguna Mandiri has strategi land management that have low fertility in Rantau and Matalok Estate to improve the status of soil fertility by improving the limiting factors are:		
<ul style="list-style-type: none">• Improve the condition of the nutrient status by increasing organic matter , increase soil pH , increased availability of phosphorus , and increase the cation exchange capacity and base saturation• Management of fertilization by increasing the efficiency of fertilizer use• Pressing erosion , leaching and increase the availability of water by means of the application of organic materials , and implementation u shape		
Associated with road maintenance management unit has a program for the year 2014-2015 in which up to S - 3 assessment activities RSPO is known to have been realized along the road surface improvements in Rantau Estate 12,796 meters and 3424 meters in Matalok Estate.		
KKPA Sungai Cengal		
Manager of ASC KKPA has the result of soil analysis and evaluation of land suitability for palm oil which was conducted by Minamas Plantation RnD Department on 2010. The survey result shows that each of soil map is considered as S3 (Moderatly Suitable), with high potential to be considered S1 (Highly Suitable) and S2 (Suitable), supported with map of soil with scale of 1:250,000.		
The boundary factor of S3 land suitability is the soil erosion. For example, in SSE with Slope 15 – 30% erosion rate 361 ton/ha/year and has been conserved by constructing bench terrace and soil covering plant.		
Strategy of management:		
<ul style="list-style-type: none">• Improving soil fertility by planting soil covering plant (<i>Nephrolephis sp</i>), selective weeding; manuring refer to the recommended dosage.• Construction of terrace. For example, official record of inspection and contractor (PT Bumi Guna Makmur) with contract number KKPA-ASC/SPK-LKL/XII/2013/027 for constructing 17,294 Meter of contour terrace in Division 5, Sesulung Village area.• Company has recapitulation of nut planting for period of January 2014 to July 2014. For example, nut planting on May 2014 in Block LCD5 Division 5 (Sesulung) for 24 Ha of area (72 Kg PJ, 72Kg CM, 24Kg CC).		
Program of road maintenance was involving local contractor. For example:		
Work stage of road hardening for period of May – August 2014 for road hardening of Collection Road (3 Meter Width) as long as 550 M refer to the Cooperative Agreement Letter Number KKPA-ASC/SPK-LKL/VI/14/096 and has been realized		

refer to the List of Memorial Number 16/MK/KKPA/VII/2014 dated July 14th 2014.

Program of plant treatment purposed to road maintenance which was conducted refer to the company need was available. For example, it was written on the Book of Foreman Operation of Division 1 Mandoran Berabas on July 1st 2014 in Block G002 as long as 250 meter with 2 workers.



Figure 4. Kegiatan Rawat Jalan Manual Div. 1 KKPA

Status: Full Compliance

4.4

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

The management unit has conducted BOD monitoring monthly. Based on the quality standards KepMenLH No. 28 of 2003 on the assessment of the use of effluent for land application in oil palm plantations, all test parameter for effluent of Rantau Mill period from July to September 2014 did not exceed the threshold.

Coperative Credit Scheme of Cengal River

KKPA of CengalRiver has SOP of Riparian protection with document number (36/KKPA ASC-SOP/14) which legalized by manager on August 4th 2013. The document contains several stages such as:

- The planted riparian will not be treated chemically
- Palm oil plant treatment along the river current will be conducted manually
- Prohibition for the settler to mine river sand within estate area
- The hard wood trees will be planted one by one along the river current



Figure 5. Sign Board Buffer Zone Divisi 1 KKPA

Status: Full Compliance

4.5

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

Integrated pest management program undertaken , including :

- Monitoring owl RTE and MLE done routinely every month.
- Recapitulation census RTE and MLE ganoderma attacks every month.
- Census RTE Oryctes attacks every month. History Pest and rodent control is done every month.
- History Pests and control pigs do every month.
- Planting of beneficial plant to control nett caterpillars. Type beneficial plant grown Turnera subulata, Antigonon and Cassia.
- Provision owl (Barn Owl box)

The company has had a census document pests and diseases that are conducted periodically. Types of pests that have been monitored the presence are pigs, mice, termites, leaf-eating caterpillars, in the document Report Manager (MCM). For example, the realization of an integrated pest management program undertaken for the period of October 2014 in RTE and MLE, including:

- Monitoring owl in RTE and MLE is done monthly. In RTE, there are 106 nests with 93% occupancy rate and in MLE, number of Nest Box is 124 units with a 72.6% rate of occupation.
- Monthly recapitulation census of Ganoderma attack in RTE and MTE. Observations of October 2014 there seranagan.
- Monthly census RTE Oryctes attacks every month. Observations of October 2014 there seranagan.
- History of pest and rodent control is done every month. Based on observation in October 2014, there was no attack.
- History Pests and control pigs is conducted every month. Observations of October 2014 there was no attack.
- Planting of beneficial plant to control net caterpillars. Type of beneficial plant grown is Turnera subulata. In Rantau Estate (Antigonon 0.32 KM; Turnera 106 KM, Cassia 5 KM 1:26 ratio of total roads) and in MLE (Antigonon 0.8 KM; Turnera 40.5 KM, Cassia 4.5 KM ratio of 1:17, 3 of total roads).
- Owl Monitoring conducted every month, for example, monitoring in October at BOB no. RTE 14 Block B06 found 1 tail nymph and in BOB No. 29 in A-23 MLE found 1 adult tail.

Integrated Pest Management training records:

- In IPM training RTE carried back on March 8, 2014 was attended by 10 workers by Foreman of IPM and training spraying on 16 September 2014 B005 Field Division II attended by 14 workers spray.
- IN MLE IPM training again on 20 July 2013 in a large office MLE attended by 9 participants (Foreman of MLE) and training spraying on 3 September 2014 in the Second Division was attended by 9 workers spray.

Based on the results of field visits in Block B003 PB14 owl nests were found in good condition and found traces of the existence of an owl (dirt and food scraps). Observations in Block B001 PB 11 found Turnera plants that grow well.

The Company recorded the entire application of chemical in the estate in Matalok and Rantau Estate. Detail record of chemicals used in Rantau Estate for period of October 2014, for example is the use of glyphosate (Prima Up), a total of 639 applications Ha (activity disc), a total of 74.54 liters pesticide, dosage (0.116 liters / ha), the active ingredient / ha ($0.116 \times 480\text{g} / \text{liter} = 55.68 \text{ g} / \text{ha}$).

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ASC KKPA has Agronomy Manual Reference with Policy: 110/EST-ARM/13 date of distribution was September 16th 2013, Chapter 15 in term of: Palm Oil Plant Protection which was legalized by Head of Indonesia Upstream Plantation refer to the MoU Number M-0101/HPUI/IX/2013 dated September 16th 2014.

According to the field visit to Division 1 (Binturung) and Division 3 (Rantau Buda) on December 18th 2014, there was no integrated pest management monitoring.

Status: Full Compliance

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.

The list of registered and permitted pesticide by the concern institution, among of them are:

Pesticide Name	Active Substance	Properties	Pest/Weed Target	Registration Number	Type of Permit & Valid Period	Status / Stok
Prima Up 480 AS	Isopropilamina Glifosat	Systemic	Alang-alang, Gulma daun lebar & daun sempit	RI.01030102031779	Permanent Permit, October 17 th 2017	Available
Meta Prima 20 WDG	Metil Metsulfuron	Systemic	Gulma daun lebar	RI.01030120081897	Permanent Permit, November 25 th 2017	Available
Kenlon 480 EC	Triklopir	Systemic	Gulma daun lebar, gulma daun sempit	RI.01030120062433	Juni 23 rd 2016	Available

The Company recorded the entire application of chemicals in Matalok Estate and Rantau Estate. Recording details of chemicals used in Rantau Estate Period October 2014, for example, the use of glyphosate isopropylamine (Prima Up), a total of 639 applications Ha (activity disc), a total of 74.54 liters pesticide, dosage (0.116 liters / ha), the active ingredient / ha ($0.116 \times 480\text{g} / \text{liter} = 55.68 \text{ g} / \text{ha}$).

Detail record of chemicals used in Rantau Estate for period of October 2014, for example is the use of Triklorpir butosil ethyl esters (Kenlon), a total of 294.61 hectares application (inter-row spraying, a total of 23.04 liters pesticide, dosage (0.078 liters / ha), active ingredient / ha ($0.078 \times 480 \text{ g} / \text{liter} = 37.54 \text{ g} / \text{ha}$).

The company also has plans and realization of chemical maintenance, for example:

- Circlespraying is planned 3x a year. For example, in the field D004 is planned in the month (August, December and April 2015) and the realization of the circle chemical spraying on September 5, 2014 25.2 Ha 4 HK.
- Inter-row sparying is planned 2x a year. For example, in the Field B012 is planned in August 2014 and February 2015 and realized for circle chemical spray on October 23, 2014 10 Ha with 5 HK.

The company has a MSDS document that explains the target species and dosage use for each pesticide.

Based on the results of field visits in Block E31 / 32 MLE is known that the spraying team has carried out spraying in accordance with the procedures and dosages specified.

Field observations indicate that the unit management has done hazardous waste management in accordance with applicable regulations. Up to the period of October 2014 the number stored in the hazardous waste storage in Rantau MCC is as follows:

- Used oil 210 liters
- Filter the former 31 pieces
- cotton waste and used gloves 0 pieces
- The bulb former 4 pieces
- Former chemicals / pesticides 5 sacks
- Aki former 5 pieces

There has been routine hazardous waste monitoring balance sheet, and based on the results of observation, there is no hazardous waste stored exceeding the allowed storage period.

Chemicals used as described in 4.6.1 Indicator, excluding category 1A or 1B WHO type and materials included in the list of the Stockholm and Rotterdam Conventions. Paraquat is no longer used.

PT. LMI has a medical examination at the operator including the following

Rantau Estate:

Medical examination (physical, spirometry, cholinestrace) for the 45 operators on June 29, 2014 by Healthy Mandiri Care Clinic, note there are 2 people recommended to move them work for 2 months through mutation decree No. 001 / M / RTE / VII / 2014 tanggal July 12, 2014.

Matalok Estate:

Medical examination (physical, spirometry, cholinestrace) for 28 operators on July 7, 2014 by Healthy Mandiri Care Clinic. It is known, there are 6 people recommended to change their work for 2 months through mutation decree No. 002 / M / MLE / VII / 2014 dated July 11, 2014.

Results of interviews with spraying employees in Block E31 and E32 Block, Division 2 Matalok Estate in mind that all employees have done special medical examinations (cholinestrace), in which all spraying employees have no indication of suffering from Occupational Diseases (PAK) and otherwise still eligible to work as sprayer.

The company does not allow pregnant and nursing women work on activities related to chemical application. Here is a record of mutation operators (pregnant) to another part:

- RTE: on behalf of Siheni spray Division I team members moved on to care manual on December 11, 2014
- MLE: on behalf of Sumrah spray Division III team members moved to a care manual labor on August 15, 2014 and an Farida spray Division II team members moved on to the patient manually on October 16th 2014.

KKPA Sungai Cengal

Manager of ASC KKPA has list of chemicals used for estate operational. For example:

- Prima Up 480 AS/Isopropyl amina glifosat 480 gr/l/No. Registrasi RI.01030102031779
- Basta 150 AS No. Registrasi RI.1113/12-2008/T (Permanent permit until January 1st 2014 refer to the Manual Book of Pesticide Commission 2013)
- Ratgone 0,005 No. Reg. RI 01120119951212 (Valid for April 23rd 2017)
- Decis 2.5 EC No. Registrasi RI.0101011979387 (Valid untill January 4th 2018)
- Metaprima 20 WDG No. Registrasi RI.01030120081897
- Kenlon No. Registrasi RI 0130120062433 (Valid untill June 23rd 2016).

According to the field visit to Division 1 of KKPA *Binturung) on December 18th 2014, there was Glyphosate pesticide application (Prima Up).



Figure 6. Aplikasi Pestisida di Blok E10 Divisi 1 KKPA (Binturung)



Figure 7. Bahan aktif yang digunakan untuk aplikasi pestisida

However, according to the field visit, there was used pesticide containers disposed to the garbage bin in Division 3 of KKPA.

Root Cause:

Corrective Action:

Preventive Action:

Auditor Observation:

February 2nd 2015

KKPA Sungai Cengal management unit shows the evidence of corrective action informs of Official Records of Hazardous Waste Dispatch dated January 31st 2015 from Division 3 of KKPA Sungai Cengal to the Bebunga POM hazardous waste storage. Quantity and type of the delivered waste are: Package of the used Meta Prima (2 pieces) and Oil Filter (2 pieces).

According to the evidence, the nonconformity was then CLOSED.

Pesticide applicator has received proper training for using all pesticides including limited pesticide. Medical check up has also been conducted to all pesticide applicator in KKPA unit.

Status: Full Compliance

4.7

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

Occupational Health and Safety policies are listed in the SOP document Occupational Health and Safety (K3) No. Policy: 711 / TQEMS-P2K3 / 07 that Minamas Plantation is committed to being a responsible company in implementing K3 (OHS) in all activities in the estate and plant operations.

The company has had OHS Guiding Committee Organizations (Committee of Occupational Safety and Health) for Mill and Estate and has been endorsed by the Department of Social Welfare, Manpower and Transmigration, Kotabaru District, South Kalimantan. OHS Guiding Committee management consists of, Protector (advisor), the Chairman, Vice Chairman, Secretary, Deputy Secretary, and members.

RTF through ratification decree No. Kep-566.1120 / P2K3 / naker-2 / X / 2014 dated October 9, 2014; RTE through ratification decree No. Kep-566.1122 / P2K3 / naker-2 / X / 2014 dated October 9, 2014; and MLE through ratification decree No. Kep-566.1123 / P2K3 / naker-2 / X / 2014 dated October 9, 2014.

Central Clinic ASD located in the Central Housing Complex (CHC) Matalok Estate, currently does not have permission. But the company doctor has filed a permit to the Department of Licensing, Environment and Health. And has made a visit of the Agency on October 14, 2014. In addition, through a Memorandum of GM HRM No. 089 / RWD-i2 / VIII / 2014 dated August 25, 2014, concerning cooperation with the company clinic BPJS Health (National Health Insurance). Currently, Clinic Matalok Estate has become the provider of Health BPJS Kotabaru Faskes code No. 0282B002.

The company has registered its workforce in the Social Security program, the company showed evidence of social security payment period in October 2014, for example, social security payment dues details Matalok Estate with details: 428 people and 13 people PKWT SKU paid through Bank BRI Land of Spices on November 21, 2014.

Medical examination (physical, spirometry, kolinstrase) to 28 operators on July 7, 2014 by Healthy Mandiri Care Clinic revealed that there are 6 people recommended to rotate their work for 2 months through mutation decree No. 002 / M / MLE / VII / 2014 dated July 11, 2014.

Results of interviews with spraying employees in Block E31 and E32 Block, Division 2 Matalok Estate in mind that all employees have done spraying worker's special medical examinations (cholinestrage), in which all employees spray no indication hit Occupational Diseases (PAK) and otherwise still eligible to worked as a spray.

