

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

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

Name of Management Organisation : **BELANI ELOK Palm Oil Mill – PT PP LONDON SUMATRA INDONESIA, Tbk**
 Plantation Name : **PT PP LONDON SUMATRA INDONESIA, Tbk: Belani Elok Estate, Bukit Hijau Estate, Batu Cemerlang Estate, Ketapat Bening Estate and Sei Kepayang Estate**
 Location : **Village of Beringin Makmur II, Sub District of Rawas Ilir, District of Musi Rawas Utara, Province of Sumatera Selatan, INDONESIA**
 Certificate Code : **MUTU-RSPO/073**
 Date of Certificate Issue : 18 September 2015 Date of License Issue : 18 September 2017
 Date of Certificate Expiry : 17 September 2020 Date of License Expiry : 17 September 2018

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
ASA-2	10 – 14 July 2017	Ardiansyah (Lead Auditor); Mohamad Amarullah; Sofyan Hadi Lubis; Hasiholan Sihombing	Octo HPN Nainggolan	Tony Arifiarachman

Assessment	Approved by MUTUAGUNG LESTARI on:
ASA-2	6 October 2017

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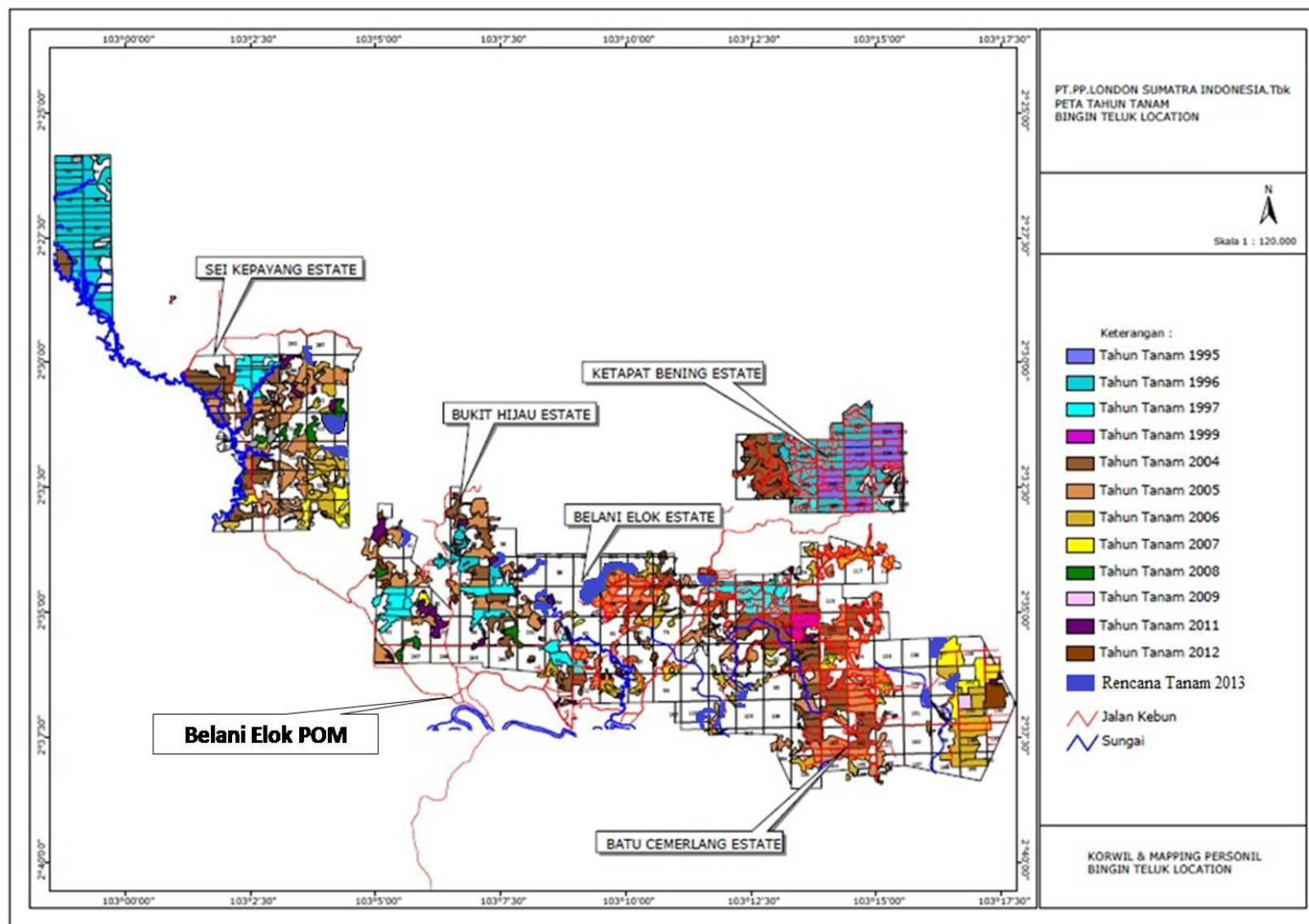
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FIGURE

Figure 1. Location Map of PT PP London Sumatra Indonesia Tbk – Bingin Teluk Location



Figure 2. Operational Map of PT PP London Sumatra Indonesia Tbk – Bingin Teluk Location



Glossary

AMA	: Area Manager Agronomy
AME	: Area Manager Engineering
ASA	: Annual Surveillance Assessment
BCE	: Batu Cemerlang Estate
BEE	: Belani Elok Estate
BEPOM	: Belani Elok Palm Oil Mill
BHE	: Bukit Hijau Estate
BLRS	: Bah Lias Research Station
BPJS	: Social Security Administration Bodies
BPN	: <i>Badan Pertanahan Nasional (National Land Agency)</i>
CH	: Certificate Holder
CPO	: Crude Palm Oil
CSR	: Corporate Social Responsibility
DAMKAR	: Pemadam Kebakaran / Fire Extinguisher
DRP	: Daily Related Personnel
ECSR	: Environment and Corporate Social Responsibility
EFB	: Empty Fruit Bunch
EMS	: Environmental Management System
FFA	: Free Fatty Acid
FFB	: Fresh Fruit Bunch
GHG	: Green House Gasses
HCV	: High Conservation Value
HGU	: <i>Hak Guna Usaha/ Land Use Title</i>
HR	: Human Resources
HSE	: Health, Safety and Environment
HUMAS	: Hubungan Masyarakat / Public Relations
IPM	: Integrated Pest Management
KBE	: Ketapat Bening Estate
KER	: Kernel Extraction Rate
KEP-BAPEDAL	: <i>Keputusan Badan Pengendalian Dampak Lingkungan (Decree of Environment Impact Control Agency)</i>
KEPMENAKER	: <i>Keputusan Menteri Tenaga Kerja (Decree of Minister of Manpower)</i>
KUD	: <i>Koperasi Unit Desa/ Village Cooperative Unit</i>
LONSUM	: London Sumatra
MSDS	: Material Safety Data Sheet
MRP	: Monthly Retired Personnel
NPK	: Nitrogen Phosphor and Kalium (Potash)
OER	: Oil Extraction Rate
OHS	: Occupational Health and Safety
P2K3	: Panitia Pembina Keselamatan dan Kesehatan Kerja/OHS Committee
PERMEN-LH	: <i>Peraturan Menteri Lingkungan Hidup (Minister of Environment Regulation)</i>
PHL	: Pekerja Harian Lepas / Daily Workers
PK	: Palm Kernel
PKB	: Perjanjian Kerja Bersama / Collective Labor Agreement
PKWT	: Pekerja Waktu Tertentu / Current time agreement worker
POM	: Palm Oil Mill
POME	: Palm Oil Mill Effluent
PP	: <i>Peraturan Pemerintah (Government Regulation)</i>
PPE	: Personal Protective Equipment
RSPO	: Roundtable Sustainable Palm Oil
RTE	: Rare Threatened Endangered
SIA	: Social Impact Assessment

RKL/RPL	:	<i>Environmental Management and Monitoring Plan)</i>
SOP	:	Standart Operating System
UPTB	:	<i>Unit Pelaksana Teknis Badan</i> (Technical Organizer Unit of Agency)

1.0 SCOPE OF THE CERTIFICATION ASSESSMENT				
1.1 Assessment Standard Used		<ul style="list-style-type: none"> <i>Indonesian National Interpretation of RSPO Principles and Criteria 2013, endorsed September 2016.</i> <i>RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 (Module E for CPO Mill).</i> 		
1.2 Organisation Information				
1.2.1	Organisation name listed in the certificate	PT PP LONDON SUMATRA INDONESIA Tbk		
1.2.2	Contact person	Muhammad Waras		
1.2.3	Organisation address and site address	RSPO Registered Company: Ariobimo Sentral 12th floor, Jl. HR Rasuna Said blok X-2, Kav.5, Jakarta 12950 - Indonesia		
1.2.4	Telephone	(+62 21) – 8065 7388		
1.2.5	Fax	(+62 21) – 8065 7399		
1.2.6	E-mail	Muhammad.Waras@londonsumatra.com		
1.2.7	Web page address	www.londonsumatra.com		
1.2.8	Management Representative who completed the application for certification	Muhammad Waras (Head of ECSR & HS Department)		
1.2.9	Registered as RSPO member	1-0015-04-000-00 – 5 November 2004		
1.3 Type of Assessment				
1.3.1	Scope of Assessment and Number of Management Unit	Palm Oil Mill and supply base: Belani Elok POM, Bukit Hijau Estate, Ketapat Bening Estate, Sei Kepayang Estate, Batu Cemerlang Estate and Belani Elok Estate.		
1.3.2	Type of certificate	Single		
1.4 Locations of Mill and Plantation				
1.4.1	Location of Mill			
	Name of Mill	Location	Coordinate	
			Latitude	Longitude
	Belani Elok POM	Village of Beringin Makmur II, Sub-District of Rawas Ilir, District of Musi Rawas Utara, Province of Sumatera Selatan	S 2° 36' 56"	E 103° 8' 44"
1.4.2	Location of Certification Scope of Supply Base			
	Name of Supply Base	Location	Coordinate	
			Latitude	Longitude
	Belani Elok Estate	Village of Belani, Beringin Makmur II, Sub-District	S 2° 35' 30"	E 103° 08' 44"

		of Rawas Ilir, District of Musi Rawas Utara, Province of Sumatera Selatan					
	Bukit Hijau Estate	Village of Tanjung Raja, Sub-District of Rawas Ilir, District of Musi Rawas Utara, Province of Sumatera Selatan	S 2° 35' 05"	E 103° 07' 06"			
	Batu Cemerlang Estate	Village of Pauh, Sub-District of Rawas Ilir, District of Musi Rawas Utara, Province of Sumatera Selatan	S 2° 37' 27"	E 103° 13' 56"			
	Ketapat Bening Estate	Village of Air Bening, Sub-District of Rawas Ilir, District of Musi Rawas Utara, Province of Sumatera Selatan	S 2° 31' 37"	E 103° 14' 57"			
	Sei Kepayang Estate	Village of Bumi Makmur, Sub-District of Rawas Ilir, District of Musi Rawas Utara, Province of Sumatera Selatan	S 2° 31' 33"	E 103° 02' 27"			
1.5 Description of Area Statement							
1.5.1	Tenure						
	• State		13,699.53	Ha			
	• Community		-	Ha			
1.5.2	Area Statement						
	• Total area		13,699.53	Ha			
	• Mature area		7,410.63	Ha			
	• Immature area		-	Ha			
	• Mill		51.63	Ha			
	• Building and Emplishment		106.72	Ha			
	• Infrastructure		529.62	Ha			
	• Nursery		0.69	Ha			
	• Occupation		5,011.93	Ha			
	• Land bank		181.81	Ha			
	• Others area		25.50	Ha			
	• HCV		381.00	Ha			
	* There is a reduction of HCV area from ASA-1 report (392.06 ha) because there is an area of 11.06 ha which is included in the occupation area						
1.6 Planting Year and Cycles							
1.6.1	Age profile of planting year						
	Planting Year	Hectarage (Ha)					
		Belani Elok	Batu Cemerlang	Bukit Hijau	Ketapat Bening	Sei Kepayang	Total
	1995	-	-	-	423.98	-	423.98
	1996	18.02	-	101.54	699.16	812.74	1,631.46
	1997	233.17	-	253.53	71.73	23.94	582.37
	1999	76.33	-	-	-	-	76.33