The Company does not allow pregnant and nursing women to work on activities related to chemicals. Here is a recording of mutation operators (pregnant) to another part:

- RTE: a.n. Siheni anggota tim semprot Divisi I pindah kerja ke rawat manual pada 11 Desember 2014
- MLE: a.n. Sumrah anggota tim semprot Divisi III pindah kerja ke rawat manual pada 15 Agustus 2014 dan a.n. Farida anggota tim semprot Divisi II pindah kerja ke rawat manual pada 16 Oktober 2014.

Health examination results in RTF are as follow: medical examination (Physical, spirometry and audiometry) on 28 May 2014 by Healthy Mandiri Care Clinic. There are two people suffered hearing loss among Nuriman and Saiful. According to the company doctor that two people who indicated hearing loss will be evaluated during the next medical examination. With the provision: fixed monitored through outpatient treatment and increased awareness of using PPE.

HIRAC RTE and MLE describe the type of work (harvest, shoots, fertilizing, spraying, workshops, road maintenance, fire caterpillar pest spray fogging, heavy equipment operators), potential hazards, the level of risk, control risk, PIC and Residual Risk. For example, the work of shoots (prunning) by placing the stem of potentially affected Egrek with the level of risk: fatal, risk control them with a safety briefing to the employee and the use of PPE.

Company records show evidence of health and safety training program, both internal and external training report. For example:

- Realization of OHS Training for Mill Employee on September 5, 2014.
- Realization of Training on fire management, pollution prevention, OHS, OHS on chemis and First Aid for employee of RTE on September 26, 2014.
- Realization of Training on First Aid, fire management, PPE and OHS on August 10, 2014. Land fire handling simulation in Block D16 Division 2 MLE.

The company has the SOP preparedness and emergency response and recovery (021 / LMI-KRSPKD / 2010), effective on December 16th, 2010 which regulates the measures undertaken in the event of an emergency interruption.

The company has been doing the fulfillment of the equipment like first aid kit on the building and in the field, the company shows the location of the document layout first aid kit and boxes of evidence handover first aid the field foreman. The company also provide PPE to employees pursuant to risk his job, for example, the company also indicates acceptance of PPE equipment employee safety shoes for 20 MCC's employees dated July 1, 2014; submission apron, boots booth, rubber gloves, goggles and masks to employees in RTE dated July 15, 2014 and in MLE dated August 2, 2014.

First Aid Training for First Aid Kit Officer responsible for field P3K performed by doctors who have training company Hiperkes on behalf of dr. Irwan kertajaya.

The company has been monitoring and reporting any accidents that occur every month, for example, monitoring and evaluation of workplace accidents MLE, RTE and RTF period in July and September 2014. For example, in RTE there are 4 minor accidents due to stricken by palm frond and stricken by polle on the eyes.

According to the result of field observation in Rantau POM, the hydrant in boiler station area is considered in perform less pressure and condition of the hose is bad due to leakage during fire extinguishing simulation. **Non-Conformity 2014.03**

Minor 4.7.6 (1).
KKPA Sungai Cengal

Manager of ASC KKPA has also conducted regular medical checkup for their sprayer of pesticide and fertilizer. For example:

- There was document of regular medical check up for pesticide and fertilizer sprayer team consisted of 43 people which was conducted by company doctor (dr. Beby E.S. Yudiarti) on June 19th 2014. For example: on behalf of Sayeh (Division 1 sprayer), the result of medical check up shows that he was in good condition for working.
- There was document of regular medical check up for pesticide and fertilizer sprayer team which was conducted by Prodia Clinic Laboratory (PIC: dr. Oktien Harsari Prananingih) on December 14th 2013. For example: on behalf of Sayeh (Division 1 sprayer), the result of medical check up shows that she is no pregnant, Cholinistrase level was 8.828 and still below the recommended level (4,260 -11,250 U/L); Audiometri Testwas Normal, Spirometri (normal).
- Hyperkes-Certified on behalf of dr Beby Etika Sari Yudiarti training on June 18th – 28th 2007.

According to the result of interview and field visit, Sprayer Foreman was found unequipped with first aid kit. **Non-Conformity 2014.03 Minor 4.7.6 (2).**

Root Cause:

Corrective Action:

Preventive Action:

Auditor Observation:

February 2nd 2015

KKPA Sungai Cengal management unit informs the result of corrective action in form of Official Record of Goods handover (No. 002/BAS/KKPA ASC/08/2014) dated January 29th 2015 in term of First Aid Kit handover to Sprayer Foreman. The goods given to the foreman were: Hydropile drapery, Alcohol 100 mL, Rivanol 100 mL, Hansaplast/plester, drapery and Betadine.

According to the evidence of corrective action, hence the **Non-Conformity 2014.03 Minor 4.7.6 (2) is CLOSED.**

Status: Full Compliance

4.8
All staff, workers, smallholders and contractors are appropriately trained.

The company owns and realization of training programs in 2014 include :

- IPM Training for supervisors
- Training for staff and First Aid foreman
- SAP Training for KTU , staff , Clerk and Section purchases
- Training and operational grading MCC for employees
- With training records as follows.
- IPM Training conducted in April 2014 followed by 1 employee RTE held by Minamas Research Center (MRC).
- First Aid Training held on July 31 s.d. August 3, 2014 attended by 24 participants from RTF, RTE, and MLE .
- SAP Training for staff, KTU , Clerk and Purchasing Division held on 16 to 18 September 2014 held by the Division of HRM .
- Training loading grading and K3 on 5 September 2014 was followed by 44 employees RTF.

The company is committed to use trained contractor personnel, the company showed a memorandum GM Estate Durian River No. GM - est / 008 / SD / VII / 2013 / M 013 on July 11, local tender process, mentioned in point 1. The contractor is selected contractor recorded and performing baik. SPK (Collective Labour Agreement) between PT LMI with clause requiring contractors are to use personal protective equipment and follow the rules / employment laws. It is proved that the PT LMI using trained contractors.

KKPA Sungai Cengal

Record of employees training in form of documentation of official record and attendance list which have been conducted by company were:

- SCCS training in KKPA Sungai Cengal HQ on August 15th 2014
- Training of MSDS and chemicals handling in KKPA Sungai Cengal HQ August 15th 2014
- Training of emergency response and fire extinguishing in KKPA Sungai Cengal HQ on August 15th 2014
- Training of fertilizer application method and spray KKPA Sungai Cengal HQ on August 7th 2014
- Training of SOP of Spraying and MSDS in division 1 on August 8th 2014
- Training of FFB safety harvest in division 4 on August 15th 2014
- Training of sprayer team safety, socialization of buffer zone, and gender committee in Block G02 division 1 Binturing on August 7th 2014

Status: Full Compliance

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.

Aspects of plantation and mill management, including replanting, that have environmental impacts are identified and monitored regularly per semester by the management unit through a report of Environmental Management and Monitoring Plan and social impact assessments related to replanting in 2014.

As a reference unit has a document management EIA approved by the Ministry of Agriculture, Agribusiness Agency No. 008 / EA / BA / II / 1995, dated February 27th 1995. While recording application of EIA results can be shown to its implementation in the form of regular reports of RKLRLP implementation in each semester, for example, reports of Environmental Management and Monitoring Plan first half of 2014 which has been reported to Kotabaru District Environment Agency on September 12th 2014 which includes monitoring and environmental management with the following parameters:

- Soil Fertility
- Quality of Air and Noise
- Quality of River Water
- Quality of Underground Water
- Quality of Effluent and Solid Waste
- Flora and fauna
- Fire Potential
- Community Restlessness

KKPA Sungai Cengal

KKPA Sungai Cengal Area has had document of EIA for palm oil estate and palm oil mill in Sub-District of North Pamukan, South Pamukan, and Durian River, Kotabaru District, South Kalimantan Province year 1994 which was compiled by PT Anima Rekayasa Perkasa and was approved by Agriculture Ministry refer to Decree number 008/ANDAL/BA/II/95 dated February 27th 2005.

The document of environment was covering the study area up to 77,290 ha, which consisted of PT Laguna Mandiri 21,400 ha, PT Langgeng Muara Makmur 21,840 ha, PT Paripurna Swakarsa 22,800 ha, and PT Swadaya Andika 11,250 ha.

According to the map of overlay between boundaries of each study with KKPA Operational map (width 2,434.14 Ha) with scale of 1: 300,000, location of KKPA estate was still within the location refer to EIA study location.

Non-Conformity 2014.04 Major 5.1.2: KKPA Sungai Cengal management unit has report of routine environmental management and monitoring plan implementation integrated with nucleus estate of PT LMR. However, the report has not yet describes environment management and monitoring, specifically in social aspect caused by KKPA Sungai Cengal Operation.

Root Cause:

Corrective Action:

Preventive Action:

Auditor Observation:

February 2nd 2015

KKPA Sungai Cengal Management unit informs the evidence of Recommendation Letter in term of Suggestion of Environmental Management and Monitoring Plan Draft of KKPA Area Sungai Cengal (No. 013/KKPA-ASC/II/2015, dated January 31st 2015) along with its draft.

The draft contains the description of nearby environment development including evaluation of social and environment impact. Furthermore the social monitoring was disseminated through questionnaires for the villages involved on the partnership program and community of other villages.

According to the evidence of corrective action, hence the nonconformity is **CLOSED**.

Status: Full Compliance

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.

The Company has identified High Conservation Value (HCV) conducted in December 2009 by the Foundation for Sustainable Palm Oil Indonesia (YASBI) based on the manual identification of High Conservation Values in Indonesia, which was published by the Consortium Revised HCV Toolkit Indonesia , June 2008 .

The Company has considered the recommendations in the document of HCV identification in determining the types of plants used in the enrichment effort in HCV area with local species found in and surrounding the company operational area., such as the type of Ketapang (*Terminalia catappa*), Sungkai (*Peronema canescens*) and Jabon (*Anthocephalus cadamba*) were planted in Block D 15 Matalok Estate planted 100 sungkai seedlings, 20ketapang seedlings , 40 Dadap seedlings in the period of December 2012.

The Company has conducted monthly monitoring of flora and fauna by the assigned officer. For instance in June 2013 there was identified four types of birds (turtledove / *Streptopelia chinensis* , finches / *Copsychus saularis* , white stork , lathe / *Centropus* sp .) , 2 species of reptiles (lizard / *Varanus* sp , python / *Python* sp .) and one species of mammals (segung / *Paradoxurus hermaphroditus*).

The Company has established operating instructions: Flora and Fauna Inventory Method No. Policy : 700 / IK - PSQM - HCV / 12 dated February 6, 2012 which set the monitoring mechanism folra and fauna including the establishment of observation path , frequency of observation , work tools , documentation preparation of the data processing / monitoring reports .

The company still has consistently made efforts region protection / protected species through activities of:

- Rehabilitation of HCV area by planting woody plants (Block D 15 Matalok Estate planted 100 sungkai seedlings, 20 ketapang seedlings , 40 Dadap seedlingsin the period o December 2012).
- Marking HCV area such as information boards and labeling of palm principal beripa yellow circular line.
- Monitoring of flora and fauna within the company area.
- Dissemination of flora and fauna as well as the area around the Community HCV for example through outreach to residents Rantau Jaya on September 10, 2013, the villagers of watermelons on September 9, 2013 and the distribution of leaflets to the village of Rantau Buda on September 27 2013.
- The company consistently disseminate socialization of flora and fauna as well as the area around the Community HCV for example through direct dissemination to citizens Rantau Jaya on September 10 , 2013, the villagers of Mangka on September 9, 2013 and the distribution of leaflets to the village of Rantau Buda on September 27 2013.

Company has appointed officer in charge of HCV management:

- Taslim through Letter Number RTE-Int/317/XII/2010 dated December 1st 2010 in term of the appointment of Taslim as HCV foreman in Rantau Estate
- Mery Martoni through letter number MLE/020/II/2014 dated February 1st 2014 on behalf of Mery Martoni (NIK 11095) in Matalok Estate.

KKPA Sungai Cengal

KKPA Sungai Cengal has had the result of HCV identification for period of 2014 within KKPA Sungai Cengal area in Kotabaru District, South Kalimantan. The report of HCV identification for period of 2014 shows that the area identified as HCV area were:

HCV Attribute	HCV Area	Width (Ha)
1.3 The area was considered as the endanger species habitat.	Sengko Riparian	0.03
	Sengko Secondary Forest	1.59
4.1 Crucial ecosystem used for providing water and controlling flood for the downstream community	Antiling Riparian	2.09
	Bebunga Riparian	0.56
	Biuku Riparian	2.55
	Separe Riparian	1.87
	Parit blok Riparian	3.23
	Babi Riparian	7.52
	Parit bakau Riparian	2.03
	Sengko Riparian	*
	Panggau Riparian	2.73
	Cengal Riparian	1.45
	Beach Senipah Buffer Zone	4.43
	Separe Beach Buffer Zone	1.15
	Tanjung Abdul Beach Buffer Zone	10.71
Total		41.92

* Similar with Sengko Secondary Forest = 1.59 ha

According to the result of HCV identification, the protected animals (Government Regulation Number 7 Year 1999) were consisted of 5 type of mammals and birds.

Audit sample was taken only in Division 1 and 3, while HCV attribute was located in Division 7 (Bepara Village) during Stage-2 audit of KKPA Sungai Cengal. The visited HCV area was only in Separe riparian (Division 1).



Figure 8. Buffer Zone Sempadan Sungai Separe Divisi 1 KKPA

Non-Conformity 2014.05 Major 5.2.1: According to the document review, the Report of HCV Identification has not yet been reviewed by Independent Peer Reviewer refer to the HCV Toolkit for period of 2008.

Root Cause:

Corrective Action:

Preventive Action:

Auditor Observation:

February 2nd 2015

The result of Peer Review of the HCV Identification Report has been informed by management unit of KKPA Sungai Cengal where the reviews take place on August 2004. The HCV report was compiled by cooperating with Faculty of Forestry of Bogor Agriculture University. It was referring to the HCV Toolkit 2008, therefore, the nonconformity is **CLOSED**.

Status: Full Compliance

5.3

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

Identification and management unit has a waste management plan generated from operating activities and MCC of Rantau Estate so that the resulting waste can be reduced and disposed of in a measureable way. For example, the identification of the liquid waste is managed with an MCC WWTP and used for land application in plantations. Field observations in block C24 2 Matalok Estate division is known that the management unit has implemented land application of liquid waste into the appropriate block permitted and monitored regularly so as not to cause overflow of the flat bed wastewater applications.

Field observations in the hazardous waste storage eg. MCC Rantau indicates that the unit have managed hazardous waste management in accordance with government regulations No. 18 of 1999. The entire hazardous waste were generated from the estate and MCC (eg waste oils, packaging ex pesticides, used lamp, etc.) stored in the hazardous waste storage and transported by the carrier contractors who have official permission from South Kalimantan Environment Agency, namely PT Sinar Bintang Jaya. There is no hazardous waste storing period exceeding the allowable storage period (a maximum of 180 days) and the whole hazardous waste has been monitored entry and exit of each month through the logbook and balance sheet of hazardous waste.