	2004	519.71	346.01	256.12	299.35	52.54	1,473.73
	2005	259.35	275.72	461.22	-	-	996.29
	2006	152.89	355.68	162.83	-	-	671.40
	2007	-	138.13	66.95	-	-	205.08
	2008	-	74.55	62.40	-	-	136.95
	2009	34.32	315.76	-	7.28	-	357.36
	2010	8.69	-	7.03	-	-	15.72
	2011	9.48	21.30	149.68	-	-	180.46
	2012	21.45	71.72	97.91	-	-	191.08
	2013	4.05	119.64	171.22	-	-	298.91
	2014	13.68	77.32	71.94	-	10.57	173.51
	TOTAL	1,351.14	1,795.83	1,862.37	1,501.50	899.79	7,410.63
1.6.2	New Planting area after January 2010			859.75 Ha			
1.6.3	Planting Cycle			1 st Cycle			
1.7	Description of Mill and Supply Base						
1.7.1	Description of Mill						
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel	
				Out put (ton)	Extraction (%)	Out put (ton)	Extraction (%)
	Belani Elok	60	240,172.97	51,512.63	21.41	14,210.35	5.93
* Source: Production Data of POM period July 2016 – June 2017							
1.7.2	Description of Certification Scope of Supply Base						
	Name of Estate	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/ year)	Yield (tonnes/ha/ year)	Supplied to Mill	
						FFB (tonnes/year)	%
	Belani Elok	2,922.87	1,351.14	10,891.84	8.09	10,891.84	100
	Batu Cemerlang	3,899.89	1,795.83	11,583.94	6.88	11,583.94	100
	Bukit Hijau	4,124.87	1,862.37	10,641.14	6.69	10,641.14	100
	Ketapat Bening	1,742.90	1,501.50	15,622.11	10.40	15,622.11	100
	Sei Kepayang	1,009.00	899.85	8,921.06	10.03	8,921.06	100
	TOTAL	13,699.53	7,410.69	57,660.08	8.22	57,660.08	100
* Source: Production Data of Estate period July 2016 – June 2017							
1.7.3	FFB description from other source						
	Name of sources/ Organisation (RSPO certified / non-certified)	Type of Organisation	number of smallholders	Production Area (Ha)	Supplied to Mill		
					FFB (tonnes/year)		
	Bingin Teluk Location/ PT PP LONSUM (Non Certified)	Own Estate	-	4,468.45	27,192.78		
	Sei Gemang Estate/ PT PP LONSUM (Non Certified)	Own Estate	-	4,227.58	25.21		

	Air Bening Region (Non Certified)	Scheme Smallholder	1,303	2,850.1	52,545.69			
	Dwi Makmur Region (Non Certified)	Scheme Smallholder	3,123	6,463.12	100,316.52			
	Others	Independent Supplier	-	-	2,273.90			
	TOTAL				182,354.10			
	* Source: Production Data of POM period July 2016 – June 2017							
1.7.4	Product categories		FFB, CPO, PK					
1.8	Estimate Tonnage of Certified Product							
1.8.1	Past Annual Claim Certified Product		Previous Certificate Claim 18 September 2016 to 17 September 2017 (tonnes/year)		Actual certified product 18 September 2016 to 7 July 2017 (tonnes/year)			
	• FFB Production		65,323		44,402.781			
	• CPO Production		14,698		8,972.77			
	• Palm Kernel (PK) Production		3,919		2,457.45			
1.8.2	Product selling							
	Tonnage of selling product		Actual selling product period 18 September 2016 to 7 July 2017 (Ton)					
	• CSPO		-					
	• CSPK		3,850					
	• CPO under other scheme trading (e.g ISCC, RFS)		-					
	• CPO under conventional trading (if any)		41,121.25					
	• PK under other scheme		-					
	• PK under conventional trading (if any)		7,346					
1.8.3	Estimate of Certified FFB Claim							
	Name of Estates		Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/ year)	Yield (tonnes/ha/year)		
	Belani Elok		2,922.87	1,351.14	13,025	10.00		
	Batu Cemerlang		3,899.89	1,795.83	12,791	8.00		
	Bukit Hijau		4,124.87	1,862.37	13,175	9.00		
	Ketapat Bening		1,742.90	1,501.50	21,021	14.00		
	Sei Kepayang		1,009.00	899.85	5,311	6.00		
	TOTAL		13,699.53	7,410.69	65,323	9.67		
* Source: Projection Data of Estate period 18 September 2017 – 17 September 2018								
1.8.4	Estimate of Certified Palm Product Claim							
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel		Supply Chain Model
				Out put (ton)	Extraction (%)	Out put (ton)	Extraction (%)	
	Belani Elok	60	65,323	14,371	22.00	3,919	6.00	MB
* Source: Projection Data of POM period 18 September 2017 – 17 September 2018								
1.9	Other Certifications							

ISPO from Mutuagung Lestari with certificate No. MUTU-ISPO/085 that valid from 5 April 2017 until 4 April 2022

1.10 Time Bound Plan
1.10.1 Time Bound Plan for Other Management Units

Management Unit		Estate (Supply Base)	Time Bound Plan	Location	Status
MILL	Time Bound Plan				
Turangie	2008	Turangie	2008	Langkat, North Sumatera	Certified
		Bungara	2008	Langkat, North Sumatera	Certified
		Pulo Rambong	2008	Langkat, North Sumatera	Certified
Begerpang	2008	Sungai Merah	2008	Deli Serdang, North Sumatera	Certified
		Begerpang	2008	Deli Serdang, North Sumatera	Certified
		Si Bulan	2008	Serdang Bedagai, North Sumatera	Certified
		Rambong Sialang	2008	Serdang Bedagai, North Sumatera	Certified
Dolok	2008	Dolok	2008	Batubara, Asahan, Simalungun, North Sumatera	Certified
		Bah Lias	2008	Simalungun, North Sumatera	Certified
		Bah Bulian	2008	Simalungun, North Sumatera	Certified
Gunung Melayu	2008	Gunung Melayu	2008	Asahan, North Sumatera	Certified
		Sei Rumbiya	2008	Labuhan Batu, North Sumatera	Certified
Gunung Bais	2019	Gunung Bais	2019	Musi Rawas, South Sumatera	-
Arta Kencana	2017	Arta Kencana	2017	Lahat, South Sumatera	-
		Kencana Sari	2017	Lahat, South Sumatera	-
Belani Elok	2014	Belani Elok	2014	Musi Rawas, South Sumatera	Certified
		Bukit Hijau	2014	Musi Rawas, South Sumatera	Certified
		Batu Cemerlang	2014	Musi Rawas, South Sumatera	Certified
		Ketapat Bening	2014	Musi Rawas, South Sumatera	Certified
		Sei Kepayang	2014	Musi Rawas, South Sumatera	Certified
		Process of Non-HGU as 4,468.45 Ha	2018	Musi Rawas, South Sumatera	-
Sei Lakitan	2019	Sei Lakitan	2019	Musi Rawas, South Sumatera	-
		Riam Indah	2019	Musi Rawas, South Sumatera	-
		Sei Gemang	2019	Musi Rawas, South Sumatera	-
		Sei Punjung	2020	Musi Banyuasin, South Sumatera	-
		Bangun Harjo	2020	Musi Banyuasin, South Sumatera	-
		Suka Bangun	2020	Musi Banyuasin, South Sumatera	-
Terawas	2020	Terawas	2020	Musi Rawas, South Sumatera	-
Pahu Makmur	2018	Isuy Makmur	2018	West Kutai, East Kalimantan	ST-1
		Pahu Makmur	2018	West Kutai, East Kalimantan	ST-1
		Kedang Makmur	2018	West Kutai, East Kalimantan	ST-1

	<p>Based on time bound plan that approve on 27 July 2017 there is some mill and estate that postpone the certification process because the HGU still in process and the plant is still immature. Herewith the detail management unit that postpone the certification process:</p> <ol style="list-style-type: none"> 1. Gunung Bais POM postpone the certification process from 2016 to 2019 because the unit management is still process the HGU 2. Arta Kencana POM postpone the certification process from 2016 to 2017 because the mill has just operate. 3. Sei Lakitan POM postpone the certification process from 2016 to 2019 because the unit management is still process the HGU. 4. Terawas POM postpone the certification process from 2016 to 2020 because the unit management is still process the HGU the plant is still immature. 5. Pahu Makmur POM postpone the certification process from 2016 to 2018 because the unit management is still process the HGU.
1.10.2	Progress of Associated Smallholders and Outgrowers for Certifiable Standard
	<p>Belani Elok POM receive FFB from own estate, scheme smallholder and independent outgrower. Scheme smallholder is still in the process of certification (assessed) in 2017 by other CB.</p>

2.0 ASSESSMENT PROCESS	
2.1 Assessment Team	
ASA-2	<p>1. Ardiansyah (Lead Auditor). Ardiansyah (Lead Auditor). Indonesian citizen, Bachelor of Forest Resources Conservation, Department of Forestry. Had work experience in Environmental NGO for 6 month (2007) and consultant for making EIA Document and KLHS for 3 years (2009 – 2012). Had attend training such as RSPO Lead Auditor course, Lead Auditor ISPO, OHSAS (SIO 18001 – 2007), land cover crop mapping and Management System Certification (ISO 9001-2008), Environmental Management System Certification (ISO 14001-2004), Social Auditing and Conflict Resolution. Had many times following audit activities related to sustainable palm oil certification system which is ISPO as an auditor since 2012 for legal, environmental aspect, conservation and social. Fluent in bahasa and malay. At the time of audit, has verify aspect of Legality, SCCS and Land Dispute.</p> <p>2. Mohamad Amarullah (Auditor). Indonesian Citizen. Master of Wood Science and Technology and Bachelor of Forestry, majoring in Forest Product Technology. Has experiences as an Agronomist and Research Assistant in Indonesia and Malaysia from 2008 to 2014. Has been attended several trainings such as Lead Auditor of ISPO, Lead auditor RSPO, ISO 17021, ISO 17065, ISO 9001, ISO 19001, ISO 14001, HCV, etc. Has been conducted several ISPO audit scheme as an Auditor since 2014 in BMP, environment, conservation and OHS aspect. Fluent in Bahasa, Malay and English. At the time of audit, has verify aspect of environment and HCV.</p> <p>3. Sofyan Adi Lubis (Auditor). Master's Program in Environmental and Natural Resource Management and Bachelor of Social Economic Agriculture. Has been involved as a researcher at the Research Centre of Forestry and Climate Change and Cooperation IPB-ETH Zurich Swiss-NUS Singapore regarding carbon stock analysis. The training has been followed, among other: climate change mitigation and adaptation for agricultural productivity in Southeast Asia, Asian Carbon Update and Network and Climate Change Mitigation and Adaptation for Agricultural Productivity, Environmental Impact Assessment (EIA), Lead Auditor ISPO (Indonesian Sustainable Palm Oil), IHT-RSPO, ISO 9001, HCV, ISO 14001, Calculation of Greenhouse Gases (GHG), ISCC Plantation Audit and Land Use Assessment, Green Industry and ISCC EU and Plus Basic Training. He also worked as a staff environmental consulting firm and currently working as an auditor in the certification body (PT MAL). He has conducted audits for ISPO scheme, RSPO and ISCC in oil palm plantations as an auditor. During this audit, he verified Community Social, Labor and Welfare Social Workers Aspect.</p> <p>4. Hasiholan Sihombing (Auditor Trainee). Indonesian citizen. Bachelor of Agriculture Majoring in Agronomy, Agriculture Faculty. He has working experienced for 7 (seven) years since 2009 as an Operational Staff in an Oil Palm Plantation Company in Indonesia. The training he has followed namely: Auditor ISPO training, Quality Management Systems training (ISO 9001:2015), Environmental Management System training (ISO 14001:2015), OHS General Expert training, OHSAS 18001:2007 training and ISO 17021 & 17065 training. During this audit, he assigned to verify Best Management Practices aspect and OHS aspect.</p>
2.2 Assessment Methodology, Assessment Process and Locations of Assessment	
2.2.1	Figure of person days to implement assessment
ASA-2	<p>Number of auditors : 3 auditor and 1 auditor trainee</p> <p>Number of days for ASA-1 at site : 5 days</p> <p>Number of working days for ASA-1 at site : 15 Working days</p>
2.2.2	Assessment Process
ASA-2	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT PP London Sumatra Indonesia, Tbk to the requirements of <i>RSPO Principles and Criteria (P&C) for for the Production of Sustainable Palm Oil - April 25th And Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 (Module E for CPO Mill)</i>.</p> <p>The assessment was conducted in three methods: (1) document review, aiming to observe the sufficiency of types or substances from required documents; (2) <i>interview</i>, aiming to obtain more detailed information and cross check the information; and (3) field observation, aiming to observe directly the sufficiency of implementation on site.</p> <p>Some opportunities for improvement of the results ASA-2 delivered by the MUTU auditor to the management unit and</p>

	<p>the results are the subject will be verified at the next assessment phase (ASA-3).</p> <p>Improvement of findings from surveillance assesment findings were observed by auditors at this ASA-2 assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of ASA-2.</p> <p>The assessment program please find Appendix 2.</p>
2.2.3	Location of Assessment
ASA-2	<p>Number of unit in this certification activity is 1 (one) Mill and 5 (five) Own Estates. The auditor team used the $0.8\sqrt{y}$ formula to determine the management units sampling to be focused on and also considered the issues raised by stakeholder. Based on this formula, the auditor team determined that the sampling locations are one palm oil mill (Belani Elok POM) and two estate (Ketapat Bening Estate and Bukit Hijau Estate).</p> <p>Detail of field visit locations described below:</p> <p>Belani Elok POM</p> <ol style="list-style-type: none"> Security pos. Observation and interview related to emergency procedures, inspection of vehicles in and out. Weighbridge Station. Observations and interviews related to SCCS, they are understanding the work procedures and unions. Loading Ramp. Observation and interview with sortation personel related to personel understanding over sortation procedure, the implementation of sortation, fruit criteria, fruit separation with ripeness and rawness criteria. Boiler Station. Observation and interview with operator related personnel understanding over the applicable SOP, infrastructure in mill, the implementation of occupational health and safety, medical examination, trainings from company and worker welfare. Kernel station. To observe workers knowledge on technical procedures, PPE used towards company standards, employee status, wages and subsidy, bipartite/labor union, medical check up and insurance. Engine Room Station. Observation and interview with operator related to the efficiency of fuel utilization, personnel understanding over the applicable SOP, infrastructure in mill, the implementation of occupational health and safety, medical examination, trainings from company and worker welfare. Hydrant. Simulate the facility of emergency. First Aid rooms. Unit Mill has been providing first aid room with the nurses who have Hiperkes. First aid room is equipped with medicines and clean water facilities, examination room. Interviews related to medical waste management, inspection records and workplace accidents. Sparepart Warehouse. To observe activities in the warehouse, OHS implementation and interview with Foreman and workers towards OHS and manpower aspect. Workshop. To observe activities in the warehouse, OHS implementation, checking Operator (Welder) Lisence and interview with Foreman and workers towards OHS and manpower aspect. Chemicals Warehouse. To observe activities in the warehouse, OHS implementation and interview with Foreman and workers towards technical, OHS and manpower aspect. Hazardous Waste Warehouse. To observe activities in the warehouse, OHS implementation, checking the permit, balance records, and interview with Foreman and workers towards technical, OHS and manpower aspect. Water Treatment Plant (WTP). To observe activities in the WTP Station, OHS implementation, checking flowmeter condition and interview with Foreman and workers towards technical, OHS and manpower aspect. Waste Water Treatment Plant (WWTP). To observe activities in the WWTP Station, OHS implementation, checking flowmeter condition and interview with Foreman and workers towards technical, OHS and manpower aspect. <p>Ketapat Bening Estate (KBE)</p> <ol style="list-style-type: none"> Block 96112012 Division 2 (Chemical spraying). Observation on safe working practices and interview with the spraying workers related type of pesticides use according to the procedure and also worker welfare. Block 96112115 Division 2 (harvesting). Observation of procedure application related fruit ripeness, safe working practices and interview about worker welfare. Block 96112013 Division 2 (barn owl nest observation). To check nest condition.

18. **Block 96112014 Division 2 (pest cencus).** Interview with worker about cencus prosedure, safety and health and worker welfare.
 19. **Workshop.** To observe activities in the warehouse, OHS implementation, checking Operator Lisence (Welder) and interview with Foreman and workers towards OHS and manpower aspect.
 20. **Fertilizer Warehouse.** To observe activities in the warehouse, OHS implementation and interview with Foreman and workers towards OHS and manpower aspect.
 21. **Fire Fighter Warehouse.** To observe completeness and readiness of fire fighter equipment.
 22. **Pesticide Warehouse.** To observe activities in the warehouse, OHS implementation and interview with Foreman and workers towards technical, OHS and manpower aspect.
 23. **Hazardous Waste Warehouse.** To observe activities in the warehouse, OHS implementation, checking the permit, balance records, and interview with Foreman and workers towards technical, OHS and manpower aspect.
 24. **Barn Owl Breeding Site.** To observe barn owl breeding technique and condition.
 25. **Landfill in Block 95112092.** To observe domestic waste management.
 26. **Block 95112201.** Observation the conditions and position of legal boundary BPN 39.
 27. **Block 95112091.** Observation the conditions and position of legal boundary BPN 42
 28. **Block 95112201/95112202.** Observation the implementation of management in HCV area in form of riparian.
 29. **BPN 45.** Observation the conditions and position of legal boundary in enclave area.
 30. **Block 96111981.** Observation the implementation of management in HCV area in form of natural vegetation.
 31. **Post Security:** Observation related to employment aspects, OHS implementation, worker welfare, complaint, and workers' knowledge about work procedure
 32. **Clinic:** Observation related to OHS implementation issues, Health insurance and occupational accidents, environment aspect, medical checkup, etc.
 33. **Housing Complex of Division I:** Observations related to hygiene facilities include sanitation, clean air and complaints if any.
 34. **Kindergartens:** Observations and interviews related to children's facilities, harassmt and sexual violence issues, human rights issues, employment aspects, and complaints if any.
 35. **PUK SPPP-SPSI Lonsum Ketapat Bening Estate:** Interview related to employment aspects issue, OHS implementation issue, worker welfare harassmt and sexual violence issues, human rights issues, employment aspects, and complaints if any.
 36. **Head of Committee Gender Ketapat Bening Estate:** Interview related to employment aspects issue, OHS implementation issue, worker welfare harassmt and sexual violence issues, human rights issues, employment aspects, and complaints if any.
- Bukit Hijau Estate (BHE)**
37. **Division 2 Office (fertilizer applicators).** There was no manuring activity. Interview with fertilizer applicators to observer workers knowledge on safe working, manuring procedure, dosage of manuring, PPE used, worker welfare, wage and medical check up.
 38. **Block 08110570 Division 2 (Chemical spraying).** Observation on safe working practices and interview with the spraying workers related type of pesticides use according to the procedure and also worker welfare.
 39. **Block 97110841 Division 2 (harvesting).** Observation of procedure application related fruit ripeness, safe working practices and interview about worker welfare
 40. **Block 08110570 Division 2 (EFB Application).** Field observations and interview with supervisor in the use of Empty Fruit Bunch (EFB) as an application by product.
 41. **Landfill in Block 9710850.** To observe domestic waste management.
 42. **Lubricant Warehouse.** To observe OHS implementation.
 43. **Pesticide Warehouse.** To observe activities in the warehouse, OHS implementation and interview with Foreman and workers towards technical, OHS and manpower aspect.
 44. **Sparepart Warehouse.** To observe activities in the warehouse, OHS implementation and interview with Foreman and workers towards OHS and manpower aspect.
 45. **Workshop.** To observe activities in the warehouse, OHS implementation, checking Operator (Welder) Lisence and interview with Foreman and workers towards OHS and manpower aspect.
 46. **Gasoline (Diesel) Station.** To observe OHS implementation.
 47. **Hazardous Waste Warehouse.** To observe activities in the warehouse, OHS implementation, checking the permit, balance records, and interview with Foreman and workers towards technical, OHS and manpower aspect.

	<p>48. Block 97110841. Observation the conditions and position of legal boundary BPN 122</p> <p>49. Block 97110850. Observation the conditions and position of legal boundary BPN 221</p> <p>50. Block 06110610. Observation to area that claimed by community</p> <p>51. Block 04110622. Observation the conditions of boundary with trench.</p> <p>52. Block 05110800. Observation the implementation of management in HCV area in form of riparian of Putih River.</p> <p>53. Post Security: Observation related to employment aspects, OHS implementation, worker welfare, complaint, and workers' knowledge about work procedure</p> <p>54. Clinic: Observation related to OHS implementation issue, Health insurance and occupational accidents, environment aspect, medical checkup, etc.</p> <p>55. Housing Emplacement: Observations related to hygiene facilities include sanitation, clean air and complaints if any.</p> <p>56. Kindergartens: Observations and interviews related to children's facilities, harassment and sexual violence issues, human rights issues, employment aspects, and complaints if any.</p> <p>57. PUK SPPP-SPSI Lonsum Bukit Hijau Estate: Interview related to employment aspects issue, OHS implementation issue, worker welfare harassment and sexual violence issues, human rights issues, employment aspects, and complaints if any.</p> <p>58. Head of Committee Gender Bukit Hijau Estate: Interview related to employment aspects issue, OHS implementation issue, worker welfare harassment and sexual violence issues, human rights issues, employment aspects, and complaints if any.</p> <p>Stakeholder</p> <p>59. Surrounding communities (Air Bening Village, Beringin Makmur II Village and Bingin Teluk Villange). Interviews related to the issue of environmental pollution, land conflict issue, the company's contribution to society and the impact of corporate activities.</p> <p>60. Government Institutions of Musi Rawasn Utara Districts (Environmental Agency, Manpower Agency and Plantation Agency). Interviews related to regulatory compliance, the issue of environmental pollution, land conflict issue and company contributions to the area.</p>
2.3	Stakeholder Consultation and Stakeholders Contacted
2.3.1	Summary of stakeholder consultation process.
ASA-2	<p>Consultation of stakeholders for PT PP London Sumatra Indonesia, TBK – Bingin Teluk Location was held by:</p> <ol style="list-style-type: none"> 1. Public announcement at web www.mutucertification.com on 3 July 2017. 2. Consultation meeting and interview with government agencies in Musi Rawas Utara District (Plantation, Agriculture and Forestry agency; Manpower agency; and Mining dan Environment agency) on 11 July 2017. 3. Consultation meeting and interview with locals of the nearby village (Air Bening, Beringin Makmur II and Bingin Teluk Village) on 11 July 2017. 4. Consultation meeting and interview with Internal Stakeholder (labour union, gender committee and local contractor) on 11 - 12 July 2017. 5. Consultation with NGO (Setara, Walhi and AMAN) on 6 July 2017. <p>Numbers of input from stakeholders were clarified by PT PP London Sumatra Indonesia, TBK – Bingin Teluk Location.</p>
2.3.2	Stakeholder contacted
	Please find appendix 1
2.4	Determining Next Assessment
	The next visit (ASA-3) will be determined one year after this ASA-2 (July 2018).

3.0 ASSESSMENT FINDINGS

3.1 Summary of Assessment Report of the RSPO Certification

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

During the assessment, there were eleven (11) Nonconformities were assigned against Major Compliance Indicators; one (1) nonconformity was assigned against Minor Compliance Indicators; and two (2) 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 actions that had been reviewed and accepted by Auditors in form of documentation evidences e.g. (document record/photographic) and field visit. Those corrective actions taken that consist of ten (10) Major Nonconformities had been closed out shall be verified during next assessment.

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

Therefore MUTUAGUNG LESTARI Recommends RSPO Certification of compliance is maintained.