KKPA Sungai Cengal

Entire hazardous waste and its agrochemical containers is managed by being stored in licensed hazardous storage in Bebunga POM. The permit owned by KKPA Sungai Cengal were:

- Information Letter number 660/215/BLHD dated July 21st 2014 in term of the information that hazardous waste storage in Bebunga POM (PT LMR) was allowed to keep the generated hazardous waste from bebunga estate, cengal river estate, bakau estate, and KKPA Sungai Cengal in condition that KKPA Sungai Cengal must deliver the hazardous waste to POM hazardous waste storage within 15 days each month. Hazardous waste must be taken by the Environment Ministry-licensed hazardous waste collector within 90 days.
- There was decree of Kotabaru Regent number 188.45/125/KUM/2011 in term of temporary hazardous waste storage of PT LMR dated March 8th 2011 which was valid for 5 years. According to the permit, the location of hazardous waste storage in Bebunga POM was in coordinate 02°22'24.7" LS dan 116°19'50.9". Type of the allowed hazardous waste to be kept were used oil, used filter, bulb, rag, used battery, medical waste, and used-pesticide containers within 90 days.

Non-Conformity 2014.06 Major 5.3.2: According to the field visit, there were:

- Domestic waste stacked and has not yet well managed refer to the applied procedure (Binturung Estate Landfill in Division 3 – PT PSA)
- Domestic waste was burnt in Division 3 KKPA Sungai Cengal.

Root Cause:

Corrective Action:

Preventive Action:

Auditor Observation:

February 2nd 2015

The informed evidence is in form of schedule of domestic waste disposal period in KKPA Sungai Cengal twice a month. Division 1 (every Tuesday) and Division 3 (every Thursday). Furthermore, KKPA Sungai Cengal has also informed the evidence of corrective action in landfill at specific area, it was dated January 28th 2015 on the photo as authentic evidence of the corrective action.

According to the evidence of corrective action, hence the nonconformity is **CLOSED**.

Non-Conformity 2014.06 Minor 5.3.1: According to the field visit, there were:

- There were still hazardous waste in form of oil bottle and filter disposed in Division 3 of Binturung Estate Landfill of PT PSA
- *Cap sprayer* used chemist which is disposed behind the office of division 3 of KKPA that was not complying hazardous waste management procedure.
- Used pesticide containers which were disposed in Landfill of Division 3 KKPA Sungai Cengal.
- Oil spillage behind the generator station of Division 3 KKPA

Root Cause:

Corrective Action:

Preventive Action:

Auditor Observation:

2 February 2015

KKPA Sungai Cengal management unit was informing the evidence of corrective action in form of Official Record of hazardous waste delivery dated January 31st 2015 from Division 3 of KKPA to Bebunga POM hazardous waste storage. Type of the delivered waste were: Used Meta Prima containers (2 pieces) and Oil Filter (2 pieces).

Further action of the hazardous waste management in Division3 of KKPA (Rantau Buda Village) was in form of photograph of *spraying capstacking* in Division 3 of KKPA and there was not more disposal outside of the BSS location.

The disposed hazardous waste in landfill of Division 3 of BNE were collected and delivered to Bebunga Mill hazardous waste storage.

For the handling of oil spillage in generator station in Division 3 of KKPA, the management has applied the construction of Oil Trap.

According to the evidence of corrective action, hence the nonconformity is **CLOSED**.

Status: Full Compliance

5.4

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

Company management unit has implemented renewable energy through shell and fiber to reduce diesel fuel used for the generator in Rantau POM.

According to the result of analysis, during period of August – November 2014 Rantau POM has had efficiency of renewable energy usage as much as 3955.26 MJ/ton of CPO for shell usage and 5468.38 MJ/ton of CPO for fiber usage.

During period of August – September 2014, Rantau POM in average produce 3952.73 ton of CPO, Rantau POM has the average of diesel fuel usage for 10,367.59 liter and 459,386 KWH. Efficiency of diesel fuel usage for Rantau POM during this period is 2.54 liter/ton of CPO with efficiency of electric usage in average for 116.63 KWH/ton of CPO

KKPA Sungai Cengal

Record of petroleum fuel usage for company operational need can be shown by company in form of diesel fuel usage recapitulation for period of 2013/2014 as shown by table below:

Month	Diesel fuel usage (liter)	Electric usage (KWH)
January	10,211.50	1,116
February	7430	1,008

March	7,249.50	1,116
April	8,867	1,080
May	9,089.50	1,116
June	9,191.50	1,085
Status: Full Compliance		
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.		
<p>Company has had policy of zero burning which was written on procedure of land preparation. The policy was then supported with SOP Manual with Policy Number 2xx/PTK-LPG/2004 Nomor Indeks II/04, dated December 1st 2004.</p> <p>Company has planned for conducting replanting since period of 2015/2016 (refer to the letter of Rantau Senior Manager to GM of Durian River Estate Number RTE/GM/061/IX/2013/S in term of Master of the Map of Replanting Program for period of 2015/2016 untill 2028/2029).</p> <p>According to time schedule of replanting and realization refers to Cooperative Agreement Letter and the result of field visit in Block of Replanting of Rantau Estate with hectarage of 78.21 Ha, there were several programs such as mincing and cutting, construction of drainage, terrace construction and nut planting until December 2014. Digging of hole for planting has been planned on January – March 2014 and palm oil planting has been planned on March to May 2015 with density 148 plants/Ha.</p> <p>Company has compiled SOP of Fire Handling Number 034/LMI-PK/2010 on December 16th 2010 as the procedure of land fire emergency response. According to the document of environmental management and monitoring plant in 2nd semester of 2012 and report of environmental management and monitoring plan in 1st semester of 2013, there was no land fire occurred within work area of PT LMI.</p> <p>Company has had organization structure of the fire team and the facilities to handle land fire in each station.</p> <p>KKPA Sungai Cengal KKPA Sungai Cengal has had SOP of Fire Handling and Prevention (07/KKPA ASC-SOP/14) which was legalized by Manager on August 6th 2014. The procedure describes the technique of fire extinguishing, fire prevention, specific condition of fire, and stage of using Fire Extinguisher. There was SOP of Fire Handling and Prevention (08/KKPA ASC-IK/14) which was legalized by estate manager on August 4th 2014. The procedure describes the forming of fire team, land fire handling, operation post fire extinguishing. KKPA Sungai Cengal has also formed emergency response organization structure which was legalized by Estate Manager on August 7th 2014.</p>		
Status: Full Compliance		
5.6 Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.		
<p>Company management unit has implemented the program to reduce emission and contamination and it was routinely monitored. For example, periodic test of air quality in each semester and effluent quality which was tested monthly.</p> <p>Air and Emission Result of the air quality test in 1st semester of 2014 shows that the entire result of the test was still below the quality threshold. For example, SO₂ in mill was 3 µg/Nm³ (still below the quality threshold of 5200 µg/Nm³), NO₂ for boiler was untuk 3.52 mg/m³ (still below the threshold of 800 mg/m³), capacity for boiler emission for 17 % (still below the threshold of 30%). The noise in mill was exceeding the quality threshold, however, company has had policy to use PPE in form of ear plug/ear muff for the employees work in high noise station.</p> <p>Effluent in Rantau POM Entire effluent will be processed in POM WWTP pool. Before it was used, the effluent will be processed until the effluent</p>		

comply the quality threshold which is pH 6-9 and BOD \leq 5000 mg/l. WWTP management are using process of anaerob, fakultatif, aerob, and control pool. Company management unit has conducted routine BOD monitoring. According to the Environment Ministry regulation, the entire tested parameter were not exceeding the quality threshold (300 mg/l below 5000mg/l).

KKPA Sungai Cengal

KKPA Sungai Cengal has conducted effort to reduce pollution and emission, one of the effort was by routinely monitor the diesel fuel usage.

Month	Diesel fuel usage (liter)
January'14	10,211.50
February'14	7,430.00
March'14	7,249.50
April'14	8,867.00
May'14	9,089.50
June'14	9,191.50
Average	8,148.50

According to the data of solar usage during period of January – June 2014, there was a trend of diesel fuel usage reduction in period of 2014 (8,148.50 liter of diesel fuel usage in average) compared with diesel fuel usage average in period of 2013 (9,988.67 liter of diesel fuel usage in average).

Status: Full Compliance

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.

PT Laguna Mandiri has document of SEIA:

1. EIA approved by letter Number 008/ANDAL/BA/II/95 dated February 27th 1995 with hectareage 77.290 Ha, consisted of 4 companies (Langgeng Muara Makmur, Laguna Mandiri, Paripurna Swakarsa and Swadaya Andika). Hectareage of Laguna Mandiri is 21.400 Ha. Capacity of each mill is 60 Ton of FFB/Hour
2. SIA report of PT LMI which was conducted by Indonesia Sustainable Sawit Foundation on 2010 with several recommendation which covers:
 - a. Placing person/division to communicate with stakeholder.
 - b. Creating SOP of External communication as reference to communicate with stakeholders.
 - c. Making Division or specific staff to handle CD/CSR.
 - d. Making more participative and sustainable CSR.

In the preparation of documents for Social Impact Analysis has involved the local community by doing discussion Focus Group Discussion (FGD).

1. Management Plan / Monitoring the social impact of the results of the analysis by considering the affected parties in the social management plan.
2. Management Unit has conducted studies Environmental and Social Impact Assessment for replanting activities RTE and MLE Period 2014-2017 By Aksenta on November 16th – 18th 2014.
3. Implementation of Social Management and Monitoring activities outlined in the Plan have its CSR program with the Company's annual Budget. Available Programs CD / CSR Year 2013/2014 PT Laguna Mandiri as follows:
 - RTE (Rantau Esatate): IDR 221,860,090
 - RTF (Rantau Factory): IDR 75,728,396
 - MLE (Matalok Estate): IDR 205,314,500

Budget plan later described in each plan Estate for CSR activities that are in its territory. Currently PT Laguna Mandiri has operated 2 Palm Oil Processing Plant, respectively;

1. Rantau Mill with a capacity of 60 Tons FFB / Hour (Plant I / start) based on EIA documents drafted in 1994 and

approved on 27 February 1995. The document was prepared by PT Inti Plantation Indoagri as a holding company of PT Laguna Mandiri , PT Lasting estuary Makmur , PT Plenary security guards and PT Organization Andika (scope of the EIA study includes four companies plan activities

2. Betung Mill with a capacity of 45 ton TBS / hour, has been operating since December 2012 by Building Permit Use No. 503.2 / 089 / IMB-KPPT / 2009 dated January 18, 2010, Permit Disorders (Hinder Ordinance / HO) No. 503.5 / 1559 / HO-KPPT / 2009 dated December 31 2009. Document of Environmental Impact Assessment (EIA) Palm Oil Processing Plant at Laguna area Plantation PT Mandiri (Betung Factory), was approved by Decree No. Kotabaru 188.45 / 293 / KUM / 2010, dated July 13, 2010 and approved by the Audit Commission and the Technical Team EIA / UKL-UPL Kotabaru district through EIA Approval Letter No. 660/22 / BLHD-EIA dated August 20th 2010 prepared by the Faculty of Forestry, University of Mangkurat. The scope of the study covers a total area of ± 20 ha with a plant capacity of 60 ton TBS / hour). approved by the Audit Commission and the Technical Team EIA / UKL-UPL Kotabaru district through EIA Approval Letter No. 660/22 / BLHD-EIA dated August 20, 2010 prepared by the Faculty of Forestry, University of Lambung Mangkurat. (It has been through the process of Stage 2 assessment within the scope of a separate certification by PT LMI – Rantau Mill).

Environmental Management and Monitoring Plan of Laguna Mandiri – Rantau Mill has been reported regularly. There is an available Report of RKL / RPL Period I, January-June 2014 Plantation and Palm Oil Processing Plant PT . Laguna Mandiri, SOU Rantau , Minamas Palantation . Has been reported to Kotabaru District Environment Agency, South Kalimantan , September 12th , 2014

Status: Full Compliance

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.

The company has had a record of communication and consultation procedures with the people who are recorded in the information document request and answer period June through November 2014 for example Rantau Estate, September 23, 2014, Socialization of HCV pamphlets in Rantau Jaya. The handover of socialization pamphlets with HCV pictorial of five (5) copies has been done. Record of people's aspirations and response / follow-up by the company are recorded in the "Document Request and Response Information" in 2014. Examples of Rantau Estate, On April 29, 2013, incoming letter from the head of the Mangka Village No. 03 / PANLAK / Pilkades-MK / IV / 2013, about request to make copies of Head Election of Mangka Village , on May 6, 2013. Rantau Estate has given as many as 1,908 sheets to the Committee Pilkades. Example for Matalok Estate, On June 23, 2014, incoming mail from the LPMD of Bepara Village (No.019 / LPMD / VI2014), about request to take participants to attend the Alliance of Indigenous Peoples of the Archipelago (AMAN) meeting in Paramasan Kalisanga, on June 25th, 2014. Matalok Estate has helped the petition.

Unit Management (Rantau and Matalok Estate) has a list of stakeholders in 2014 consisted of Bepara Village (3 stakeholders) , Mangka (1 person) , Terombong Sari (1 person) , District Pamukan West , North Pamukan , Sungai Durian (8 stakeholders) District Kotabaru (6 stakeholders) , Partner (11 stakeholders) . Rantau POM consists of scope Bepara Village (1 stakeholders) , Rantau Jaya (1 stakeholders) , District Pamukan West and Pamukan North (3 stakeholders) , Kotabaru District (3 stakeholders) , Partner (12 stakeholders) . The officer who is responsible for consulting and communication society that is listed in the committee structure of RSPO - ISPO in 2013, consists of a social worker David Sina Werang (Rantau Estate) , Misli Suhardi (Matalok Estate) , Sudiawan (Rantau POM).

KKPA Sungai Cengal

KKPA Sungai Cengal has had communication procedure on August 6th 2014 with document number (05/KKPA ASC-SOP/14) which was legalized by manager. The procedure describes the internal and external communication, feedback, and information of OHS Environment.

KKPA Sungai Cengal has had the list of stakeholders which consisted of:

- NGO (3 people)
- Head of Agency (21 people),
- Head of Sub-District (2 people),
- Police (3 people),
- Community Figure (12 people),
- College or University (1 person),

- Hospital (1 person),
- Bank (1 person)

According to the result of interview with Binturing Village community on December 18th 2014, the company management unit and KKPA Sungai Cengal were absolutely transparent on communication with community and land owners.

Status: Full Compliance

6.3

There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all parties.

Company Management Unit has a SOP of Complaint Management Procedure for All Parties (009 / LMI - MPKTP / 2010) - (Revision I) . In the SOP on page 4, section flowcharts describes stakeholder complaints involving the affected parties. Based on interview with Management Unit and Acting Village Kepala and Community Leaders in mind that there is no complaint made to the company both from employees and other stakeholders. Management Unit has conducted monitoring in the Suggestion Boox of Rantau Estate, Matalok Estate and Rantau Mill since January to December 2014. The result is known that none of the incoming mail both from employees and the public related to the complaints / objections submitted through suggestion boxes.

KKPA Sungai Cengal

KKPA has had procedure of external complaint delivery which was written on SOP of Communication (05/KKPA ASC-SOP/14) which was legalized by manager on August 6th 2014.

KKPA of Cengal River has also had SOP of community complaint handling with SOP number 28/KKPA ASC-SOP/14 dated August 1st 2014. This SOP contains procedure of permanent employees complaint handling and its administration process dated 1 Agustus 2014.

Company has recorded entire incoming aspiration to External Log in and Log Out consistently and regularly. The incoming aspirations were recorded and responded by Manager of KKPA.

In order to solve land conflict, company has procedure of land compensation which located within Land Use Title (HGU) with document number 343/PSD-OKUP/11 which was legalized by Head of Estate Operation on July 1st 2012.

The procedure regulates the stages of land claim based on land acquisition within or nearby company location in form of Land Use Title (HGU) and it was ended by payment of land compensation to the land owner. The procedure regulates the flow chart of land compensation. For example, started from survey of occupied land until the signing of land compensation official records. Entire stages were prioritizing forum.

Status: Full Compliance

6.4

Any negotiations concerning compensation for loss of legal or customary rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.

PT Laguna Mandiri has SOP Conflict Management (059 / LMI - PK / 2012) which was passed by the Chairman SOU 08 , Estate Manager and Mill Manager.

This procedure is a reference to cases of land conflict resolution that occurs between people (traditional owners) with the management of the plantation manager.

The aims of the procedure are:

- The uniformity of solution pattern of land claim within the HGU area
- Legal status of the land claim solving

The scope is Company HGU area. The procedure describes the step of land compensation that consists of:

- **Inventory**
 - Inventory (land categorization)
 - Inventory realization (measurement)
 - Result of Inventory (land condition)
 - Official Record of inventory result
- **Forum**
- **Suggestion of Payment**

- **Realization o Payment**
- **Reporting**

Up to Surveillance 3, there is noudate land compensation process. Available identification recordis land acquisition report occupational Bepara stage 5 in the village , Sub-District of North Pamukan , Kotabaru District area of 24.50 hectares on August 30th 1999 (6 compensation beneficiaries ; Daruni , Jaruput , Syamsul Bahri , Suandi K , Duwihel / Siti Norjanah and Dume'en) and there is also the availability of map of compensated land location as an appendix.

KKPA Sungai Cengal

In order to solve land conflict, company has procedure of land compensation which located within Land Use Title (HGU) with document number 343/PSD-OKUP/11 which was legalized by Head of Estate Operation on July 1st 2012.

The procedure regulates the stages of land claim based on land acquisition within or nearby company location in form of Land Use Title (HGU) and it was ended by payment of land compensation to the land owner. The procedure regulates the flow chart of land compensation. For example, started from survey of occupied land until the signing of land compensation official records. Entire stages were prioritizing forum.

According to the Map of KKPA area, Statement Area, and field verification, there is no traditional right within KKPA area.

Implementation of ASC KKPA Program is referred to the Cooperative Agreement Letter between PT. Paripurna Swakarsa and PT Swadaya Andika with Bina Swadaya Karya Cooperative Unit. Entire area of KKPA is now belong to each member of KKPA (Land Ownership evidence are Land Ownership Certificate and Seal of Chief of Village)

Status: Full Compliance

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.

The company paid the employee salary in accordance with the minimum wage set by the government , namely South Kalimantan Governor Decree No. 188.44 / 0533 / KUM / 2013 Sectoral Minimum Wage Statute for South Kalimantan Province, 2014. It states the minimum wage sector of oil palm plantations is IDR 1,620,000,-.

Company shows the document of the list of wage for employees. For example:

RTE large payroll period in October 2014, presenting information of wages , premiums , overtime , rapel , worker cuts the company's expense , rice allowance, the total gross wages , income tax cuts , cuts a small salary , total social security cuts , total cuts and total wages paid . Based on a review of documents known that the payment of wages of employees conducted in accordance with the minimum wage set by the government . This was verified during field visits. Based on interviews with employees in the workshop, housing and factory it was mentioned that the salary received by the employee is in conformity with the minimum wage set by the government.

The company has a joint work rules (period 2013-2015) has been agreed and signed with the unions , and witnessed by the Head of Kotabaru district Manpower and Transmigration Agency and signed on November 21st 2013 (period of validity of the agreement for 2 years)

Contained herein Manager Report list of facilities and infrastructures, among others, housing, places of worship, kindergarten, clinic and sports facilities.

The company shows an example Contractor Cooperative Agreement Letter No. MLE / SPK - LKL / 2013 / XII / 007 for the manufacture of building work along with all the trimmings , the points 10.3 states that the contractor must comply with the safety standards that have been defined K3 and obey the applicable labor laws and related.

KKPA Sungai Cengal Area

The field visit to ASC KKPA Office on December 18th 2014 was in time with employees wage payment, therefore, the auditor team has also verified the wage payment derived from several employees. According to te verification result, the employees wage has been paid in accordance with the applied regulation.

Status: Full Compliance

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.

Regulations relating to the existence of labour unions in the document Guidelines for Sustainable Plantation Management (No. POLICY : 724 / TQEM - SPM / 09) issued by the Management Minamas Plantation on 8 November 2010 on Social Policy , in Point 5 stated that the company hoped to Respect Rights of all employee to form and join Labour Union fitting their aspiration and negotiate together.

There are 3 labour unions. Those are:

1. Labour Union of RTE (Rantau Esatate), Recorded at Manpower District of Kotabaru, South Kalimantan (No. 568/33 / II / Disankertrans April 4, 2005). Organizational structure: Djoko Kuswinanto (Chairman), Mulyadi (Secretary), Ali Subandi (Treasurer), determined by consensus March 21, 2005.
2. Labour Union of RTF (Rantau Factory), Manpower recorded in the district of Kotabaru, South Kalimantan (No. 568/91 / SP / Disosankertrans dated 10 November 2014). Organizational structure: Bangbang Santoso (Chairman), Sabarudin (Secretary), Abdul Sair (Treasurer), Established on 10 November 2014.
3. Labour Union of MLE (Matalok Estate), Manpower recorded in the district of Kotabaru, South Kalimantan (No. 568/31 / II Disankertrans March 7, 2005) Organizational structure: Hamzah (Chairman), Dawn N. (Secretary), N. Dawn (Treasurer), determined by consensus dated February 21, 2010.

Company management unit shows document of the labour union meeting. For example:

1. Matalok Estate : On July 22, 2014 , the Office of the Matalok Estate , Minutes of Meeting of Torts Idul Fitri 1434 H , participants were 14 people , the parties present of employers and workers' representatives and the labour union of MLE. The agreement : the replacement Forum work on 6 , 7 , August 10, 2013 became the 4th , 18th, August 25th, 2013 due to Eid holidays 1434 H.
2. Rantau Estate: On July 5th 2014, the Office of Rantau Estate, Discussion Holidays and Change Eid in July 2014) , participants were 13 people , the parties present of employers and workers' representatives and the United Pekrja RTE. The agreement : Do reimbursement day off date of July 30, 2014 is replaced by the date of July 6, 2014 and dated July 31, 2014 is replaced by the date of July 20, 2014.

Labour Union of RTF (Rantau Mill): On April 26 , 2014, a Division III Betunag Estate , Discussion Federation of Labour Union of Minamas Durian Plantation River area in Betuang Estate , participants were 25 people , parties present on the internal SP , the agreement : Pointing Secretary of ASD Labour Union Federation.

KKPA Sungai Cengal

KKPA Sungai Cengal has policy to respect employees right to join and form the labour union. Company's respect was written on SOP of Sustainable Palm Oil Plantation Management with Policy Number 724/TQEM-SPMS/09 dated August 27th 2010 in Chapter of Policy and Objective, Sub-Chapter of Indonesia Upstream Plantation Policy in term of Social page 13 Point 5 which describes that company was expected to respect rights of entire employees to form and join the Labour Union.

Furthermore, it was written in Cooperative Agreement Letter for period of 2013 – 2015

- Clause 5 which states that labour union is a legal organization as long as its establishment refer to Government Regulation 20, 21 year 2000.
- Clause 10 which states that in order to create harmonic and sustainable work environment and in order to improve the communication and coordination between industrialist and workers, bipartite forum need to be established in every single company.

Status: Full Compliance

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.

The company has a policy on worker age requirements listed in the policy No. 028 / PSQM - UM / VII / 2012 which was legalized by Mohd Ghozali Yahaya as Head of Plantation Upstream Indonesia in December 2011 regarding social policy. It states that the Indonesian Upstream Plantation is not allowed to utilize forced labor or under age labour . In

addition there is SOP Acceptance employees SKU (028 / LMI - SKU / 2012) This SOP regulates the recruitment of at least 18 years old and not more than 35 years (points V.1.7) in accordance with the Labor Law of the Republic of Indonesia.

Based on employee data of Matalok and Rantau Estates 2014, the age of the youngest employee in Rantau estate on behalf of the Kurdi employed for fertilizing, date of birth 16 January 1993 aged 19 years. And Matalok Estate on behalf of Julius Saka job harvest date of birth 07/30/1995 Employees aged 19 year when he joined the company (May 1st 2014) that is in accordance with the regulations that the company does not employ minors.

KKPA Sungai Cengal

Company policy in term of worker's age requirement was written on:

- SOP of Permanent Employees Recruitment dated August 4th 2014 with document number 39/KKPA ASC-SOP/14 which describes that the employees age should be minimum 18 years old and maximum 35 years old.
- SOP of Sustainable Palm Oil Plantation Manual with Policy Number 724/TQEM-SPMS/09 which was legalized by CEO on April 1st 2010. In chapter of policy and objective, sub-chapter of Indonesia Upstream Plantation Policy In term of Social Policy on point 6, it states that Indonesia Upstream Plantation shall not employ the underage (18< Years Old) workers.

Status: Full Compliance

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 firm policy of equal opportunity and treatment in employment opportunities listed in the policy book No.028 / PSQM - UM / VII / 2012 which was legalized by Mohd Ghozali Yahaya as Head of Plantation Upstream Indonesia on social policy that every staff / employees should be treated fairly in matters relating to recruitment , promotion / promotion , restrictions and conditions of employment without regard to personal issues such as race , degree , ethnicity , gender , skin color , physical (defective / incomplete) , a membership organization , the view politics , religion and age.

Employee Data Based period of August 2014, it appears that the employees who work in PT LMI consists of ethnic , racial , religious diversity. This can be seen from the percentage of 55.6 % Rantau POM Tribe majority coming from Borneo (local workers) while the non-local workers to Java and Bali 30.8 % ; Sumatra 7.7 % ; NTB and NTT 0.9 % and 5.1 % of Maluku and Sulawesi.

KKPA Sungai Cengal

Record of the list of employees for each work unit of POM and Estate with information of employees ID number, name, employees status, position, date of birth, date of start to work, gender, tribes. According to the document review, there was no underage workers (<18 years old) employed by KKPA Sungai Cengal. For example, employees on behalf of Mukri, employees ID number 50029, position of LC foreman, employees status: permanent employee, date of birth is September 19th 1969, date of work start is May 10th 2007, tribes: bugis with total number of employees are 148.

Status: Full Compliance

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 has had gender policy which was signed by the Head of Indonesia Upstream Plantation on April 2011. The policy describes that the objective is to prevent any kind of sexual harassment toward women, forming specific procedure for the complaint of women, providing training of gender, providing and give opportunity for women workers, ensuring women to effectively involve themselves in decision making, forming gender committee and campaigning gender policy.

Company does not allow pregnant and breastfeeding women workers to work with chemicals or close with chemicals. It was written on Procedure of Block Spraying System and Station Usage Number 066/RSPO-BSSPSS/2011.

Structure of gender committee is formed to express the aspiration and specific complaint. The gender committee structure is consisted of caretaker (estate manager), advisor (women staff), division of health, division of OHS, division of sexual and household harassment, division of women role, and division of community socio-economy.

There is also evidence of reproduction right implementation like delivery leave, menstrual leave, prohibition of spraying task for pregnant and breastfeeding women. Socialization of women health for the women workers have been held. Company shows book of H1 monitoring in MLE and RTE which describes that the women workers named Siti Ngawiyah receive menstruation leave on November 1st – 2nd 2014.

There is SOP of Employees Complaint Management (078/LMI-Adm.PKK/2012) on March 2012 which was purposed to give guidance for handling employee complaint in each Operational Unit.

Furthermore, SOP of Gender Committee Policy Implementation Number Ppolicy 700/PD-KG/10 is available as well, it states the procedure of specific complaint delivery related with gender, sexual harassment, household harassment, child abuse, and protection toward reproduction right. There was data of complaint monitoring since January – November 2014. According to the data, there was no specific complaint in ME and RE.

KKPA Sungai Cengal

KKPA Sungai Cengal has had policy of sexual harassment prevention. For example, in form of letter of gender committee appointment of PT LMR for period of 2014 – 2017 which was approved by estate manager and was legalized on July 17th 2014. The objective of the gender committee forming were:

- Developing the procedure of complaint to ensure the effectivity of policy implementation
- Executing RSPO principle in term of policy to prevent sexual harassment and any type of violation toward women
- Implementing gender equality and justice in workplace

According to the clause 25 of agreement for period of 2013 – 2015, it states that:

- Women workers have right to receive leave with full paid wage for 45 days before the delivery and 45 days after the delivery refer to the doctor's or midwife's examination.
- Women workers who experience pregnant fail are allowed to get some rest refer to the doctor's examination.
- Industrialist gives right to rest for the women workers who deliver the baby in premature for 45 days.

Status: Full Compliance

6.10

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

PT LMI does not has direct contract with the local smallholders, incoming FFB is received from Bina Swadaya Karya Cooperative Unit based on contract. FFB pricing is determined by South Kalimantan Province Plantation Agency. There was also price of FFB for period of October 2014 refer to the Decree of South Kalimantan Plantation Agency (No. 525/1678/PUPPH-2) dated October 17th 2014. FFB price is determined based on the meeting which was attended several parties: Company representatives, Smallholders representatives, and Relevant Agencies. Rantau Mill buys FFB only based on the contract made.

Cooperation was conducted by local contractor from nearby village. For example:

- Cooperative Agreement Letter (No. 04/LMI-RTF/XI/2014) between Rantau POM and Yahya on November 4th 2014, type of the task was to take apart and install the boiler roof with length of 6 meter and width of 0.72 meter, period of task was 20 days from November 7th – 26th 2014, contract value was IDR 13,824,000. Cooperative agreement letter was attached with terms and agreement of OHS compliance refer to the policy of Minamas Group, contractor was responsible for the Labour Social Security Assurance.
- Cooperative Agreement Letter (No. MLE/SPK-LKL/II/2014/013) (Local) between Matalok Estate and CV. Catur Batu Mulia, dated on February 20th 2014, type of task was quarry transport in km 18 of Duri River to estate block, period of task was 1 month from March 1st – 31st 2014. Cooperative agreement letter was attached with terms and agreement of OHS compliance refer to the policy of Minamas Group, contractor was responsible for the Labour Social Security Assurance.
- Cooperative Agreement Letter (No. MLE/SPK-LKL/V/2014/014) (Local) between Matalok Estate and CV. Catur Batu Mulia, dated on May 20th 2014, 20 Mei 2104 type of task was quarry transport in km 18 of Duri River to estate block, period of task was 1 month from June 1st – 30th 2014. Cooperative agreement letter was attached with terms and agreement of OHS compliance refer to the policy of Minamas Group, contractor was responsible for the Labour Social Security Assurance.
- Cooperative Agreement Letter (No. EST/RTE/SPK-LKL/IV/2014/014) (Local) between Rantau Estate with Subandi W ,

217 dated April 2104 , FFB transport type of work , duration of employment 2 Months dated 17 April to 17 June 2014. The letter is accompanied by labor agreement provisions OHS fulfillment discretion Minamas Group , the contractor responsible for Labour Social Security Assurance

Company Management Unit has conducted payment to the third party on time. For example:

RTE Estate

- Cooperative Agreement Letter (No.EST / RTE / SPK - LKL / 2014 / V / 041) dated May 25, 2014 between PT Laguna Mandiri, Rantau Estate with Abu Bakr , the payment term of 1 (one) month , starting from May 1st to 31st , 2014, job procurement and installation of crushed stone , the method of payment of 30 (thirty) days from the first (RTE Estate) receive a complete written bill , payment is made through bank transfer Second Party (Abu Bakr) . There Interrogation and Payments dated June 17, 2014 , the contract price of IDR 47,250,000. Provided evidence of transfer via BRI Branch Land Geroget On July 11, 2014 IDR 95,000 after taxes Income 23 (2 %) .