Ref Std.	VERIFICATION RESULT of MUTU-Certification	
PRINCIPLE #1 COMMITMENT TO TRANSPARENCY		
1.1	Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.	
1.1.1	The types of public documents that can be accessed by stakeholders are described in criterion 1.2. Based on interviews with related stakeholders (Environmental Agency, Plantation Agency and Manpower and Transmigration Agency) on Musi Rawas Utara District, it is known that they already known the documents or information that can be accessed and requested to the company. They can access documents and information on the <i>Website</i> , or can be directly requested through oral, letter or email. Companies can provide documents or information if there is a request from stakeholders. The person responsible for providing documents or information to the stakeholder is the General Services, Environment and CSR Department. So the Nonconformity No. 2016.01 with minor category is closed.	
1.1.2	The Company has "Internal Memo" No. 005 / AMA-BTL / INT / VIII / 2016 dated August 18, 2016. The document states that if there is a request for documents or information from stakeholders it will be recorded in the "Buku Surat Masuk" (Incoming Letter Book) and will be responded no later than 60 days after the information is received. Based on the auditor's review of the "Buku Surat Masuk" (Incoming Letter Book) owned by KBE, BHE and mill, it is known that there is no request from the stakeholders in the document, no response has to be made by the management unit. The content of "Buku Surat Masuk" (Incoming Letter Book) are mostly about requests for money and equipment support, for example for road repairs. For documents that must be reported to government agencies in Musi Rawas Utara District, the company has delivered	

it periodically. For example, the list of daily workers of KBE 2017 to the Manpower Agency dated June 16, 2017 (Letter No. 118 / KB-GOV / VI / 2017); list of daily workers of BHE 2017 (Letter No.: 172 / BHE / G / VI2017) ; Employment report of 2016 to the Manpower Agency dated 02 Jan 2017 (Letter No. 001 / BE-POM / D-TK / I / 2017), RKL / RPL implementation report for second semester of 2016, etc.

Status : Comply

1.2

Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.

1.2.1

The types of public documents that can be accessed by stakeholders such as: legal documents (legal permit document), environmental documents (implementation report of RKL / RPL, land permit application, hazardous waste permit letter), social documents (CSR document), OHS documents and continual improvement documents. The document is stored by each department.

Status: Comply

1.3

Growers and millers commit to ethical conduct in all business operations and transactions.

1.3.1

Commitment to obedience to law and human rights, the prohibition of discrimination, sexual harassment, bribes, corruption, fraud and whistle blowers are recorded in the "Good Corporate Governance" document. The policy has been socialized to workers, such as: BCE workers on 01/23/2017, KBE workers on 14/11/ 2017. Sighted: attendance list and photo of socialization activities to 14 workers. So the **Nonconformity No. 2016.03 with minor category is closed**

Based on interviews with some workers, for example in the grading station of POM and Clinic, they already know that the company prohibits the conduct of bribes, corruption and fraud in the work. The same statement also said by contractor.

Status: Comply

PRINCIPLE #2 COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS

2.1

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

2.1.1

The CH has list of national and international laws and/or regulations for sustainable palm oil (SPO) production which presented in document of "Evaluation of SPO Regulations" List of laws/regulations listed has covers several aspects such as land permit and legality, manpower, occupational health and safety (OHS), best management practices (BMP) and environment. List and update of laws and/or regulations, as well as its distribution were carried out by Department of Environment and Corporate Social Responsibility of Sumatera Selatan Region. Documents were available both hardcopy and softcopy. Based on observation to KBE and BHE office, it was found that list of laws and regulations were distributed through soft copy and keep/stored on Manager personal computer (PC).

However, based on document review, field observation and interview with stakeholder, there were noted several incompliance towards Laws and/or regulations which noted as **NCR No. 2017.01 with Major category**, as follows:

- Hazardous waste warehouse in KBE dot not have a permit from Government Agency. This is not comply with PP No. 101, year 2014.
- Based on observation to agrochemicals (pesticide) warehouse in KBE and BEE, symbols and labels of hazardous materials were not in accordance with PermenLH No. 03, year 2008.
- Based on observation to hazardous waste warehouse in BEPOM, KBE and BHE, eyewash and alarm were not available. This is not comply with KepBapedal No. 1, year 1995.
- Based on observation to hazardous waste warehouse in BEPOM, BHE and KBE, symbols and labels of hazardous materials waste were not in accordance with PermenLH No. 14 year 2013.

- The company able to show evidence submitted of piece worker (PHL) and fixer contract worker (PKWT) list to relevant agency in Musi Rawas Utara District, as stipulated in "Kepmenakertrans No 100 Tahun 2004". The company has also submitted employment report to the Manpower Agency dated 02/01/2017 with Letter Number: 001 / BE-POM / D-TK / I / 2017. However, regulatory compliance has not been fully implemented by the company, for example: The company has not been able to show evidence submitted development of plantation business report to relevant agency, as stipulated in "Permentan No. 98/2013" related to Plantation Business Guidelines.
- Based on document review and interview with boiler operator, it is known that boiler operation is divided into 3 shifts per day. Boiler capacity is 40 ton/hour and the company has 4 licensed operators Class I category for all shifts. This is not in accordance with Appendix 1 of Regulation of the Minister of Labor No. 1 of 1988 about the number of steam aircraft operators.
- Belani Elok POM has a first aid officer who has received first aid training under license no: 058/P3K/X/2014 with validity period until 1 October 2017, but can not shown the first aid officer license for KBE and BHE. This is not in accordance with Annex 1 of Regulation of the Minister of Labor No. 15 of 2008 about the ratio of number of first aid officers in the workplace with the number of workers based on the classification of the workplace.

2.1.2; 2.1.3 and 2.1.4

Procedure of legal requirement which presented in document No. EMS-P02 dated April 10th 2015 mentioned that Company Secretary of Legal Department has responsibility to arranged and monitored legal related laws and/or regulation. Furthermore, system of documentation of laws and/or regulation masterlist was documented in Evaluation of SPO Regulation (EMS IA-C5), which updated annually by Department of ECSR Sumatera Selatan Region. Summary of Internal audit that has been conducted in June 8th 2017 mentioned that from 202 items of laws/regulations which consist of 514 key points listed, 96 points were not applicable, 415 points has comply and 3 points were not implemented yet, i.e. PerMenLH No. 03/2012, PerMenLH No. 13/2012 and KepMenaker No. 186/1999. Hence in total, it could be concluded that the pursuance has reach about 99.41 %. So the **Nonconformity No. 2016.05 with minor category is closed**

According to masterlist (EMS IA-C5) June 23rd 2017, it was informed that about 2 items of laws/regulation has been updated or added during 2016 period, i.e. Decree of Governor of Sumatera Selatan No. 772/KPTS/DOSNAKERTRANS/2016 dated December 27th 2016 about sectoral minimum wages of Sumatera Selatan and Minister of Environment and Forestry Regulation (PerMenLHK) No. P.51/MenLHK/Setjen/Kum.1/6/2016 about guidance of forest production-converted extrication.

The procedure mentioned that in order to monitor and update of laws and/or regulations, the ECSR Department is required to actively check and make coordination with Government Agencies or Institutions. Updated of masterlist document was distributed by ECSR team through email the softcopy. Based on observation to KBE and BHE Office, it was found that the Estate Manager has the latest softcopy of Masterlist of Laws and Regulation (EMS IA-C5), dated June 23rd 2017.

2.1.1 Status: Nonconformity No. 2017.01 with Major category

2.2

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

2.2.1

CH has had the land rights in the form of Land Use Title (HGU) for an area of 13,699.35 hectares which consist of 5 certificate HGU and 1 certificate HGB. Based on document review and field visit known that management unit has manage a area of 13,699.53 Ha consist of 7,410.63 Ha planted area; 1,095.16 Ha supporting facilities; and 5,193.74 Ha can not manage by company. Interview with communities is known that the CH did not conduct expansion the operation area since last assessment (2016).

2.2.2

Management unit has had list and map of boundry pole from National Land Agency. Based on the data, there are 64 pole in Ketapat Bening Estate and 124 pole in Bukit Hijau Estate. Management unit have conducted monitoring and maintenance of boundary pole every year. The monitoring results for 2016 – 2017 showed that all pole in Ketapat Bening Estate are available in the field, but for Bukit Hijau Estate there are 78 pole available and 42 pole are missing. There are

budget for 2018 to install all pole that missing in the field. The realization of this budget will be observed in next surveillance (OFI).

Field visit in Ketapat Bening Estate showed that Boundary Pole BPN 39, BPN 42 and BPN 45 and BPN 222 in Bukit Hijau Estate are available. Besides that, CH also maintaining trenches as part of boundary marker (see picture).



2.2.3; 2.2.4 and 2.2.5

The consultation results with communities (Air Bening Villange, Beringin Makmur II Village and Bingin Teluk Village) is known that there was no dispute / conflict of land between the companies and communities for period 2017. Document review and interview with management known that there are land dispute in company operational area. The company can shows the records that fair compensation has been provided and accepted by involved parties, such as land dispute on behalf of Pati Rajawali 1 December 2015 in Bukit Hijau Estate Block 05110611 for an area of 6.8 Ha. This area has been compensated to Pati Rajawali on 2007 that known by neighboring parties, head of sub-district and head of village. Based on interview with the Chief of Village, he explained that Land acquisition to be involved with (the owner of the land, village representatives, owner of neighboring land) related to land acquisition begins with the identification of land ownership, measured along and clear boundaries.

2.2.4 and 2.2.5

Field visit, document review and interview with management known that there are significant land conflict in certification unit operational area. The management unit can not harvest the FFB in this area. To resolve this land conflict, The certification unit has had procedure (OP 2.2) of Land Acquisition and Compensation which explain about land conflict resolution. Conflict resolution conducted by the certification unit based on procedure consist of discussion, mediation with third parties and legal recourse.

Certification unit has had location map of land conflict which verified in the field with land claimant. Based on field visit Bukit Hijau Estate known that the location of land conflict in accordance with location map of land conflict.

2.2.6

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

Status: Comply

2.3

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

2.3.1; 2.3.2; 2.3.3 and 2.3.4

Land tenure contained in Bingin Teluk Location is individualized land that be acknowledged with the acknowledgment letter of the rights from village authorities and subdistrict officials. The results of the public consultation and assessment of HCV and SIA is known that there are no indigenous rights. Interviews with the communities (Air Bening, Beringin

Makmur II and Bingin Teluk) is known that the land acquisition is done voluntarily and people who do not want to releasing the land also did not to be forced.

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

Document review, field visit and interview shows that since the last assessment (2016), the certification unit does not perform land expansion.

Status: Comply

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

3.1

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

3.1.1

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

- Forward study of Belani Elok POM for 2016-2020 which describes FFB processed estimation, CPO and palm kernel production, FFA, OER, KER, CPO/PK dispatch, throughput and mill efficiency.
- Capex-Area manager Engineering B which describes estimation cost for machinery investation and operational production cost for 2016-2021. Assests to be budgeted consist of production machinaries, supporting machinaries, building, vehicles, heavy machinaries, tools and equipments, etc.
- Budget estimation of FFB processed in Belani Elok POM for 2015-2019 which made to be based on final meeting decision of AME B budget AOP phase 1.
- Forward study of Belani Elok and batu Cemerlang Estate for 2016-2020 which describes executive summary, hectare statetment projection, total crop (ton) and forecast yield (ton/ha/year).
- Long-term FFB production of Belani Elok and batu Cemerlang Estate for 2016-2020 which describes hectarage of mature area projection, number of productive palms per ha, bunch number, average buch weight, FFB production and yield.

Management unit also shown long-term plan documents for the period 2016-2020 in "Forward Study" document for Bingin Teluk area which shown estimates of CPO prices and financial indicators and profit-loss forecasts for the next five years.

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

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

3.1.2

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

According to hectare statement 2017 map and year of planting data, it was known that the oldest palm were came from 1995 planting where located on Ketapat Bening Estate. Thus, based on replanting criteria mentioned above, replanting

activity should be carried out at 2021.

Status: Comply

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

4.1

Operating procedures are appropriately documented and consistently implemented and monitored.

4.1.1

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

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

Interviews were conducted to harvester (block 96112013 KBE and block 97011841 BHE), pesticides applicator (block 96112012 KBE dan blok 08110570 BHE), manuring worker (in office of division 2 BHE) and census officer (blok 96112014 KBE). Based on the results of interviews can be concluded that the workers understand the duties and responsibilities of their work in accordance with the applicable SOP.