Matalok Estate

Cooperative Agreement Letter (No.MLE/SPK-LKL/2013/V/007) dated January 2, 2014 between PT Laguna Mandiri Matalok Estate with CV. Light rays Noble , duration of employment dated January 1, 2014 s / d March 31, 2014 , the work of making the building and all the trimmings , the method of payment of 30 (thirty) days from the first (Matalok Estate) receive a complete written bill , payment is made by wire transfer into account the Second Party (CV . Sinar Cahay Noble) . There Interrogation and Payments dated March 11, 2014, the contract price of IDR 176,000,000, provided evidence of transfer via BRI on 20 Agsutus 2014 IDR 3,386,953.

Rantau Factory

Cooperative Agreement Letter (No.04/LMI-RTF/XI/2014) November 4, 2014 between PT Laguna Mandiri MCC Rantau with Yahya , term of payment after the work was complete 100 % BAP signed by both parties , the work of loading and install roof boiler , payments made by transfer to the account of the Second Party (Yahya) . There is minute of check and payment on November 23, 2014; the contract price is IDR 16,800,000.

KKPA Sungai Cengal

KKPA Sungai Cengal cooperate with contractor to run other operational task. For example, road hardening using white stone. According to the Cooperative Agreement Letter number KKPA-ASC/SPK-LKL/VI/2014/096 (local) for hardening the road using white stone on June 23rd 2014 for work period of July 1st 2014 – September 30th 2014.

According to the clause 8 written on Cooperative Agreement Letter, payment shall be transferred within 45 since the first party receive the written invoice refer to Official Record of Inspection and Payment (BAPP) per month. Paymernt was transferred to BRI of Batulicin account on behalf of Tomy Manurung. The Cooperative Agreement Letter has been made and approved by both parties with legalization in form of signature on the legal stamp.

Payment transferred byKKPA Sungai Cengal has complied the Cooperative Agreement Letter between company and contractor. It was proved by evidence of payment to contractor that was well recorded and maintained by company. There was also Official Record of Inspection and Payment (BAPP) dated July 15th 2014 for road hardening using white stone in Division 3 of ASC KKPA Sungai Cengal which has been approved by estate manager and contractor.

Status: Full Compliance

6.11

Growers and millers contribute to local sustainable development wherever appropriate.

Contribution of company for the local development in form of responsibility of social and community was focused on education, religion, infrastructures, sport, natural disaster of drought, health, environment preservation, and taxes. Type of the contribution is annually paid, contribution nominal, receipt, and payment realization were well documented. For example:

- RTE (Rantau Estate): IDR 2,531,565,284, (dated January 21st 2013 to November 26th 2014).
- RTM (Rantau Mill): IDR 62,166,096 (dated July 2013- August 2014)
- MLE (Matalok Estate): IDR 209,712,106 (dated June 2013 - October 2014)

- Property Tax Year 2013 PT. Laguna Mandiri IDR 1,727,574,535 transferred via Kotabaru BRI.
- Income Tax on November 21st 2014: Rantau Estate IDR 27,871,500. Matalok Estate IDR 14,227,240. Rantau Mill IDR 16,471,600.

CSR realization evidence:

- RTE: (1) Scholarship for brilliant student in Secondary School and High School, West Pamukan, Sengayam, IDR 60,000,000. Dated November 22nd 2012; (2) Contribution of road construction in Bepara Village, IDR 87,000,000, dated July 14th 2013.

MLE: Construction of clean water tank in Bepara Village, IDR 12,500,000. Dated April 8th 2013.

KKPA Sungai Cengal

One of company contribution toward regional development was the compliance of company to pay the tax. For example, income tax 21. KKPA Sungai Cengal was able to show the record of income tax 21 payment as shown below:

- Official record of empty fruit bunch work inspection on June 30th 2014 for 10,270 Kg of empty fruit bunch and price per kg was IDR 40, income tax should be paid was IDR 8.216.
- There was a list of wage for period of July 2014 for division 1 where the income of each employees along with income tax 21 that should be paid shall be paid by company.

Status: Full Compliance

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.

Company management unit has document of EIA which was legalized by Agriculture Department, Agribusiness Bodies Number 008/ANDAL/BA/II/1995, dated February 27th 1995. Record of EIA result can be shown in form of routine semester report of environmental management and monitoring plant. For example, report of environmental management and monitoring plan in 1st semester period of 2014 which was reported to Kotabaru District Environment Agency on September 12th 2014 which contains environment monitoring and management with parameters below:

- Soil Fertility
- Quality of Air and Noise
- Quality of River Water
- Quality of Underground Water
- Quality of Effluent and Solid Waste
- Flora and fauna
- Fire Potential
- Community Restlessness

In order to develop the community nearby company, company management unit has realized the establishment of scheme smallholder with system of credit of cooperative unit primary member (KKPA) for Cengal River area for 2,679 hectare.

Status: Full Compliance

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 management unit was realizing establishment and planting of estate area refer to the result of EIA review. Furthermore, company management unit has also has report of soil fertility and report of land suitability.

For example, Matalok Estate management unit has evidence in form of Report of Land Suitability on Area with Planting Year 2008 with hectareage up to 107.49 Ha, period of report was November 2013. According to the result of survey, the soil in new plant area 2008 in Matalok Estate is classified onto ordo Ultisol with soil series MM-08 Typic Plinthuduls and ordo Alfisol with soil series MM-09 Lihic Hapludalfs. The Topography is wavy.

Status: Full Compliance

7.3

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

According to Document of EIA (EIA Number 660/22/BLHD.AMDAL dated August 20th 2010) which states that according to Map of Kotabaru Spatial Plan (RTRWK) on 2002 and South Kalimantan Province Spatial Plan (RTRWP), the area of PT LMI is located within Area of Consumption Plant Cultivation.

Currently there are only replanting programs, no new plantings. Social Environment Impact Assessment (SEIA) for replanting areas was conducted by Aksenta on November 2014. However, SEIA document has not completed yet.

PT. LMI has map of replanting area overlayed with map of HCV. There is no replanting in HCV area. Furthermore, according to the result of field visit in block C008 (MLE) and A002 (RTE), there is no planting in Pangau Riparian.

Hectarage of land for replanting program that has been conducted is as follow:

RTE: A001 hectarage of land for replanting 78.21 Ha, the preserved HCV areal is 0.73 Ha.

MLE: C008 hectarage of land for replanting 58.45 Ha, the preserved HCV areal is: 2.00 Ha.

Status: Full Compliance

7.4

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

Cooperative Credit Scheme of Cengal River

ASC KKPA has had the report of land feasibility study result which was conducted by Minamas Research Center on June 2010. The location determined to be palm oil reserved area were:

Source / Reference	Location	Width (Ha)
MRC-Kalimantan (GPS Measurement on July 2010)	Antiling	417.56
	Jeruju	142.83
	Pondok Labu	191.21
	Sakadoyan	144.13
	Rantau Buda	521.99
	Selabak	350.47
	Bakau	81.41
Plantation Services Department of Kalimantan (Map of future scheme smallholder situation)	Map of Scheme Smallholder land situation in Bakau Village of PT SAA	251.05
	Map of Scheme Smallholder land situation in Segendang Village	127.87
The Board of KKPA Estate of Cengal River Area (sket of map)	Sket of map of Sesulung Kampung	330.00
	Sket of map of Sengongot (Sesulung)	190.00
	Sket of map of Separe Sesulung	140.00
	Sket of map of Senipah	175.00
TOTAL		3,063.52

According to soil survey result, there were 3 type of soil:

- 1). MM-02 Typic Hapludults (Ultisol): 1,745 Ha
- 2). MM-08 Typic Plinthudults (Ultisol): 1,244 Ha
- 3). MM-22 Lithic Udihirtents (Entisol): 75 Ha.

Land topography in ASC scheme smallholder area was consisted of 4 groups:

- 1). Flat topography / flat: 0-3% for 75 Ha
- 2). Undulating topography / undulating: 3-8% for 140 Ha

- 3). Rolling topography / rolling: 8-15% for 2,201 Ha
- 4). Hilly Topography / hilly: 15-30% for 648 Ha

Result of Land Suitability Class evaluation: **Class S2 (suitable):** ± 2,341 Ha to **Class S3 (moderately suitable):** ± 723 Ha. Hence, there was no marginal soil.

Status: Full Compliance

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.

Until Surveillance 3 there is no new land clearing outside Land Use Title (HGU) area. Document of socialization of estate establishment is available in early ASA. For example, socialization of estate establishment in Block D 019 in Matalok Estate, the forum was attended by several parties such as: Plantation Services Department (PSD), Village and Sub-District Administration Government of North Pamukan and Rohadi's Group on May 1st 2007. Attachment of Event's Official Record and attendance list were available as well.

Company management has conducted Study of SEIA for Replanting in RTE and MLE for period of 2014 – 2017 in November 16th – 18th 2014.

Status: Full Compliance

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 Laguna Mandiri has had SOP of Conflict Management (059/LMI-PK/2012) which was legalized by Head of SOU08, Estate Manager and Mill Manager.

The procedure is considered as reference for land dispute resolution of the land conflict occurred between community and estate management.

Objectives of the procedure are:

- Diversity in scheme of land claim in Land Use Title (HGU) area
- Gain the legality of the land dispute resolution.

Scope is Company Land Use Title (HGU) area.

The procedure describes the stage of land compensation which consisted of:

Inventory

- Inventory (categorizing land)
- Inventory realization (measurement)
- Inventory result (land condition)
- Official Record of inventory record

Forum

Suggestion of Payment

Payment Realization

Reporting

According to the result of interview in Rantau Buda Village and the board of smallholders cooperative unit in Bakau Village, community has received the impact of estate existence. For example:

- The opening of road access of the nearby villages
- The opening of job opportunity for the nearby community (estate and mill)
- Several aids such as: road repairmen, worship place construction, aid for religion feast day
- Local contractor receives company project.

Program of company partnership with smallholder cooperative unit has been started since 2009. The program is in form of credit for cooperative unit primary member (KKPA) of Cengal River. Scheme smallholder program has been realized for 2,385.50 Ha in Cengal River. For the region nearby PT LMI, Scheme Smallholder program in Bepara Village has been realized for 157.57 Ha of the projected land for 585 Ha.

Status: Full Compliance

7.7

Use of fire in the preparation of new plantings is avoided other than in specific situations, as identified in the

ASEAN guidelines or other regional best practice.		
<p>Company has had policy of zero burning which was written on procedure of land preparation. The policy was then supported with SOP Manual with Policy Number 2xx/PTK-LPG/2004 Nomor Indeks II/04, dated December 1st 2004.</p> <p>According to time schedule of replanting and realization refer to Cooperative Agreement Letter and the result of field visit in Block of Replanting of Rantau Estate with hectareage of 78.21 Ha, there were several programs such as mincing and cutting, construction of drainage, terrace construction and nut planting until December 2014. Digging of hole for planting has been planned on January – March 2014 and palm oil planting has been planned on March to May 2015 with density 148 stand/Ha.</p> <p>Company has had structure of Land Fire Handling Team and facilities to handle fire in each estate. PT LMI has conducted simulation of land fire extinguishing. For example:</p> <p>a. RTE: Simulation of fire extinguishing which was attended by 17 participants in Division IV of Rantau Estate on September 26th 2014.</p> <p>b. MLE: Simulation of fire extinguishing which was attended by 20 participants on May 2014.</p>		
	Status: Full Compliance	
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.		
<p>Mill and estate operational inspection which involves internal management of Minamas Plantation is conducted each semester.</p> <p>a. Inspection of mill operational was conducted by mill advisory and written on Report Number MINAMAS/RTF/01/1314. Visitation of Mill advisory was conducted by Shahar bin Abdul Kadir in Rantau Mill on September 27th – 28th 2014 and the plan for re-visit will be realized on January 15th 2015.</p> <p>b. Inspection of operational was conducted by GM of Pamukan and Durian River area. For example, record of inspection result on April 23rd 2013 with overall record of corrective action on May 5th 2014, inspection result on September 3rd – 4th 2014 with the overall record of corrective action on September 23rd 2013 and April 23rd 2014 and record of overall corrective action has been corrected on May 10th 2014. It was discussing the result of inspection in each station. For example, corrective action in boiling station to take the FFB out of the boiler, recommendation of safety cover installation for HEB Conveyor and recommendation of monitoring improvement toward high losses.</p> <p>c. Record of the result of Plantation Advisory inspection refers to the field visit to RTE on May 19th – 21st 2014. Inspection of estate cultivation technique which covers road maintenance, bridge maintenance, pest and disease activity, rat attack, canopy management, planting of beneficial plant, and recommendation of manuring. According to the result of inspection, manuring should be more consistent with recommendation determined, coordination of empty fruit bunch must be improved.</p> <p>d. Internal audit of opname stock was conducted on February 3rd 2014 for the inspection of outgoing fnd, premium and wage payment to the third party. The result of inspection were to recommend the improvement of fund request for wage payment to be adjusted with estate production potential and ability of division to realize the potential. Therefore, the request of fund shall not exceed the realization.</p> <p>e. RSPO Internal Audit was conducted by Trijono and Asmara Hadi on September 16th – 17th 2014 and entire findings has been corrected.</p> <p>RSPO Internal Audit was conducted by Trijono and Asmara Hadi on September 16th – 17th 2014 and entire findings has been corrected. Record of corrective action of findings in S2 audit in PT LMI has been shown and accepted by auditor. Therefore, the entire finding is closed.</p>		
	Status: Full Compliance	