4.1.2 and 4.1.3

There is an internal monitoring conducted by the Internal Audit Department that monitors and assesses field implementation consistent with SOP's. Internal Audit Department do an internal audit periodically every 6 months which assesses the implementation of all SOPs in estate and mill. For non-conformity results are set for the completion at the closing meeting where the time frame depends on the findings that agreed between the auditee and auditor. So the **Nonconformity No. 2016.10 with minor category is closed**

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

- Based on field observation to Block 96112115 KBE and Block 97011841 BHE for harvesting activity, the foreman were able to shows daily report book which informed working hours, FFB harvested and number of loosefruit (in kg), FFB quality and sortation/grading. The daily report will be recapitulate into crop production monthly report.
- Daily crop report which informed harvested Blocks and areas (in ha), number and quality of FFB, Letter of transportation number (No. SPBS and No. of vehicle used), overnight fruit, etc.
- Monthly operational cost report and actual acitivity report for KBE and BHE.
- Based on field observation to Block 96112012 KBE and Block 08110570 BHE for spraying activity, the foreman were able to shows daily report which informed total worker, total pesticides used and hectar application.

Based on the above explanation, the non-conformity No. 2016.10 with the minor category in the previous ASA-1 findings that explains the company does not have a deadline mechanism to repair and resolve the internal audit findings and has not been able to show evidence of improvement from internal audit in 2015 is stated closed.

4.1.4

Belani Elok POM has recorded the origin of FFB source that sent by supplier. On period of June 2016 – June 2016, mill

was receiving the FFB from own estate, scheme smallholder and outgrower. The scheme smallholders consist of KUD Beringin Makmur, KUD Darussalam, KUD Persada, KUD Sumber Rejeki, KUD Tiga Serangkai, KUD Tunas Muda, KUD Jaya Makmur, KUD Giri Mulya, KUD Shinta, KUD Fajar Sidik, KUD Karya Bersama, KUD Karya Mulya, KUD Karya Mulya, KUD Karya Membangun and KUD Kelumpang Abadi. The outgrower which sent FFB are Devi Aprianto and Iman Sacroni.

Status: Comply

4.2

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

4.2.1 and 4.2.3

The procedure related with soil fertility were presented in document SOP No. OP 3.2 about manuring schedule for immature and supply palms, SOP No. OP 5.9 about manuring management for mature palms and leaf sampling procedure, SOP of research and technology development which stated that fertilizer recommendation must be based on leaf and soil analysis and SOP No. 5.10 about by-products (EFB, POME and decanter cake) application for nutrient cycle strategy. Leaf and soil sampling analysis and manuring recommendation is carried out by Bah Lias Research Station (BLRS) Department where located in North Sumatera.

KBE and BHE unit management shown fertilization realization documents for semester 1 of 2017, the EFB and POME application documents. At the time of the ASA-2 audit, there was no fertilization activity due to the lack of fertilizer stock. However, the auditor conducted an interview with a fertilizer worker at the BHE division 2 office. From the interview it is known that the last fertilizer activity in May 2017. The worker can also explain the fertilization procedure, in accordance with the dose based on the recommendation, sprinkle it around the palm and use the calibrated container.

It shown the leaf analysis results by BLRS taken through leaf samples in 2016 which used data as fertilizer recommendation for the period of 2017. The document describes the nutrient content of N, P, K, Mg, Ca, RP, RK, RMg and RCa. There is also a record of the results of soil analysis by BLRS taken through soil sampling in 2016 which is also used data as fertilizer recommendation for the period of 2017. The document describes soil fertility based on N, P, K, pH, OM, Pbray, Ptot, Mg, Ca.

The company shown recommendations and actual fertilizer of NPK 15.10.23 in 2017 for units of Batu Cemerlang Estate and Belani Elok Estate. Based on the above explanation and document verification also field conducted by the auditor on ASA-2, the **Nonconformity No. 2016.11 and No. 2016.12 with the minor category in the previous ASA-1 is closed.**

4.2.2 and 4.2.4

KBE and BHE unit management shown the plan and the realization of fertilization for 2017. The fertilizer used for first semester of 2017 is Urea, NPK 15.10.23 and Super Dolomite. Based on document review, the realization of fertilization in KBE and BHE did not reach 100%. The company justification is because the stock of fertilizer is not available during semester 1 and is available in semester 2. The availability of this fertilizer stock has become an evaluation material at the top level of the company.

The Company has implemented nutrient recycling using EFB and POME as a way to improve the soil fertility. The Belani Elok POM also utilizes fiber and kernel shells as a boiler fuel material. There is documents of program and realization of EFB and POME. The EFB application is focused on BHE divisions 1 and 2, also plasma. It application in BHE during 2017 is 4,235.20 tons in 105.9 Ha area. Based on field observation to the land application area on Block 97110841 of Division 2 BHE, the management of land application and the monitoring has been done well.

Status: Comply

4.3

Practices minimize and control erosion and degradation of soils.

4.3.1 and 4.3.6

The CH has able to shows soil map which derived from soil survey report which conducted by Bah Lias Research Station (BLRS) at the time of beginning before land clearing and around 2014. The report has informed soil properties in Belani Elok (BEE), Bukit Hijau (BHE), Batu Cemerlang (BCE), Ketapat Bening (KBE) and Sei Kepayang Estate (SKE). The semi

detail map were available in scale of 1:175,000; 1:60,000 and 1:50,000. Both report and map informed that there were no presence of peat soil and steep to very steep areas (slope >40 %). Hence, it could be concluded that there were no presence of fragile soils within CH operational areas. Main soil limitation for oil palm cultivation were due to the presence of acid tuff plain soil which covers less than 10 % and low fertility soils. Soil map were available in every Estate, as confirmed during field observation to KBE and BHE.

To overcome soil marginal properties, several strategy had been implemented by the CH, such as to follows fertilizer application which recommended by BLRS Agronomist team, to conduct by-products application through EFB mulching, solid decanter cake and land application by POME. The latter strategy has only implemented in BHE and smallholders areas. Dosage of EFB application recommended by BLRS Agronomist was about 40 ton/ha/year. For example, during April 2017, EFB had been applied for about 120,000 kg and 8,000 kg in Block 95112092 Divisi 1 and Block 96112115 Divisi 2 KBE, respectively. Moreover, according to LA record in BHE, it was informed that during 2017, about 94,698 m³ of POME has been applied in permitted areas which covers for about 826.04 ha. Dosage recommended by BLRS Agronomist was about 600 m³/ha/year.

4.3.2

Management strategy towards hilly or terraced areas were presented in several documents, such as Procedure No. OP.2.9 about legume establishment in oil palm plantation, No. OP.5.10 about high conservation value (HCV) and No. OP.5.4.3 about frond placement on slope and terrace. Procedure mentioned that in order to minimize soil erosion, fertilizers leaching and top soil run-off, pruned fronds should be stacked parallel to the contour line. Monitoring of erosion should be conducted twice a year.

The CH has conducting erosion measurement in several Blocks. According to measurement data in the first and second semester 2016, it could be concluded that average erosion rates was about 0.375 cm/year, ranged from 0.20 to 0.60 cm/year. Erosion rates were relatively small, due to satisfactory cover crop conditions by Ferns (*Nephrolepis bisserata*) and *Mucuna bracteata*, as confirmed during field observation to Block 96112115 KBE and Block 97011841 BHE. Moreover, pruned fronds has placed parallel to the contour line which aims to minimize soil erosion, surface run-off and leaching.

Based on field observation to KBE and BHE, it could be concluded that there were no presence of areas with slope more than 40 %. Terraces planting pattern, planting of legume cover crop (*Mucuna bracteata*) and fronds stacking parallel to the contour line were adopted when slope condition were about 16-40 %. Record of erosion poles measurements is presented in Indicator 4.3.2.

4.3.3

Program of road maintenance was presented in document of monthly operational review 2016/2017, Chapter cost upkeep mature. The program has issued by Estate Manager. Activities included in this activity were gravels or laterite mounding, road grading and compaction (hardening). Recapitulation of road maintenance records on KBE and BHE in 2017 is describes as follows:

- In March 2017, road compaction has been carried out for about 10,500 m, 1,500 m and 3,000 in Divisi1 (6 Blocks), Divisi 2 (1 Block) and Divisi 3 KBE (2 Blocks), respectively.
- From January to April 2017, totaling about 31,650 m of main road and 93,326 m of collection road had been maintained in BHE.

Based on field observation to Block 96112115 KBE and Block 97011841 BHE, it was found that conditions were satisfactory and easily passable by FFB, CPO and PK transporter units (tank-truck and dump-truck). So the **nonconformity 2016.14 with minor category is closed.**

4.3.4 and 4.3.5

According to soil survey report which conducted by BLRS in 2014 and semi detail soil map (scale 1:50,000), it was informed that there were no presence of peat soil within CH operational areas. This is confirmed during field observation to KBE and BHE. Hence, water management and peat subsidence monitoring activity and drainability study for replanting activity are not applicable.

Status: Comply

4.4

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

4.4.1

The CH program towards water sources which includes efficient use of water, renewability of water sources, impacts on catchment area and local stakeholders and avoidance of surface and ground water contamination were still not available since ASA-1. Hence, **NCR No. 2016.15 minor has raised up into Major.**

4.4.2

The CH shows water sources map with scale of 1:35,000 and 1:60,000. All riparian area were treated as HCV areas. Procedure of protection and/or management on riparian and other water sources areas were presented in several documents, i.e. document No. OP 5.2.2 about guidance of save pesticide application mentioned that pesticide is prohibited to be applied on riparian zone and other water sources, No. EMS-P.16 and work instruction No. EMS-WI-5 about monitoring and management of conservation areas mentioned about marking on riparian zone and No. OP 5.12 about environment monitoring on the rivers upstream and downstream.

Monitoring of water sources quality has also carried out and presented in RKL/RPL report. According to Semester I and II 2016 report, it was informed that water quality of Kelumpang River (stream of Rawas River) in upstream and downstream were fulfill the standards required by Governor Regulation (PerGub) of Sumatera Selatan No. 16, year 2005 (Appendix II).

Based on interview with pesticide operators in Block 96112012 KBE and 08110570 BHE it could be concluded that, operator has understood that application of agrochemicals in the riparian and other water sources areas were strongly prohibited. Furthermore, based on field observation of riparian zone of Putih River in Block 05110800 BHE, signboard and field marking were available. Vegetation condition has also satisfactory. Furthermore, based on field observation riparian zone of Aur River where located in between of Block 95112201 and Block 95112202 KBE, it was found that signs and/or marks which informed riparian zone on that particular areas were not available. However, field condition were seems very satisfactory (no marks of agrochemicals application). Hence, the CH has an opportunity to installed physical marks on that particular areas and this is will be observed in next surveillance (**OFI with Observation**).

4.4.3

The CH has process liquid waste from BEPOM in station of waste water treatment plant (WWTP) which consist of six ponds (cooling pond, acidification pond, facultative pond and anaerobic pond). Based on field observation to WWTP station in BEPOM, it was found that all ponds were satisfactory works and there is no leaking pipes. Processed liquid waste in WWTP later on to be distributed to the permitted areas in BHE, as mentioned in the Decree Letter of Musi Rawas Utara Regent No. 02/KPTS/DPE-LH/2015 dated April 14th 2015 and No. 07/KPTS/DPE-LH/2015 dated September 1st 2015. The permit is valid for 5 years. Based on observation to Block 97011841, it was found that LA was properly applied on the permitted area.

Laboratory testing of WWTP outlet hass conducted by UPTB Environment laboratory (KAN accredited: LP 231-IDN), Environment Agency of Sumatera Selatan. For example, Semester II 2016 report issued in February 2017 informed that parameters measured were under the threshold, required by Decree of Minister of Environment (KepMenLH) No. 28 and 29, year 2003 (BOD <5,000).

Three-monthly reporting of liquid waste has also carried out consistently by the CH. For example, report on 4th quarter in 2016 and 1st quarter in 2017 were sent to Environment Agency of Musi Rawas Utara District and Sumatera Selatan Province, Centre of Ecoregion Management of Sumatera (PPE) and Ministry of Environment and Forestry in January 6th 2017 and April 4th 2017, respectively.

4.4.4

Procedure to measuring water consumption for FFB processing purposes was presented in Key Performance Indicator. According to the water treatment plant (WTP) record in 2016 records, it was informed that average water consumption in 2016 was about 1.25 m³/ton FFB. Based on field observation to WTP Station in BEPOM, it was informed that water source to be processed were came from Rawas River only. Moreover, it was found that flowmeters for both mill and domestic

measurement purposes were satisfactory works.

4.4.1 Status: Nonconformity No. 2016.15 with minor upgraded into Major category.

4.5

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

4.5.1

The program of IPM was presented in annual budget, while the technical procedures was referred to SOP No. OP 5 about IPM. The activity budgeted on the program were consist of detection, census and monitoring of pests and diseases attack, biological control such as barn owl nest installation and planting of beneficial plants. According to IPM activity records for January to June 2017 such as program and realization of rat census in Divisi 2 KBE, rat census in Divisi 2 BHE, ganoderma census, leaf eating caterpillar census in Divisi 2 BHE, it could be concluded that all the census results were still under its economic threshold. This may lead to zero use of pesticides for pests and diseases control. Furthermore, according to pesticides used record in 2016-2017, agrochemical uses was only implemented for weeds control purposes.

4.5.2

The company shows the evidence of integrated pest control training recording, as follows:

- Training of leaf caterpillar and rat pests control on August 24, 2015 held by the research department with a total of 5 participants at Bukit Hijau Estate
- Training / Field Day refreshing course integrated Pest Management on Palm Oil on November 12, 2015 held by Crop Protection Services with a total 8 participants in Ketapat Bening Estate

Based on interviews with workers who conducted pest observations in block 96112014 it was found that the workers knew the procedure on how to observe early detection for leaf-caterpillar pests, rat and ganoderma. Until now, the results of observations not found pest attacks above the threshold, so the company is still doing the early observation consistently and since 2016 has never used chemicals for pest control.

Status: Comply

4.6

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

4.6.1

Policy of pests and diseases control through agrochemical/pesticides uses was adopted in SOP No. OP 5 about upkeep on mature palms. Justification of pesticides uses must be based on census results and analysis. The Company has SOP' on selective use of weed-specific products within OP 5.1 Weed Control in Oil Palm. The SOP describes what types of weeds in the plantation area and how to controls and what chemicals are used to selectively target weeds.

In order to avoid weeds resistance through pesticides application, estate management had substitute and rotating the use of pesticides for the same target. For example, in term of woodies control, the use of Gramoxone (paraquat dichloride) could be substitute and/or rotate with Garlon (trichlophyr). Based on interview with pesticides applicators in Block 96112012 KBE and block 08110570 BHE, it could be conclude that the workers are able to explained type of pesticides and its target.

4.6.2

The company shown the used of pesticide for 2017. The company also shown the total pesticides used from 2015-2017, in a monthly pesticide monitoring document containing information the type of pesticide used, active ingredient content, usage unit, usage period and LD-50.

4.6.3

The company shown the working documents of the Division and the documents of pest control activities plan which consists of detection and census of rat pests, leaf-caterpillar pests, ganoderma and biological control such as planting of beneficial plant and developing of owl population. Early detection during 2017 is still below the threshold, so there is no action to control the pests. The company take more precautionary measures such as developing beneficial plants and

developing owls as natural enemies of rats. The result of field observation shows that beneficial plant such as *Turnera subulata* grows well along collection road and has a owl nest breeder in KBE.

According to pesticides used data in KBE and BHE from 2016-2017, there is no chemical used for rat and leaf caterpillar control. The use of paraquat in KBE and BHE were significantly reduced for 51.5% and 61.30%, respectively. It can be concluded in line with the integrated pest control plan by utilizing biological natural enemies as described above.

4.6.4

As mentioned in Indicator 4.6.1, it could be concluded that there were no pesticides with 1A and 1B Appendix III WHO category used by the estate management. However, there was used of paraquat. Regarding this matter, since 2014 top management has committed to reduce the use of *paraquat dichloride* 10 % annually, by gradually replaced it with *triclophyr butoksi ester*. According to pesticides used data from 2015 to 2016, the use of paraquat in KBE and BHE were significantly reduced for 51.50 % and 61.30 %, respectively.

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

4.6.5; 4.6.7 and 4.6.9

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

There is a training documents about prosedure OP 5.2.2 Guide to the safe use of pesticides, for example on 15 May 2017 at KBE Office attended by 19 people and on March 6, 2017 at BHE Office attended by 15 people. Estates management also shown the certificate of paraquat applicator (limited pesticides) for 40 pesticides applicators (8 workers each estate) in which issued in February 21st, 2014. The training of paraquat application had been conducted in February 19-20th, 2014 by the Commission of Fertilizer and Pesticides, Province of South Sumatera.

Based on field observation to pesticides warehouse in KBE, it was found that MSDS from vendor for products of *Pulse*, *Furadan*, *Bayfolan*, *Trichoderma*, *DMA-6*, *Starane 200EC*, *Agroxone-4*, *Garlon 670EC*, and *Thuricide HP* were not available. Meanwhile in BHE, MSDS were available. This is noted as **Nonconformity No 2017.02 with Major category**.

Based on interviews conducted on spray workers in block 96112012 division 2 KBE and block 08110570 division 2 BHE concluded that employees know the impact and risk of pesticide application which is toxic chemicals, but the workers also recognize that they have been equipped with PPE like apron, boots, shield helmet, gloves and masks so it can reduce the negative impact of that chemicals.

4.6.6 and 4.6.10

Procedure of hazardous material storage and hazardous waste materials (include pesticide) management were still use the same standard, which is presented in document of SOP No. SOP.5.2.2 and No. OP.5.8, respectively. Based on field observation to agrochemicals warehouse in KBE and BHE, it was found that the pesticides has stored properly, based on its type, brands, first in first out (FIFO), etc. balance record has also available. Furthermore, based on field observation to housing complex of Divisi 1 KBE and BHE, it could be concluded that there were no use of ex pesticide and hazardous materials containers for domestic purposes such as waste containers and flower pot.

4.6.8

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

4.6.11

The company shown the results of cholinestrase examination on 19-20 September 2016 to 7 KBE spraying workers and 6 BHE spray workers with normal results, but based on document review the number of spray workers in KBE were 17 people and BHE were 48 people, so it can be concluded that not all spraying workers performed special health checks. This becomes **Nonconformity No. 2017.03 with Major category**.

4.6.12

Unit management shown the SOP No. OP 5.2.2 about guideline of safety pesticides uses. One chapter describes pregnant and lactating women prohibited from working in places associated with pesticides. Also shown an internal memorandum issued on February 28, 2013 by KBE manager about prohibition of work for pregnant women and lactating woman on jobs that use chemical.

Based on interviews with 3 spraying workers in block 96112012 division 2 KBE and 6 spraying workers in block 08110570 division 2 BHE can be concluded that not found pregnant woman was spraying, also based on interviews with KBE and BHE medical nurses, the examination in May 2017 not found pregnant and lactating female workers working in the pesticide section.

4.6.5 Status: Nonconformity No. 2017.02 with Major category

4.6.11 Status: Nonconformity No. 2017.03 with Major category

4.7

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

4.7.1

The Company has a policy related to occupational safety and health in OHS Policy PT PP London Sumatra Indonesia Tbk, which was passed by the President on June 13, 2006. Safety Health commitment to provide protection for workers and others who are in the workplace and working environment so that it can be used safely and efficient. Policies have been written with the appropriate language and includes prevention against health and safety risks in the workplace

Based on interviews with weighbridge workers, sorting workers, boiler operators, engine room operators, kernel operators and mechanics workshops, it can be concluded that workers understand the OHS policy and it is recognized that every morning meeting is always affirmed about the importance of safety and the use of PPE in work.

Interviews were conducted to 5 harvester (block 96112013 KBE and block 97011841 BHE), 8 pesticides applicator (block 96112012 KBE dan blok 08110570 BHE), 2 manuring worker (in office of division 2 BHE) and 2 cencus officer (blok 96112014 KBE). Based on the results of interviews can be concluded that workers understand the OHS policy and it's recognized that every morning meeting is always affirmed about the importance of safety and the use of PPE in work.

4.7.2

Estates and Mill unit management shown the document of hazard identification, risk assessment and risk control which issued on January 2017. It will be reviewed if any occupational accident happen. The document describes the description/activity, potential hazards, risk assessment and risk control. However, it has not identified all the activities in POM such as in hazardous materials and hazardous waste warehouse. While, in estate not completed yet in losse fruit collect activity, material warehouse, hazardous materials and hazardous waste warehouse. It becomes **Nonconformity No. 2017.04 with Major category**.

4.7.3

Based on documents verification and interviews, it is known that all operators at Belani Elok POM, KBE and BHE already have lisense such as boiler operators, lift carrier operators, welders and electrical technician. Also shown the certificates limited pesticide training for pesticide applicators. There were also training reports on how to use safe pesticides to 19 people in KBE and 15 people at BHE.

Based on field visits and interviews with workers, the company has provided PPE to workers. PPE for type of glove, ear plug, helmet, apron and safety shoes can be replaced immediately if damaged. This is evidenced by shown the recording of PPE distribution documents to the workers and the workers recognition from interviews also confirmed it.

4.7.4

The company already has persons that responsible for the OHS program within the organizational structure of P2K3 established in each management unit. The organization routinely conducts monthly meetings on OHS issues in the workplace. The minutes of the meeting were recorded and stored well. Based on interviews to workers who are members of the P2K3 organization it is known that monthly meetings are always routinely conducted to discuss about OHS such as consistency of PPE usage, work accident report, fire simulation, checking of emergency response equipment, OHS sign board, cleanliness of work area, etc.

4.7.5

The Company has Work Accident Emergency Handling procedures contained in document P-12 and Emergency Handling procedures contained in document P-10 dated January 10, 2007. The document is available in Indonesian language. Emergency procedures covering fire, explosions, natural disasters (floods, earthquakes, hurricanes, storms, landslides, etc.) and mass riots/sabotage.

Simulation was performed to know the preparedness of emergency response equipment in the POM. The simulation was performed on 4 hydrants located in various places in the mill and the result of the experiment was concluded that the hydrant tool is ready for use. Based on these explanations, the **Nonconformity No. 2016.20 with minor category in previous ASA-1 is closed.**

Belani Elok POM has already licensed first aid officers, while the BHE and KBE unit management do not yet have licensed first aid officers, but have first aid officers who have undergone training internally. The event was presented internally on January 7, 2017 which was attended by 9 participants. The company also has a first aid kit in each unit and based on observations made it is concluded that the contents in the first aid box are sufficient. There is also a checklist of observations of the contents of first aid boxes routinely performed every month by first aid officers.

4.7.6

Based on field visits, the company has clinics in the KBE and BHE unit management and there are paramedics that maintain the polyclinic. Moreover, the company also cooperate with BPJS to protect workers medical care.

The company shown the proof of payment of accident insurance for all employees at Bingin Teluk Area (5 Estate and 1 POM) in periode of June 2017 on July 13, 2017 paid to BRI Bank for 77 staff, MRP 502 persons, DRP 534 persons, PW 517 People, a total of 1,630 people. Based on the above explanation, the **Nonconformity No. 2016.21 with the minor category in the previous ASA-1 is closed.**

4.7.7

The company shown the calculation of occupational accidents using LTA metric period of 2016 which is described as follows:

Belani Elok POM:

Frequency Rate: 0

Saverity Rate: 0

Hours lost: 0

Number of work accidents in 2016: 0

Total workers as of December 2016: 141

Ketapat Bening Estate:

Frequency Rate: 3.2

Saverity Rate: 77.4

Hours lost: 48

Number of work accidents in 2016: 2

Total workers as of December 2016: 310

Bukit Hijau Estate:

Frequency Rate: 1

Saverity Rate: 1

Hours lost: 184
 Number of accidents in 2016: 1
 Total workers as of December 2016: 522

Based on the above explanation, the Nonconformity No. 2016.22 with minor category in the previous ASA-1 is closed.

4.7.2 Status: Nonconformity No. 2017.04 with Major category

4.8

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

4.8.1

The company able to show formal training program includes aspects of the principles RSPO criteria period of 2017. Types of training related to health and safety, emergency response, hazardous materials handling, pesticides, SCCS, IPM and others.