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> <p>a) Complete and up to date procedures covering the implementation of all the elements in these requirements.</p> <p>b) The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the facilities procedures for the implementation of this standard.</p> <p>a). SOP SCCS Mass Balance & Declaration 7 No. Policy: 079/501.LMI-SPC-01/2014; No. Revisi: 02; dated 3 Maret 2014 and Supply Chain Certification System (Dok RSPO/065/SCPP/PSA) tertanggal 14 Januari 2013.</p> <p>b). Person in Charge refer to procedure:</p> <p>1. Mill Manager:</p> <ul style="list-style-type: none"> - Keeping and maintaining entire documents, records, and transcript related to raw material usage for production process. - Verification of product status delivered to the buyers in accordance with the document (invoice, DO, Sales Contract, Official Record of Product Delivery). - Providing training of supply chain certification requirement for entire involved staff. <p>2. Assistant of PSQM:</p> <ul style="list-style-type: none"> - Inspection of FFB quality (Grading) in POM and creates daily recapitulation - Supervising the palm product delivery and load/unload process <p>3. Foreman / Laboratory Assistant:</p> <ul style="list-style-type: none"> - Analyzing and testing the quality of raw material and product in entire stages of production process in POM - Keeping, maintaining, and distributing the result of analysis and test of raw materials and product quality <p>4. Assistant/Sr. Assistant/Bulking Manager:</p> <ul style="list-style-type: none"> - Transportation of CPO and Palm Kernel product from POM to Bulking Station - Handling and storing CPO and Palm Kernel in Bulking Station area
	Status: Full Compliance
1.2	<p>The facility shall have documented procedures for receiving and processing certified and non-certified FFBs.</p> <p>7. Specific Condition</p> <p>7.1 If the process of product using Mass Balance System and segregation.</p> <p>7.1.1 Separating the document of weighbridge ticket for RSPO-Certified FFB and the Non RSPO-Certified FFB.</p> <p>7.1.2 Quantity of CPO and Kernel production (RSPO-Certified and Non RSPO-Certified) must be attached on the daily production report.</p> <p>7.1.3 Writing the recapitulation report or quarter-based balance sheet of RSPO-Certified and Non RSPO-Certified CPO and Kernel production.</p> <p>According to the result of interview with the Weighbridge Operator of Rantau Mill, there was no specific attachment on the document of weighbridge ticket for the FFB from the RSPO-Certified source and Non RSPO-Certified source; there was no specific procedure of the SimeWeight related to the issue.</p>
	Status: Full Compliance
2	Purchasing and goods in
2.1	<p>The facility shall verify and document the volumes of certified and non-certified FFBs received.</p>

Report of Rantau POM Production for period of 2013/2014

Month	Incoming FFB (Kg)				Quantity (Kg)
	RSPO (kg)	%	Non RSPO (kg)	%	
October 2013	18,437,320	98.76	231,610	1.24	18,668,930
November 2013	20,380,000	98.72	265,000	1.28	20,645,244
December 2013	15,812,700	98.32	269,860	1.68	16,082,560
January 2014	13,294,430	97.89	286,560	2.11	13,580,990
February 2014	12,747,280	97.57	317,310	2.43	13,064,590
March 2014	14,873,810	97.43	392,610	2.57	15,266,420
April 2014	19,450,390	97.55	487,980	2.45	19,938,370
May 2014	20,154,500	97.77	459,060	2.23	20,613,560
June 2014	19,542,370	98.04	391,040	1.96	19,933,410
July 2014	15,679,670	98.67	223,880	1.33	15,903,550
August 2014	19,943,330	98.84	233,910	1.16	20,177,240
September 2014	17,687,750	99.23	137,880	0.77	17,825,630
October 2014	15,132,490	98.58	218,550	1.42	15,351,040
November 2014	15,942,240	97.33	437,051	2.7	16,379,291
TOTAL	239,078,280	98.19	4,352,301	1.81	243,430,581

Example of the raw material receipt from RSPO-certified dan non RSPO-certified source.

- 1). FFB Delivery Letter (SPB) – **Selabak Estate (PT SAA). RSPO Certified**
 - Seal Number/SPB: 432 1404 0929
 - Vehicle Police Number: DA 9995 GB
 - Date of Delivery: December 17th 2014
 - Date of Harvest: December 16th 2014 (leftover fruit)
 - Circle: 20 days
 - First Year of Planting: 1998
 - Block: F004
 - Quantity: 500 FFB
 - Average fruit bunch weight: 15 Kg/Bunch
 - Tonnage Estimation: 7,500 Kg
 - Weighbridge Ticket of Rantau POM with ticket number: 190153 stamp of **RSPO CERTIFIED**.
 - Quantity of Tonnage (nett): 6,820 Kg.
- 2). FFB Delivery Letter (SPB) – **KKPA Sungai Cengal (Division 3). Non-Certified RSPO**
 - Serial Number of FFB Delivery Letter: 4841 3000 991
 - Vehicle Police Number: W 8526 US
 - Date of Delivery: Des 13th 2014
 - Date of Harvest: December 12th 2014 (leftover fruit)
 - P Circle: 7 days
 - First Year of Planting: 2009
 - Block: A003
 - Quantity: 1,000 FFB
 - Jumlah berat brondolan: 500 Kg
 - Average fruit bunch weight: 6 Kg/bunch
 - Tonnage Estimation: 6,000 Kg
 - Weighbridge Ticket of Rantau POM with ticket number: 189727 stamp of Non RSPO-Certified.
 - Quantity of Tonnage (nett): 6,470 kg.

Status: Full Compliance

2.2

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

On the attachment of Rantau POM certificate (MUTU-RSPO/009) for period of December 30th 2013 – Desember 29th 2014,

Claim of certified product was:

FFB total production: 153,231.94 tonnes (RTE: 94,992.76 tonnes; MLE: 58,239.18 tonnes).

CPO: 62,946 tonnes.

PK: 13,168 tonnes.

Capacity: 60 ton FFB/Hour.

Actual production for period of January 2014 – December 16th 2014) are:

FFB total production: 184,430.26 tonnes.

CPO: 40,795.30 tonnes

PK: 9,326.22 tonnes

Certified FFB and CPO Production has exceed claim threshold. However, Rantau POM management unit has informed the extension of the certified product. Meanwhile, the PK product was still below the certificate claim.

Status: Full Compliance

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.

- Record of FFB product receipt until product sales was written on report of daily / weekly / monthly / annual production which cover the information of the origin of estate supplier, quantity of the received FFB, FFB quality, quantity of CPO and PK and its quality.
- Production recapitulation for period of 2013 – 2014 monthly covers the history of the incoming FFB, processed FFB, CPO production, Kernel production, CPO Stock, Delivery and Sales (CSPO and Non-Certified).
- Monthly crop report which contains input of FFB, CPO, PK from estate group and external.
- Daily summary of sustainable FFB, CPO and Kernel by separating RSPO and Non-RSPO product.

Entire records were maintained and documented on the system.

Status: Full Compliance

3.2

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

Rantau POM has own SOP of Supply Chain and Product Trace with Policy Number: 079/501.LMI-SPC-01/2014; Revision Number: 02; Date: March 3rd 2014. The document contains:

- a. Scope: The procedure is valid from the FFB receipt, production process, bulking station and process of product delivery to the buyer; Type of supply chain implemented on this procedure is *Mass Balance*.
- b. General Information covers:
 - Maintaining period of record or report of FFB receipt until CPO product delivery to the buyers is 5 years.
 - Flow process mass balance supply chain
 - Supply Chain Requirements
 - Scheme of CPO Stock Chai

Status: Full Compliance

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.

Month	Incoming FFB (Kg)				Quantity (Kg)
	RSPO (Kg)	%	Non RSPO (Kg)	%	
Oct-Dec 2013	54,630,020	98.60	766,470	1.40	55,396,734
Jan-Mar 2014	40,915,520	97.63	996,480	2.37	41,912,000
Apr-Jun 2014	59,147,260	97.79	1,338,080	2.21	60,051,890

Jul-Sep 2014	53,310,750	98.91	595,670	1.09	53,896,420
Oct-Nov 2014	31,074,730	97.96	655,601	2.06	31,712,331
TOTAL	239,078,280	98.20	4,352,301	1.80	242,969,375

Month	CPO Production (Kg)				Quantity (Kg)
	RSPO (Kg)	%	Non RSPO (Kg)	%	
Oct-Dec 2013	12,920,616	98.60	179,872	1.40	13,100,489
Jan-Mar 2014	9,121,723	97.70	214,282	2.30	9,336,005
Apr-Jun 2014	12,794,078	97.78	290,354	2.22	13,084,432
Jul-Sep 2014	12,028,614	98.91	130,229	1.09	12,158,843
Oct-Nov 2014	6,850,894	97.60	168,784	2.40	7,019,678
TOTAL	53,715,925	98.12	983,521	1.88	54,699,477

Month	Kernel Production (Kg)				Quantity (Kg)
	RSPO (Kg)	%	Non RSPO (Kg)	%	
Oct-Dec 2013	2,832,318	98.61	39,334	1.39	2,871,653
Jan-Mar 2014	1,846,378	97.70	43,563	2.30	1,889,942
Apr-Jun 2014	2,980,348	97.79	67,864	2.21	3,048,213
Jul-Sep 2014	2,731,582	98.91	29,674	1.55	2,801,157
Oct-Nov 2014	1,767,913	97.60	43,948	2.42	1,811,860
TOTAL	12,158,539	98.12	224,383	1.98	12,422,825

Status: Full Compliance

3.4

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

Example of the document of RSPO-Certified product sales/delivery of PT LMI – Rantau POM.

Sales Confirmation No. 00352/LMI/KTR-MKS/LOK/VII/2014.

Sold to: PT GOLDEN HOPE NUSANTARA

Address: Jl. MH Thamrin Kav. 28-30, The Plaza Office Tower Lt.36, Rt.009, Rw. 005, Gondangdia Menteng Jakarta – 10350.

Commodity: CPO in Bulk

Quality: FFA (as palmitic) – 5.00% Max; Moisture & Impurities – 0.50% Max.

Quantity: 2,500,000 kg

Delivery Period: Jul 2014

Delivery Order no: 00413/00352/07/14/L-LMI-MKS

Issuing date: July 11th 2014

Stamped: **RSPO Certified Mass Balance.**

Invoice No:00667/LMI/VII/2014

Date: July 20th 2014

Sales Contract No: 00352/LMI/KTR-MKS/LOK/VII/2014.

Delivery Order No: 00413/00352/07/14/L-LMI-MKS

Commodity: CPO in Bulk
Volume: 2,488,261 Kg
Stamped: **RSPO Certified Mass Balance.**

Tax Invoice

Code and Serial Number of Tax Invoice: 010.002-14.05935263

Tax Payer

Name: PT LAGUNA MANDIRI

Address: THE PLAZA OFFICE TOWER LT. 36, JL MH THAMRIN KAV 28-30 RT.009 RW.005, MENTENG, JAKARTA PUSAT – 10350

Taxpayer ID Number: 01.342.201.9-073.000

Buyers as Taxpayer:

Name: PT GOLDEN HOPE NUSANTARA

Address: THE PLAZA OFFICE TOWER LT. 36, JL MH THAMRIN KAV 28-30 RT.009 RW.005, MENTENG, JAKARTA PUSAT – 10350

Taxpayer ID Number: 02.059.012.1-058.000

Name of the Taxable Goods: CPO in Bulk; Volume: 2,488,261 kg; Kontrak Number: 00352/LMI/KTR-MKS/LOK/VII/2014. July 11th 2014.

Stamped: **RSPO Certified Mass Balance.**

Status:

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

Example of the document of RSPO-Certified product sales/delivery of PT LMI – Rantau POM.

Sales Confirmation No. 00352/LMI/KTR-MKS/LOK/VII/2014.

Sold to: PT GOLDEN HOPE NUSANTARA

Address: Jl. MH Thamrin Kav. 28-30, The Plaza Office Tower Lt.36, Rt.009, Rw. 005, Gondangdia Menteng Jakarta – 10350.

Commodity: CPO in Bulk

Quality: FFA (as palmitic) – 5.00% Max; Moisture & Impurities – 0.50% Max.

Quantity: 2,500,000 kg

Delivery Period: July 2014

Delivery Order no: 00413/00352/07/14/L-LMI-MKS

Issuing date: July 11th 2014

Stamped: **RSPO Certified Mass Balance.**

Invoice No:00667/LMI/VII/2014

Date: 20 July 2014

Sales Contract No: 00352/LMI/KTR-MKS/LOK/VII/2014.

Delivery Order No: 00413/00352/07/14/L-LMI-MKS

Commodity: CPO in Bulk

Volume: 2,488,261 kg

Stamped: **RSPO Certified Mass Balance.**

Tax Invoice

Code and Serial Number of Tax Invoice: 010.002-14.05935263

Tax Payer

Name: PT LAGUNA MANDIRI Address: THE PLAZA OFFICE TOWER LT. 36, JL MH THAMRIN KAV 28-30 RT.009 RW.005, MENTENG, JAKARTA PUSAT – 10350 Taxpayer ID Number: 01.342.201.9-073.000 Buyers as Taxpayer: Name: PT GOLDEN HOPE NUSANTARA Address: THE PLAZA OFFICE TOWER LT. 36, JL MH THAMRIN KAV 28-30 RT.009 RW.005, MENTENG, JAKARTA PUSAT – 10350 Taxpayer ID Number: 02.059.012.1-058.000 Name of the Taxable Goods: CPO in Bulk; Volume: 2,488,261 kg; Kontrak Number: 00352/LMI/KTR-MKS/LOK/VII/2014. July 11 th 2014. Stamped: RSPO Certified Mass Balance.	
	Status: Full Compliance
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.	
Rantau POM has held SCCS training for period of 2014, dated September 18th 2014. Training participants were consisted of FM, Sr. Officer, EM, and Assistant of Supplier Estate (19 participants). OFI: SCCS training need to be informed to the Key person of the POM operational such as WB operator, Grading Operator, Security, Dispatch Operator and Transporter.	
	Status: Observation
5.2 The facility shall provide documented proof that the RSPO certified palm oil can be traced back to only certified segregated material. The Rantau mill implementing the sytem wich the source of FFb can be trace in Weight Bridge System . The system inform from the source location of FFB, the weight of FFB, grading quality, transport information, time received unutil became CPO and Palm Kernel.	
	Status: Full Compliance
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: <ul style="list-style-type: none"> • The crush operator conforms to these requirements for segregation • The crush is covered through a signed and enforceable agreement Rantau POM does not has Kernel Crushing Plant (KCP) separated from POM building and not continue line. KCP is outside of the scope of RSPO P&C certification.	
	Status: Full Compliance
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 Rantau POM has held SCCS training for period of 2014, dated September 18th 2014. Training participants were consisted of FM, Sr. Officer, EM, and Assistant of Supplier Estate (19 participants).	

OFI: SCCS training need to be informed to the Key person of the POM operational such as WB operator, Grading Operator, Security, Dispatch Operator and Transporter.	
	Status: Observation
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.	
Rantau POM has received RSPO certificate per December 30 th 2011. There was SOP of Supply Chain and Product Backtracking with Policy Number: 079/501.LMI-SPC-01/2014; Revision Number: 02; Date: March 3 rd 2014. In Declaration-7, entire claims toward RSPO-Certified product of CPO and PK has been in accordance with the <i>Guidelines for Communication and Claims</i> .	
	Status: Full Compliance

3.3. Conformity Checklist of Certificate and Logo Use ASA-3

1.	Evidence of permission or approval certificate and logo from Certification Body which submitted by Client	X or√
ASA-3	PT Laguna Mandiri Rantau factory has / approval permit the use of certificates (MUTU RSPO/009)	
	Status: Full Compliance	√
2.	Implementation of certificate and logo used by Client comply with size and type (shape) against Guideline of Logo Use	X or√
ASA-3	PT Laguna Mandiri did not use the logo either within their products (on-product) and not the product (off-product)	
	Status: Not Applicable	NA
3.	Implementation of Certificate and Logo is not used on product	X or√
ASA-3	PT Laguna Mandiri did not use the logo either within their products (on-product) and not the product (off-product)	
	Status: Not Applicable	NA
4.	Controlling of Certificate and Logo, including withdrawing inappropriate logo.	X or√
ASA-3	PT Laguna Mandiri did not use the logo either within their products (on-product) and not the product (off-product)	
	Status: Not Applicable	NA

3.4. Summary of RSPO Partial Certification.

Management unit(s) observed:		
<i>1. Name or organization PT Mitra Austral Sejahtera</i>		
2.1	There is compliance with all applicable local, national and ratified international laws and regulations.	X or√
	PT Mitra Austral Sejahtera is compliance with applicable laws and regulations.	√
	Status: Full Compliance	
2.2	The right to use the land can be demonstrated, and is not legitimately contested by local communities with demonstrable rights.	X or√
	PT Mitra Austral Sejahtera has demonstrated land use and not legitimately contested by local communities. The company's land acquisition process has been in accordance with the prevailing regulations	√
	Status: Full Compliance	√
6.3	There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all parties.	X or√
	PT Mitra Austral Sejahtera has documented system for dealing with complaints and grievances, which is implemented and accepted by all parties. There is a Communication Procedure No. Policy 501/MAS-KOM-03/11 dated 8 April 2011 implemented through the Mail Box, Email, Announcements, posters, brochures / pamphlets and meeting / briefing, etc. To resolve complaints / disputes associated with land, the company has prepared a Compensation Negotiation Process Mechanism No Policy 501/MAS-Doc 01/11 dated 8 April 2011, which contains a flowchart of (derasa) compensation payment process through a amicable discussion and meetings with Muspika (Task Force).	
	Status: Full Compliance	√
6.4	Any negotiations concerning compensation for loss of legal or customary rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.	X or√
	PT Mitra Austral Sejahtera has a Compensation Negotiation Process Procedure No. Policy 501/MAS-Doc 01/11 dated 8 April 2011, which contains a flowchart of compensation payment process (Derasa) through amicable discussion and meeting with Muspika. The pricing of compensation is based on the Minutes of Agreement on Compensation (Derasa) Pricing dated December 8, 2005 as agreed by PT MAS, Community Leaders and KUD managers, acknowledged by Sub-District Chiefs (3 Sub-districts). Socialization was held on December 9, 2005 and attended by 35 representatives of related groups.	
	Status: Full Compliance	√
7.3	New plantings since November 2005, have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values.	X or√
	PT Mitra Austral Sejahtera has not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values. Based on the company's Plantation Concession issued through Decision of Land Agency Head of Sanggau District No. 400-56/IL-1999 dated January 8, 1999 on the Granting of Extension Concession the Purposes of Palm Oil Plantation located at Parindu, Bonti, Hulu and Kembayan Tayan sub-districts in the name of PT Mitra Austral Sejahtera with a total area of 20,000 hectares of 30,000 hectares reserved area, the concession of PT MAS is located within Other Use Area (APL) in accordance with the Spatial Plan of West Kalimantan Province The company management has declared to the community that the company will preserve and will not cultivate palm oil crops in areas that have been identified as HCV (MAS-3 Estate's Statement Letter dated May 1, 2011).	

	Local people / Indigenous Figures joined in Satlak were directly involved in the identification process of areas where palm oil planting is not allowed in accordance with the agreement.	
	Status: Full Compliance	√
7.5	No new plantings are established on local peoples' land without their free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.	X or√
	<p>Available EIA documents as approved by the Central EIA Committee letter the Department of Forestry and Plantations, No: 242/Menhutbun-II/2000, on March 23, 2000.</p> <p>The company has conducted studies of social impact, but until the implementation of Stage-1 is still in draft form. SIA mentioned in the draft document;</p> <p>a. Positive Impacts</p> <ol style="list-style-type: none"> Direct Impacts <ul style="list-style-type: none"> Significant local people are employed by the company. Emergence of livelihood sources. Increased revenue sources and incomes of the villagers. Increased productivity, value and status of land (impact of KKPA plasma development). Increased accessibility and mobility of people, goods and services. Public's positive perception to the company. Indirect <ul style="list-style-type: none"> The increasingly growth of local businesses Increased cash flow and fund circulation in the surrounding villages. Increased purchasing power of the local people. <p>b. Negative Impacts;</p> <ol style="list-style-type: none"> Direct impacts; <ul style="list-style-type: none"> Reduced size of public lands, Public's negative perception to the company, Dispute/conflict Indirect impacts and Accumulation <ul style="list-style-type: none"> Clean water problem, Impaired traditional value system of mutual cooperation, <p>- Change in lifestyles of rural people.</p> <p>Based on the Plantation Development Realization Report of the socialization of new land opening has been conducted in July to September 2010 for Bonti and Kembayan Sub-districts, and unit has done socialization of new land opening in March 2011 (Sedae, Canal, Mua, Kampuh, and Tapa sub-villages).</p> <p>Based on interviews with residents of RT Pinsam the company's new plantation opening process also involved te Satlak Team consisting of Sub-village Chiefs, Indigenous leaders, KUD Sekayam Jaya Manager and Village officials as officers who perform verification of the land to be opened.</p>	
	Status: Full Compliance	√
7.6	Local people are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.	X or√
	<p>There is a Land Compensation Negotiation Process procedure No. 501/MAS-Doc 01/11 dated 8 April 2011 in which contains a flow chart of compensation process involving amicable deliberation and meetings with Muspika (Task Force).</p> <p>Documented process and agreement of land acquisition for new plantation area are maintained in MAS 3 Estate's office and RSPO secretariat office in MAS 1 Estate.</p>	
	Status: Full Compliance	√

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

3.5.1 Findings Identification, Corrective Action, and Observation during *Surveillance-2* Assessment

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Observation	Status	Closing Date
2013.01	Minor 4.2.1	Regular soil and leaf analysis Research team has analyzed the content of plant nutrient (Nitrogen, Phosphate, Kalium, Magnesium, Boron, and Carbon) through sampling unit for the recommendation of fertilization in the next period. There was no evidence of regular soil analysis for the need of fertilization recommendation.	Estate	Minor	Surveillance 3	19 Desember 2014 The company showed evidence of land improvement analysis conducted every five years , namely: a. Soil survey report for RAntau Estate based on Head MRC No. 1077/MRC/EST/XII/2014 1 st Desember 2014. b. Company has soil analysist record on syrvey tanah tinjau dan semi detail soil survey for matalok dan Rantau estate 2005 c. Ground survey for Matalok, conducted n 9-13 May 2011	Closed	19 th Desember 2014.

2013.02	Major 4.5.1	Documented and latest IPM program. Pest management (rat, caterpillar, and termite) and disease management (ganoderma) has been manually conducted, control of cultivation, natural, and chemical. There was no enough evidence that early warning system in the form of rat attack census at Matalok Estate has been conducted and documented	Estate	Major	December 4th, 2013	October 7th, 2013 Census of rat attack has been conducted at several harvesting blocks at Division I, II & III. This census was aimed to identify rat attack indication at harvested FFB on October 5th – 7th, 2013. The percentage of attack was 0 – 0,61 %, it indicated that attack was still below its economical measuring standard	Closed	October 7 th , 2013
2013.03	Major 5.1.2 Minor 6.1.3	Report of Environmental Management Plan/Environmental Monitoring Plan gradually and scheduled. There was no enough evidence that the company has reported the implementation of Environmental Management Plan/Environmental Monitoring Plan in the First Semester of 2013 to the related institution.	Estate & Mill	Major	December 4th, 2013	October 7th, 2013 There was enough evidence about the receiving of Implementation Report of Environmental Management Plan/Environmental Monitoring Plan in the First Semester of 2013 by PT LMI (SoU Rantau) which received by the officer at Regional Environmental Agency of Kotabaru Regency on October 4th, 2013	Closed	October 7 th , 201
2013.04	Minor 5.3.1	The Management of Hazardous and Toxic Waste The company has conducted the management of Hazardous and Toxic Waste (agro chemical used packaging). However, according to the field surveillance at Matalok Estate and Rantau Estate, there was still used agrochemical packaging at the housing area.	Estate	Minor	Before the implementation of third surveillance	October 6th, 2013 The company has conducted an identification to the root cause, corrective action, and preventive action that will be conducted to avoid recurrence incident.	Closed	October 6 th , 201
2013.05	Major 7.2.1 Minor 7.2.1	Record of Land Suitability There was a plant development area in 2008 at Matalok Estate as many as 108 ha and the company has conducted semi detail	Estate	Major	December 4th, 2013	October 25th, 2013 The company has showed the report of reviewed land survey result for 107,49 Ha in the planting area in 2008 at Block D45 until D48. Based on the	Closed	November 25 th , 2013

	Minor 7.4.1	survey and land suitability in this area. However, the company cannot show the evidence of semi detail land survey and land suitability survey result.				survey, the type of soil was ultisol order in the type of MM08 typic plintudults and afisol order in the type of MM09 lithic hapludults.		
2013.06	SCCS 3.2	Retention of Document The company has not regulated the retention time of all records and reports that have been implemented in the certification of supply chain.	Mill	Major	December 4th, 2013	October 6th, 2013 The company has regulated the retention time of document related with SCCS requirement for at least five years in the procedure number RSPO/65/SCPP/LMI.	Closed	October 6 th , 2013
2013.07	SCCS 3.4	Supply Chain Model The company cannot show the evidences of selling and purchasing contract which attached the clear model of supply chain	Mill	Major	December 4th, 2013	October 6th, 2013 The company can show the evidences of selling contract to Tunas Baru Lampung which used segregated supply chain model.	Closed	October 6 th , 2013
2013.08	SCCS 4.1	Material Sales and Expenses The company cannot show invoice for the selling of CPO and certified PK which attached the information of name/address of buyer, date of issued invoice, description of product, amount of delivered product, and reference of the related transportation document.	Mill	Major	December 4th, 2013	October 6th, 2013 The company can show the evidences of selling contract to Tunas Baru Lampung which attach CPO product and quality of CPO. The volume of sold CPO is 700.000 kg on June 20th, 2013	Closed	October 6 th , 2013

3.5.2 Identification of Findings, Corrective Actions and Observations at *Surveillance-3* Assessment for Rantau POM - PT Laguna Mandiri and KKPA Sungai Cengal

CAR No.	Ref. Std.	Findings	Location	Grade	Deadline	Corrective Action	Observation	Status	Date Closed
2014.01	Major 2.1.1.	<p>Evidence of legal compliance requirement.</p> <p>Decree of OHS Expert appointment on behalf of Julian Damanik in RTF for PT. Gutrie Pecconina Indonesia has been expired on March 21st 2013 and no extension made. Therefore, it did not comply the Manpower Ministry Regulation Number Per.04/MEN/1987 in term of OHS Guiding Committee and OHS Appointment.</p>	Palm Oil Mill	Major	February 19 th 2015	Company management unit must show that the license of OHS Expert on OHS Guiding Committee in RTF has been in accordance with the applied regulation.	<p><i>Root Cause:</i> Letter of OHS Expert on behalf of Julian Damanik has been expired on March 21st 2013.</p> <p><i>Corrective Action:</i> Re-proposing the changes of OHS Guiding Committee Structure in RTF to Kotabaru District Manpower and Transmigration Agency by replacing OHS Guiding Committee Secretary with Asmara Hadi who has been appointed as OHS expert and has had legalization of OHS Guiding Committee Structure from Kotabaru District Manpower Agency on December 31st 2014. (attached)</p> <p><i>Preventive Action:</i> Committed to update and extend OHS expert certificate valid period.</p> <p>Observation of Auditor on January 26th 2015</p> <p>Company management unit has shown Decree of the Head of Manpower and Transmigration Agency Number KEP-556./438/P2K3/Naker-2/XII/2014 on December 31st 2014 with</p>	Closed	January 26 th 2015

							<p>structure: Leader: Jaharuddin Nasution Secretary: Asmara Hadi In charge of Work Safety Monitoring, Fire Dange Management, First Aid, and Education and Training.</p> <p>According to the result of corrective action, the nonconformity is closed.</p>		
2014.02	Major 4.6.4	Management of used pesticide containers According to the field visit, there was used pesticide containers disposed to the garbage bin in Division 3 of KKPA.	KKPA Sungai Cengal	Major	Before Certificate Issuance	Management unit must manage the used pesticide containers refer to the applied regulation	<p><i>Root Cause:</i></p> <p><i>Corrective Action:</i></p> <p><i>Preventive Action:</i></p> <p><i>Auditor Observation:</i></p> <p>February 2nd 2015</p> <p>KKPA Sungai Cengal management unit shows the evidence of corrective action informs of Official Records of Hazardous Waste Dispatch dated January 31st 2015 from Division 3 of KKPA Sungai Cengal to the Bebunga POM hazardous waste storage. Quantity and type of the delivered waste are: Package of the used Meta Prima (2 pieces) and Oil Filter (2 pieces).</p> <p>According to the evidence, the nonconformity was then CLOSED.</p>	Closed	February 2 nd 2015
2014.03	Minor 4.7.6	Evidence of OHS Equipment Compliance	Mill and KKPA Sungai	Minor	Surveillance 4	Company management unit must be able to show the evidence of fire	<p><i>Root Cause:</i></p> <p><i>Corrective Action:</i></p>	Open	