4.8.2

The company has conducted training to employees, for example training related to health and safety, emergency response, hazardous materials handling, pesticides, SCCS, IPM and others. Based on interviews with *DAMKAR* officers on Mill and BHE, it is known that they have attended emergency response training in 2016. Interview with license OHS officer is was known that the he had attended license OHS training. Based on the explanation **Nonconformity No. 2016.23 with the minor category in the previous ASA-1 is closed.**

Status: Comply

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

5.1

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

5.1.1 and 5.1.2

The CH shows several environment document as required by Government Regulation (PP) No. 27 year 1999 and Minister of Environment Regulation (PermenLH) No. 08, year 2006, as follows:

- Revision ANDAL of plantation and oil palm processing factory with capacity 60 ton FFB/hours in Muara Lakitan, Karang Dapo and Rawas Ilir Sub-District, Musi Rawas District, Province of Sumatera Selatan, in July 2003.
- RKL/RPL study, issued by Bapedalda No. 660/398/Bapedalda/2003 dated July 22nd 2003. Scoope of study has covers plantations which totalling about 38,711.80 ha (18,559 ha in Muara Rupit and 20,152.80 ha in Bingin Teluk), smallholders for 18,999.60 ha (8,434.30 ha in Muara Rupit and 10,565.30 ha in Bingin Teluk), and 2 units of palm oil mill with capacity each of 60 ton FFB/hours.

According to document reviews, it could be concluded that scoope of study has covers building new roads, processing mills,, infrastructure, replanting and/or expansion of planting areas, manahement of mill effluents, environment, etc. furthermore, area of study were in accordance with PT PP Lonsum BEPOM, BEE, BHE, KBE, BCE and SKE operational areas. Up to 2017, there is no change of operational areas. Several aspect which need to be managed and monitored are erosion of areas with slope ranged from 0-15 %, water quality, air quality, fire potention during drought season, protected flora and fauna, social surrounding communities' fidgetiness, working opportunity, community income improvement and public community health. Moreover, Letter of Environment Agency No. 660/056/BLHD/2012 dated January 25th 2012 mentioned that additional aspect which need to be managed and monitored are air quality, nosy and odor, hidrology and water quality, and soil quality.

Based on interview with Environment Agency of Musi Rawas Utara District, it was stated that the CH has committed to fulfill its obligation towards RKL/RPL requirements.

5.1.3

Monitoring plan on environment management has carried out to prevent potential environment damage which might be happen in the near future if not well managed. The plan and its actual implementation for second semester 2016 was presented in RKL/RPL document which has follows EIA/AMDAL assessment in 2003. Based on previous assessment (ASA-1) findings, the CH has carried out additional parameters which in accordance with RKL/RPL matrix, such as:

- Laboratory analysis of water quality of Rawas River which presented in document No. 660/1835/SPPC-ALC-B3/XI/2016 dated December 15th 2016. The results informed that all parameter tested (12 points) were under the threshold required by Governor Regulation (Pergub) of Sumatera Selatan No. 16/2005.
- Monitoring of forest/land fire form and its report were avilabe. Records of report during semester II 2016 and Semester I 2017 informed that there is no fire incidence within POM and Estates operational areas. This information has also informed in RKL/RPL Semester II 2016 report.
- In 2017 the CH has carried out medical check up for surrounding communities, which conducted by UPT Puskesmas Bingin Teluk. Recored of medical check up from January to June 2017 were available.

However, bellows point as mentioned in ASA-1 are not available, as follows:

- Questionnaire and guidance of interview form for social impact assessment for commuinites assessment was available. However, records of this form was not available.
- Laboratory and analysis of air quality on LA areas were not available.

Based on the explanation above, **NCR No. 2016.24 minor has upgraded into Major.**

5.1.3	Status: Nonconformity No. 2016.24 minor upgrade into Major
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5.2

The status of rare, threatened or endangered species and other High Conservation Value habitats, if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and operations managed to best ensure that they are maintained and/or enhanced

5.2.1

HCV assessment has been carried out in 2006 by Aksenta, which was in line with HCV toolkit June 2008. Moreover, HCV identification has involving WWF, local community and indigenous ethnic group of Anak Dalam. RTE species identified are Sumatran Tiger, Honey Bear and Tapir. HCV accessor team has found tiger footprints and sound in Divisi 3 BCE around Keperes and Celau River. Furthermore, Bear and Tapir were found through its clawmarks on the trees in north west of KBE 203 around Celau and Kulim River. All species identified above later on to be monitored, recorded and reported by the CH every semester in RKL/RPL report.

5.2.2

Identification of RTE species and HCV had conducted in 2006 by Aksenta and based on the identification there is spotted several RTE species within estate operational areas, for example RTE species identified in BHE were *Rusa Sambar*, *Burung Madu Kelapa*, *Burung Madu Belukar* and *Cekakak Belukar*. Several program for HCV area management, especially for RTE species is presented as follows:

- Reforestation,
- Signboard installation on HCV area and riparian zone which inform prohibition of hunting, keeping RTE species and dectructive which may caused environment damage
- RTE species poster on employees housing areas.
- Social approach through socialization to employees and surrounding communities about the existence of HCV areas and RTE species.
- Training to Environment Division Employees.
- Security patrol.
- Regular monitoring, recording and reporting as shows in RKL/RPL report.
- Coordination with the respective government Agency (Province Forestry Agency through BKSDA) by informing the existence of identified species.

5.2.3

The CH shows records of identification and monitoring of flora and fauna, as well as its status according to Government

Regulation (PP) No. 7, 1999; IUCN and CITES. The CH has also shows information board of RTE/protected species which exist within company operational areas, as well as its installation on the field. The board has informed as follows picture and RTE species name (both local and scientific), statement which mentioned that catching, hurting, killing, keeping, own and selling the RTE species are strongly prohibited and description of 5 years in jail and summon for about IDR 100 million as mentioned in Law No. 50, 1990 about Natural Resources Conservation and Ecosystem.

The CH has conducting socialization of HCV and RTE species to employees and local communities. For example, socialization in BEE and BCE has conducted in May 2nd 2017 and January 23rd 2017, respectively. Based on the explanation **Nonconformity No. 2016.26 with the minor category in the previous ASA-1 is closed.**

Based on observation to Housing Complex Divisi 1 KBE and Housing Emplasment in BHE, it could be concluded that there is no worker (and their family member) who has catching, hurting, killing, collecting and selling the wild-life.

5.2.4

The CH has a program and monitor HCV and RTE species which affected by estate and mill operational, as mentioned in Indicator 5.2.3. Monitoring record has also can be seen on RKL/RPL Semester report. However, several points which not available in the monitoring activities and need to be completed and described, presented as follows:

- Identification and data of land owner which overlapped with HCV areas in all Estates.
- Description of HCV location and area coverage (ha) and its mastery status (land control).
- Description of HCV condition which controlled by Village communities.
- Management plan towards the above points.

According to the explanation above, **Nonconformity No. 2016.27 minor upgrade into Major.**

5.2.5

The CH has not describe the root of course, correction and corrective action on the previous NCR in ASA-1. Several things which not complete are:

- Identification and data of land owner which overlapped with HCV areas in all Estates.
- Management plan of HCV which overlapped with local community right.
- Evidence of negotiation process and agreement between affected parties.

According to the explanation above, raised **Nonconformity No. 2016.28 minor upgrade into Major.**

5.2.4	Status: Nonconformity No. 2016.27 minor upgrade into Major
5.2.5	Status: Nonconformity No. 2016.28 minor upgrade into Major

5.3

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

5.3.1

The CH has identified pollution and emission sources from all operational areas. For example, waste produced from Generator Station are lubricant, filter, battery and emission. Mitigation management need are to store it on permitted hazardous waste warehouse, monitoring and emission measurement.

5.3.2

The CH has hazardous waste warehouse permit which presented in document No. 07/KPTS/DPE-LH/2014 with revision No. 660/299/DPE-LH/2015 dated July 22nd 2015. The permit has valid until 2019. Time of storage was revised from 90 days into 365 days. The CH has cooperation with permitted hazardous waste collector namely PT Dame Alam Sejahtera (permit No. S2892/PSLB3-VPLB/2005), PT Triguna Pratama abadi (permit No. SK.415/Menlhk-Setjen/2015).

The CH has records hazardous waste turnover balance of hazardous waste, for example as follow:

- Type of waste: ex pesticide Elang 480 SL containers; come in to hazardous waste warehouse: June 10th 2017; Quantity: 2 pcs; Sources: KBE; out from warehouse: June 16th 2017 (6 pcs). Manifest from collector was available.
- Type of waste: Dexamethasone ijection (medical waste); come in to hazardous waste warehouse: June 12th 2017; Quantity: 2 pcs; Souces: Clinic KBE; out from warehouse: June 14th (29 pcs) to Bunda Hospital in Palembang.

The CH has reports hazardous waste balance to Environment Agency and other respective Agencies such as Ministry of Environment and Forestry, Hazardous Waste and Contamination Management Center of Ecoregion Sumatera, etc. for example report on first quarter has sent to Environment Agency of Sumatera Selatan Province through Letter No. 120/ENV-EXT/VI/2017 in June 16th 2017, while for Lahat District has sent in April 4th 2017.

The CH has policy of prohibition of ex pesticide and hazardous containers which presented in Internal Memorandum No. 0125/BEE/EST/X/2016. Based on observation to housing complex in BHE and KBE, it could be concluded that there was no used of ex pesticide and other hazardous containers for domestic purposes such as garbage basket and flower pot. Socialization towards waste management has been carried out around July to August 2016.

5.3.3

Management of hazardous waste program was presented in procedure No. EMS-WI-8 about waste management, as follows:

- Hazardous waste to be sent and placed to the permitted hazardous waste warehouse.
- Medical/infectious waste from clinic to be sent to hospital with permitted incinerator, as presented in document letter of medical waste delivery dated July 7th 2017.
- By products has used for nutrient cycle.
- By product has used for energy sources.
- Domestic waste: sent to landfill and digged up.
- Agronomy and domestic waste are prohibited to be burned.

Status: Comply

5.4

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

5.4.1

The CH has adopt the using of by-products such as fiber and kernel shell to be used in Boiler station, for electricity supply during oil palm processing. According to fibre and kernel shell utilization records from January to June 2017, it was informed that 5,096.68 ton of fibre and 2,376.37 ton of kernel shell had used to produce electricity from Boiler station for about 2,445 KWH. Efficiency measured during that periode was 8,678 litre of diesel and 233 hours.

The CH has no plan to develop biogas plant in the near future.

Status: Comply

5.5

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

5.5.1 and 5.5.2

The company has zero burning policy which are explained on:

- SOP OP 2.8 Poin 3 about Land Preparation – Strategis and parameter. This SOP explains about flame usage with any means is prohibited. As in the land preparation activity on new development area and/or replanting.
- SOP OP 5.8 about Waste Management – on poin 3. This SOP has policy for “Prohibited using fire (burning) for domestic waste and Agronomy Waste”.

Based on the policy, the company does not apply land clearing by burning. Based on the document verification and field visit in KBE and BHE, there is no land clearing or replanting activity after ASA-1 RSPO assessment.

Status: Comply

5.6

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

5.6.1

The CH has able to shows several analysis related to pollution which presented in document of RKL/RPL. Measurement

and analysis was conducted by UPTB Environment Laboratory of Environment Agency of Sumatera Selatan Province (KAN LP 231-IDN). Based on the analysis, it could be concluded that emission being monitored were below the threshold which required by Regulations.

5.6.2

Management has identified GHG emission sources. Mitigation program towards GHG emission, as follows:

- By products has used for nutrient cycle, such as EFB mulching, land application by POME, frond stacking, as observed in Block 95112092 Divisi 1 and Block 96112115 Divisi 2 KBE for EFB mulching and land application in BHE.
- By product has used for energy sources, such as fibre and kernel shell, as confirmed during observation to Boiler Station on the mill.
- Maintenance of production and transportation devices. For example, maintenance of Genset dan Boiler had been conducted every month, and transportation unit of 3 unit dump trucks has been conducted in January 20th 2017.
- Zero burning during land clearing.
- Pesticide and fertilizer application as recommended by Agronomist team.
- Planting of trees. For example, it was reported 30 trees of Mahony had been planted nearby the sortation station in October 5th 2017.

5.6.3

The CH was not able to show GHG emission calculation using PalmGHG calculator Version 3.0. Hence, raised **Nonconformity No. 2017.05 with minor category**.

5.6.3	Status: Nonconformity No. 2017.05 with minor category
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PRINCIPLE #6 Responsible consideration of employees and of individuals and communities affected by growers and mills

6.1

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

6.1.1 and 6.1.2

The Community Development Officer has conducted a Social Impact Assessment / SIA study in April 2015 involving local communities. Then in July 2016 the company conducted a SIA involving smallholders. SIA documents have identified the positive and negative impacts of the company's operational activities, such as: providing employment and business opportunities to local communities, increasing incomes, education and public health, social jealousy, reduced farming, increasing theft, etc.