		<p>1). According to the result of field observation in Rantau POM, the hydrant in boiler station area is considered in perform less pressure and condition of the hose is bad due to leakage during fire extinguishing simulation.</p> <p>2). According to the result of interview and field visit, Sprayer Foreman was found unequipped with first aid kit.</p>	Cengal			extinguishing equipment in POM and evidence of first aid kit must be available and functioning well.	<p><i>Preventive Action:</i></p> <p><i>Auditor Observation:</i></p> <p>February 2nd 2015</p> <p>KKPA Sungai Cengal management unit informs the result of corrective action in form of Official Record of Goods handover (No. 002/BAS/KKPA ASC/08/2014) dated January 29th 2015 in term of First Aid Kit handover to Sprayer Foreman. The goods given to the foreman were: Hydropile drapery, Alcohol 100 mL, Rivanol 100 mL, Hansaplast/plester, drapery and Betadine.</p> <p>According to the evidence of corrective action, hence the nonconformity is CLOSED for No. 2). However, corrective action for No. 1) within this Non-Conformance are still OPEN.</p>		
2014.04	Major 5.1.2	<p>Record of reporting of environment management refer to the applied environment</p> <p>KKPA Sungai Cengal management unit has report of routine environmental management and monitoring plan implementation integrated with nucleus estate of PT LMR. However, the report has not yet describes environment management and monitoring, specifically in social</p>	KKPA Sungai Cengal	Major	Before Certificate Issuance	Management unit shows the report and evidence of routine reporting of environment management and monitoring which describes the impact of the KKPA Sungai Cengal operational toward nearby community.	<p><i>Root Cause:</i></p> <p><i>Corrective Action:</i></p> <p><i>Preventive Action:</i></p> <p><i>Auditor Observation:</i></p> <p>February 2nd 2015</p> <p>KKPA Sungai Cengal Management unit informs the evidence of Recommendation Letter in term of Suggestion of Environmental Management and</p>	Closed	February 2 nd 2015

		aspect caused by KKPA Sungai Cengal Operation.					Monitoring Plan Draft of KKPA Sungai Cengal (No. 013/KKPA-ASC/I/2015, dated January 31 st 2015) along with its draft. The draft contains the description of nearby environment development including evaluation of social and environment impact. Furthermore the social monitoring was disseminated through questionnaires for the villages involved on the partnership program and community of other villages. According to the evidence of corrective action, hence the nonconformity is CLOSED.		
2014.05	Major 5.2.1	Record of HCV Identification Result. According to the document review, the Report of HCV Identification has not yet been reviewed by Independent Peer Reviewer refer to the HCV Toolkit for period of 2008.	KKPA Sungai Cengal	Major	Before Certificate Issuance	Management unit must show the document of HCV Identification that has been reviewed by Independent Peer Reviewer refer to the HCV Toolkit for period of 2008.	Root Cause: Corrective Action: Preventive Action: Auditor Observation: February 2 nd 2015 The result of Peer Review of the HCV Identification Report has been informed by management unit of KKPA Sungai Cengal where the review take place on August 2004. The HCV report was compiled by cooperating with Faculty of Forestry of Bogor Agriculture University. It was referring to the HCV Toolkit 2008,	Closed	February 2 nd 2015

							therefore, the nonconformity is CLOSED.		
2014.06	Major 5.3.2	Implementation of domestic waste management. According to the field visit, there were: <ul style="list-style-type: none"> Domestic waste stacked and has not yet well managed refer to the applied procedure (Binturung Estate Landfill in Division 3 – PT PSA) Domestic waste was burnt in Division 3 of KKPA Sungai Cengal. 	KKPA Sungai Cengal	Major	Before Certificate Issuance	Management unit must manage the domestic waste refer to the applied procedure	<i>Root Cause:</i> <i>Corrective Action:</i> <i>Preventive Action:</i> <i>Auditor Observation:</i> February 2 nd 2015 The informed evidence is in form of schedule of domestic waste disposal period in KKPA Sungai Cengal twice a month. Division 1 (every Tuesday) and Division 3 (every Thursday). Furthermore, KKPA Sungai Cengal has also informed the evidence of corrective action in landfill at specific area, it was dated January 28 th 2015 on the photo as authentic evidence of the corrective action. According to the evidence of corrective action, hence the nonconformity is CLOSED.	Closed	February 2 nd 2015
2014.07	Minor 5.3.1	Hazardous waste management refer to the applied regulation According to the field visit, there were: <ul style="list-style-type: none"> There were still hazardous waste in form of oil bottle and filter disposed in Division 3 of Binturung Estate Landfill of PT PSA 	KKPA Sungai Cengal	Minor	Surveillance 1	Management unit must ensure that entire hazardous waste management has referring to the applied regulations	<i>Root Cause:</i> <i>Corrective Action:</i> <i>Preventive Action:</i> <i>Auditor Observation:</i> 2 Februari 2015 KKPA Sungai Cengal management unit was informing the evidence of corrective action in form of Official	Closed	February 2 nd 2015

		<ul style="list-style-type: none"> • <i>Cap sprayer</i> used chemist which is disposed behind the office of division 3 of KKPA that was not complying hazardous waste management procedure. • Used pesticide containers which was disposed in Landfill of Division 3 KKPA Sungai Cengal. • Oil spillage behind the generator station Division 3 KKPA Sungai Cengal. 				<p>Record of hazardous waste delivery dated January 31st 2015 from Division 3 of KKPA to Bebunga POM hazardous waste storage. Type of the delivered waste were: Used Meta Prima containers (2 pieces) and Oil Filter (2 pieces).</p> <p>Further action of the hazardous waste management in Division 3 of KKPA (Rantau Buda Village) was in form of photograph of <i>spraying cap</i> stacking in Division 3 of KKPA and there was not more disposal outside of the BSS location.</p> <p>The disposed hazardous waste in landfill of Division 3 of BNE were collected and delivered to Bebunga Mill hazardous waste storage.</p> <p>For the handling of oil spillage in generator station in Division 3 of KKPA, the management has applied the construction of Oil Trap.</p> <p>According to the evidence of corrective action, hence the nonconformity is CLOSED.</p>		
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3.5.3 Opportunity for Improvement



No	Ref Std	Descriptions
1.	Major 5.1.1	Commitment of Responsibility for Social and Community Program of CD/CSR for the nearby villages, especially for Bepara Village must be improved.
2.	Major 5.1.2	Environmental Management and Monitoring Company management unit must ensure that environmental management and monitoring specifically in social aspect caused by KKPA operational of Cengal River toward the community is written on report of environmental management and monitoring implementation for each management unit (PT. LMI, PT. SAA, PT LMR, PT. PSA)
3.	Major 4.4.1	Protection of Water Current and Preservation of Riparian Area during or before Replanting Company management unit need to consider the aspect of water current protection and preservation of riparian area during replanting area has been in accordance with Report of SEIA Replanting Identification.
4.	SCCS-MB 5.1	Training Training of SCCS need to be informed to to Key Person on POM operational like WB operator, Grading Workers, Security, Dispatch Operator and Transporter.

3.5.4 Noteworthy Positive Components

No	Ref Std	Descriptions
1	-	Effort of company management unit to keep improving the implementation of sustainable palm oil principle (RSPO).
2	-	Competence of Person in Charge (PIC) in each stations during field visit guidance.
3	-	Teamwork on the provision of audit documentation.

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

Public Issues (Institution/ NGO/Community)	Management Responses	Auditor Responses
Bepara Village, North Pamukan Sub-District, Kotabaru District. The existence of PT Laguna Mandiri has positive impact for the nearby community, specifically the community of Bepara Village: 1) There are many job opportunities and business opportunity for the community nearby company. It was hard for the village community to look for a job before the existence of the company. 2) Road access from and to other villages constructed by company is better than the road constructed by government. 3) Donations are often given for the village. For example, the provision of clean water, sacrificial cattle, village operational cost as much as IDR 250,000/month and other donations. 4) There is no mining area within PT LMI operational area.	Good relation between Company with Government and Community of Bepara Village is well maintained. The relations will always be maintained and improved.	Execution of CD/CSR program should be adjusted with community basic need. Explained on Criteria 6.11
Binturung Village, North Pamukan Sub-District, Kotabaru District <ul style="list-style-type: none"> Bina Swadaya Karya Cooperative Unit with 260 members is one of the program of KKPA Sungai Cengal purposed to improve the economy bargaining power of the community. The existence of company opens job opportunity and business opportunity. Most of the member of Bina Swadaya Karya Cooperative Unit cannot stand any longer to wait for the output of smallholder scheme program. Therefore, several of the community members have sold the land to their neighbor or brothers/sisters. Staff of KKPA has cooperated with the community to repair the road. 	The company commits toward the management of KKPA Sungai Cengal Estate by directly determining the business unit to manage KKPA which is KKPA ASC Estate. On its management, company is involving the local community as technical workers or administration workers refer to its recruitment standard of manpower	The land-owning community should also receive training of management and cultivation of Palm Oil. Therefore, they are able to improve their competence instead of waiting the output. Explained on Criteria 6.10 & 6.11
Wahana Lingkungan Hidup (informasi@walhi.or.id) dated November 14 th , 2014 There is no response from Walhi		No Response
Sawit Watch (info@sawitwatch.or.id) dated November 14 th , 2014 There is no response from Sawit Watch		No Response
World Wild Fund (wwf-indonesia@wwf.or.id) dated November 14 th , 2014 There is no response from World Wild Fund		No Response

4.0	CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY
4.1	<p>Formal Sign-off of Assessment Findings</p> <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;"> <div style="text-align: center;"> <p>PT Laguna Mandiri Head of PSQM</p>  <p><u>Mohammad Pirabaharan</u> 6th February 2015</p> </div> <div style="text-align: center;"> <p>Mutuagung Lestari Lead Auditor</p>  <p><u>Yudwi Wisnu Rahmanto</u> 6th February 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	Wahana Lingkungan Hidup	Indonesia	informasi@walhi.or.id	Email	14 th November 2014		√
2	Sawit Watch	Indonesia	info@sawitwatch.or.id	Email	14 th November 2014		√
3	World Wild Fund	Indonesia	wwf- indonesia@wwf.or.id	Email	14 th November 2014		√
4	Bepara Village	North Pamukan Sub-District, Kotabaru District	-	Direct visit and interview	17 th December 2014	√	
5	Binturung Village	North Pamukan Sub-District, Kotabaru District	-	Direct visit and interview	18 th December 2014	√	

Appendix 2. Assessment Program

DATE	December 15 th – 20 th 2014	
ACTUAL DURATION	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
Monday, December 15 th 2014		
5.45 am – 9 am	JAKARTA → BALIKPAPAN	• YWR / TN / MES / SM / MF / DN
10 am – 5.30 pm	BALIKPAPAN → RANTAU ESTATE	
Tuesday/16 th Desember 2014		
8.15 am – 8.45 am	Opening Meeting	All Team
9 am – 12 am	Review of RSPOdocument and verification of the result of previous nonconformity(Surveillance-2 RSPO) <ul style="list-style-type: none">Interview with the community of Rantau Buda Village, Bepara Village, and Sekayu Baru Village, and with the FFB and CPO contractor.	DN
12 am – 2 pm	BREAK	
2 pm – 5 pm	<ul style="list-style-type: none">Clarification of the result of Public Consultation and Field Visit	• YWR/ TN/ MES/ MF/ SM/ DN
3 pm – 4.30 pm	RANTAU Mill <ul style="list-style-type: none">Processing Stage, WWTP, Land Application, Hazardous Waste ManagementVerification of SCCS	• SM, YWR
Wednesday, December 17 th 2014		
8 am – 12 am	Field Visit to Matalok Estate <ul style="list-style-type: none">Manuring, chemical spraying, harvesting,best agricultural practicesWorkers welfare (wage, complaint pcedure, etc)Boundary of legal operational and conservation areaWorkers facilities (housing complex, clinic, clean water, etc);Land fire handling facilities, chemicals warehouse, Hazardous Waste Storage Field Visit to Rantau Estate <ul style="list-style-type: none">Boundary of legal operational and conservation areaTreatment, Harvest, FFB Dispatch, Fire Handling FacilitiesWorkers facilities (housing complex, clinic, clean water, etc) and interview with the Labour Union	MES, TN DN YWR SM, MF YWR MES, TN SM, MF
12 am – 2 pm	BREAK	
2 pm – 5.30 pm	Review of RSPO/ISPO document and verification of the result of previous nonconformity	• YWR/ TN/ MES/ MF/ SM/ DN
Thursday/18 th Desember 2014		
8 am – 1 pm	Field visit to KKPA Sungai Cengal Division 3 of Rantau Buda <ul style="list-style-type: none">Manuring, chemical spraying, harvesting,best agricultural practices	MES, MF

DATE	December 15 th – 20 th 2014	
ACTUAL DURATION	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
9 am – 1 pm	<ul style="list-style-type: none"> Workers welfare (wage, complaint procedure, etc) Boundary of legal operational and conservation area Workers facilities (housing complex, clinic, clean water, etc); Land fire handling facilities, chemicals warehouse, Hazardous Waste Storage Division 1 of Binturung <ul style="list-style-type: none"> Manuring, chemical spraying, harvesting, best agricultural practices Workers welfare (wage, complaint procedure, etc) Boundary of legal operational and conservation area Workers facilities (housing complex, clinic, clean water, etc); Land fire handling facilities, chemicals warehouse, Hazardous Waste Storage 	TN, YWR, SM
1 pm – 2 pm	BREAK	
2 pm – 7.30 pm	Continue Field observation to KKPA Sungai Cengal (Division 1 and Division 3) Clarification of field visit	• YWR/ TN/ MES/ MF/ SM/ DN
Friday, December 19th 2014		
8 am – 11.30 am	Verification of field observation and checklist completion	• YWR/ TN/ MES/ MF/ SM/ DN
11.30 am – 1.30 pm	BREAK	
2 pm – 4 pm	PREPARATION OF CLOSING MEETING	• YWR/ TN/ MES/ MF/ SM/ DN
4.30 pm – 5.30 pm	CLOSING MEETING	• YWR/ TN/ MES/ MF/ SM/ DN
Saturday, December 20th 2014		
8 am – 4 pm	TRAVEL → BALIKPAPAN → JAKARTA	• YWR/ TN/ MES/ MF/ SM/ DN

Appendix 3. Glossary

AMDAL (SEIA)	:	Analisis Mengenai Dampak Lingkungan (<i>Social and Environmental Impact Assessment</i>)
APD (PPE)	:	Alat Pelindung Diri (<i>Personal Protective Equipment</i>)
B3	:	Bahan Beracun dan Berbahaya (<i>Hazardous Material Waste</i>)
BOD	:	Biological Oxygen Demand
CPO	:	Crude Palm Oil
CSR	:	Corporate Social Responsibility
EIA	:	Environmental Impact Assessment
FPIC	:	Free, Prior and Informed Consent
HCV	:	High Conservation Value (Nilai Konservasi Tinggi)
HGU	:	Hak Guna Usaha. (<i>Land Use Permit</i>)
IUP	:	Izin Usaha Perkebunan (<i>Plantation Operation Licence</i>)
IPAL (WWTP)	:	Instalasi Pengelolaan Air Limbah (<i>Wastewater Treatment Plant</i>)
JAMSOSTEK	:	Jaminan Sosial Tenaga Kerja (<i>Social Assurance of Labor</i>)
Jankos / EFB	:	Janjangan Kosong / Empty Fruit Bunch
JB2	:	Jabdan 2 estate
K3 (OHS)	:	Keselamatan dan Kesehatan Kerja. (<i>Occupational Health and Safety</i>)
KER	:	Kernel Extraction Rate
KHL	:	Karyawan Harian Lepas (<i>Daily Non-permanent Employee</i>)
KKPA ASC	:	Kredit Koperasi Primer Anggota Area Sungai Cengal
KHT	:	Karyawan Harian Tetap (<i>Daily Permanent Employee</i>)
LA	:	Land Application
LC	:	Land Clearing
MSDS	:	Material Safety Data Sheet
OER	:	Oil Extraction Rate
P2K3	:	Panitia Pembina Keselamatan dan Kesehatan Kerja (<i>Committee of Occupational Safety & Health</i>)
PHT (IPM)	:	Pengendalian Hama Terpadu (<i>Integrated Pest Management</i>)
PK	:	Palm Kernel
PKS (POM)	:	Pabrik Kelapa Sawit (<i>Palm Oil Mill</i>)
POME	:	Palm Oil Mill Effluent
PT LMI	:	PT Laguna Mandiri
RKL/RPL	:	Rencana Kelola Lingkungan/ Rencana Pemantauan Lingkungan. (<i>Environmental Management Plan/ Environment Monitoring Plan</i>)
RSPO	:	Roundtable on Sustainable Palm Oil
SIA	:	Social Impact Assessment
SIO	:	Surat Ijin Operator (<i>Operator License</i>)
SOP	:	Standard Operating Procedure
ST-1	:	Stage 1
ST-2	:	Stage 2
S-1	:	Surveillance 1
S-2	:	Surveillance 2
S-3	:	Surveillance 3
TBS (FFB)	:	Tandan Buah Segar (<i>Fresh Fruit Bunch</i>)