The social impact assessment (SIA) study has involved community participation and smallholders. Sighted: present list of interview results on April 10, 2015 and 01 July 2016.

6.1.3 and 6.1.4

Implementation of the management and monitoring of social impacts has been described in the RKL / RPL implementation report for the second semester of 2016. Social impact mitigation efforts that have been carried out by the company include: providing employment and business opportunities to local communities, education, health and road improvements, etc. Other social impact mitigation measures that have been carried out by the company include: motorcycle workshop training, motorcycle workshop training, souvenir training. The person in charge of the social impact mitigation activities is the Community Development Officer.

6.1.5

The social impact assessment process (SIA) has involved Smallholders. Sighted: present list of interview 01 July 2016.

Status: Comply

6.2

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

6.2.1

The company has a procedure related to communication, i.e. EMS-P05 passed dated on 10/10/2009. This procedure explains how to communicate with internal and external stakeholders. The company has documented every communication with stakeholders, among others in the form of: (1) requests and responses to support proposed by stakeholders for educational, religious, sports, clean water assistance, and road improvements; (2) company response to incoming complaints from internal and external stakeholders; (3) interviews with surrounding communities and smallholders in the context of environmental and social impact assessments; meeting with internal stakeholders; (4) submission of reports to relevant agencies, and (5) socialization.

6.2.2

Officers appointed by the company to communicate and consult with stakeholders are *HUMAS* and or CDO staff. Based on interviews with relevant stakeholder (Environment Agency, Labor Agency, Plantation Agency and Village Leaders), it is known that they already know the personal in charge that can be contacted if there are problems related to the environment, plantation and employment.

6.2.3

The company has provided "Communication Book" if there are complaints including requests for documents or information from stakeholders. For the period 2016/2017 there was no request for documents or information from the stakeholders, there is only requests for money support, clean water assistance and equipment borrowing from local villagers and smallholders. Based on interviews with relevant agency in Musi Rawas Utara District including communities villages, it is known that they have not asked for document or information to the company for period 2016/2017.

Status: Comply

6.3

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

6.3.1

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

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

The Company has socialized procedure related to Handling Complaining to employees, dated June 18, 2016 in Belani Elok POM.

6.3.2

If any complaints or dissatisfaction from stakeholders are recorded in "Communication Book". In the book obtained information there are complaints from workers related to the difficulty of clean water and housing facilities. Complaints from the workers have been responded by the company. Clean water has been distributed as needed and there are also efforts to replace damaged pump machines. #has been submitted for funding on May 15, 2017 for the purchase of drilled wells.

The most common information found in the "Communication Book" is request money for religious activities, educational, sports and heavy equipment rental activities from village communities around the company. The application has been

responded by the company in accordance with the procedure. Persons responsible for responding to complaints from stakeholders are HUMAS / CDO staff.

Status: Comply

6.4

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

6.4.1 and 6.4.2

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

6.4.3

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

Status: Comply

6.5

Pay and conditions for employees and for employees of contractors always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.

6.5.1

The company has the relevant regulations of wages fixed, daily and contract in a collective agreement. Based on mutual agreement, the company determines the minimum wage of IDR 2,430,000. This is in accordance with the number of the basic salary of mill and estate workers.

Based on interviews with some estate and mill workers, it was known that the wage payment of workers was in accordance with the standard of the Provincial Minimum Wage, IDR 2,430,000/month or IDR 97,200/day. Based on interviews with the head of PUK SPPP-SPSI and the Gender Committee of KBE and BHE, there are no issues related to wages. The Company has paid the wages of workers in accordance with the agreements as described in the Collective Labor Agreement.

Based on the auditor's verification, harvest workers with daily rate payment are not calculated based on working hours but are calculated on the volume basis. Based on interviews with harvest workers and wage document verification it is known that the company has paid the wage in accordance with the minimum wage standard, for example harvester (daily rate payment/PHL) with total working days of 15 days (7 hours) on June 2017 got basic wage IDR 1,458,000 or IDR 97,200/day and has got over basis IDR 742,000.

6.5.2

From the document review conducted by the auditor to the Salary Slip for the period of April, May and June 2017, it was known that minimum wage, rice, overtime, BPJS Employment, Health of BPJS for MRP, DRP, fixed term worker / PKWT, Piece worker/ PHL workers were in accordance with PKB.

Based on interviews with several workers in mill and estate, it was known that wages, allowances for rice, overtime and Health of BPJS had been paid in accordance with the prevailing regulations. Based on interviews with the head of PUK SPPP-SPSI and the Gender Committee (KBE and BHE), there were no issues related to wage violations, rice allowances, overtimes and BPJS payments. The Company has paid wages.

6.5.3

Based on interviews with the head of PUK SPPP-SPSI and Gender Committee (KBE and BHE), it is known that the

company has provided housing facilities, electricity, clean water, medical services, educational facilities, religious facilities, sports facilities and *BPJS* to MRP, DRP & PKWT workers. But there are little complaints with clean water, where workers feel the difficulty of clean water. Complaints from the workers have been responded by the company. Clean water has been distributed as needed and there are already actions to replace damaged pump machines. Sighted: has been submitted for funding on 05/15/2017 for the purchase of drilled wells.

Based on field observation and interviews on housing workers, it is known that housing facilities, electricity, clean water for domestic needs, medical services, educational facilities, religious facilities, sports facilities and *BPJS* has been provided to workers. For drinking water able to accessed or purchased public store.

6.5.4

Based on interviews with Mill and Estate workers, such as: nurses, security officers, loading ramp workers, teachers, and heads of committee gender, was obtained that access to adequate and affordable food can be obtained at Traditional Markets that not far from the location of Mill and Estate. The market location is located in Air Bening Village.

Status: Comply

6.6

The employer respects the right of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.

6.6.1

The right of workers to associate has been described in "Internal Memorandum" No. 006 / HRD / CIR / I2004 dated January 7, 2004 and described on *PKB* period 2016-2018.

Based on interviews with the chairman of PUK SPPP-SPSI KBE and BHE, obtained information that the company has given freedom to permanent employees including contract workers to associate. For example members of PUK SPPP-SPSI are all employees including transmigrate workers. The PUK SPPP-SPSI organization is still active until 2020.

Based on interviews with Mill and Estate workers, such as: nurses, security officers, loading ramp workers, lecturers are known that they are registered as PUK SPPP-SPSI members and pay monthly membership fees every month.

6.6.2

Records of Labor Union meetings have been documented, for example: Meeting at BHE dated 01 April 2017, which addresses the issue of water shortage complaints caused by damaged water pump machinery. There is a present list with a total of 8 participants. As for complaints from the workers have been responded by the company. Clean water has been distributed as needed and there are already actions to replace damaged pump machines. Sighted: There was a request on May 15, 2017 for the purchase order of a well. Based on the explanation **Nonconformity No. 2016.34 with the minor category in the previous ASA-1 is closed.**

Status: Comply

6.7

Children are not employed or exploited.

6.7.1

Based on field observation in Belani Elok POM, KBE, BHE, interview with stakeholder (Worker Union and relevant stakeholder in Musi Rawas Utara District) and document review of employee list on July 2017, there are no underage workers were found.

Status: Comply

6.8

Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.

6.8.1

In "Sustainable Management" policy, point of 10 mentioned that the company provides equal opportunities for all employees to develop a career in accordance with their capabilities. In the document "guidance on business conduct" mentioned that LONSUM rejects any form of discrimination because of differences in ethnicity, religion, race, nationality, age, marital status, disability, gender or other forms of discrimination.

Based on field observation, interviews and employee list document review period July 2017, it is known that the company has provided equal employment opportunities and there is no indication of discrimination among workers. Workers consist of men and women, diverse tribes, diverse religions, diverse ages, diverse marriage status, and diverse education.

6.8.2;

Based on field observation, interviews and employee list document review period July 2017, it is known that the company has provided equal employment opportunities and there is no indication of discrimination among workers. Workers consist of men and women, diverse tribes, diverse religions, diverse ages, diverse marriage status, diverse education and diverse areas of origin.

Based on interviews with Worker Unions, Committee Gender and relevant agency in Musi Rawas Utara District, known that there is no indication of workers discrimination. The company also provides employment opportunities for careers in Mill and Estate.

6.8.3

Based on an interview with Kindergarten Teacher at BHE, known that dated April 01, 2017 has been appointed contract worker (PKWT) from previous contract workers (PHL). The decision of appointment based on the assessment of the ability to work in the field estate and medical health. The management unit able to show evidence employee appointment based on performance and there is no discrimination.

Status: Comply

6.9

There is no harassment or abuse in the work place, and reproductive rights are protected.

6.9.1

The "Sustainability Management" policy, point of 11 explains that the company guarantees and protects the employees reproductive rights, does not employ underage children and protects employees against sexual harassment by companies. This policy was approved in Jakarta on September 12, 2014. Then on PKB article of 35 paragraph 2, mentioned that all employees are not justified to commit immoral acts, among others, obscenity, pornography, including disseminating through any media.

The Company has socialized the prohibition on sexual harassment and violence against workers, for example: February 17, 2016 and September 14, 2016 on KBE. Based on interviews with several workers Mill and estate, it is known that they already know the prohibition against sexual harassment and violence. Such knowledge is derived from the socialization provided by the company and from the PKB.

Based on interviews with worker union leaders and committee gender, it is known that there has been no complaints or complaints related to sexual harassment and abuse, but the Gender Committee continues to provide counseling on the protection of women and sexual harassment. Based on interviews with kindergarten Teacher and medical personnel at the KBE and BHE, it was known that spraying was permitted to lactating and to return to work in chemicals related areas after completion of the lactating period.

6.9.2

The Company has a policy related on Safe Use of Pesticides (SOP 5.2.2). One chapter describes pregnant and lactating women prohibited from working in pesticide related sites. This is a company's effort to protect the reproductive rights of women workers. This policy has been socialized through morning master / safety briefing in operating unit.

Based on interview with the Head of the Gender Committee of KBE and BHE, known that to date there are no pregnant

and lactating women workers working in pesticide related areas. This is the company's effort to protect workers' reproductive rights.

6.9.3

The company already has a policy related on "business conduct". In the policy explained that if an employee, board of directors or commissioner still has any doubt about this "business conduct" directive or has seen a violation of these "business conduct" directives or with applicable law, everyone may inform to their immediate supervisor. However, if it feels unsuitable to report to a supervisor or if you do not believe that your supervisor will follow up on our inform we able to inform to the Business Conduct Officer.

Based on interviews with some workers at the KBE & BHE, complaints may be forwarded to their respective bosses or to workers representative organizations through a Workers' Union or Gender Committee. Based on interviews with the Head of the Gender Committee, up to the audit activities there has been no complaints related to issues of sexual harassment or gender violence.

Status: Comply

6.10

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

6.10.1

Company able to show "FFB Price Document" from Plantation Agency of South Sumatera Province in May 2017 (period II). Price fixing is based on CPO and Kernel prices and also adjusted for age of the plant. In the document explained that the price of FFB for the period II (16 to 31 May 2017) between IDR 1,400.62 - 1,464.66 / kg. This FFB price document has been known by smallholders and KUD and can be accessed directly at the Plantation Agency in South Sumatra Province.

6.10.2

From the document "FFB purchase report" period 16 - March 31, 2017 known KUD name that do transaction such as: KUD Karya Mulya, KUD Beringin Build, KUD Sumber Rezeki, KUD Jaya Makmur, KUD Fajar Sidik, KUD Kelumpang Abadi, KUD Darussalam. The company able to show "FFB Document Price" from Plantation Agency in South Sumatera Province for May 2017 (period II). Price fixing is based on CPO and Kernel prices and also adjusted for age of the plant. In the document explained that the price of FFB for the period II (16 to 31 May 2017) between Rp 1,400.62 - 1,464.66 / kg. This FFB price document has been known by smallholders and KUD and can be accessed directly at the Plantation Agency in South Sumatra Province.

6.10.3

The company has an agreement contract with KUD or plasma, for example as follows:

- KUD Sumber Rezeki, created on February 24, 2000.
- KUD Karya Mulya, created on 27 October 1999.
- KUD Karya Bersama, created on February 24, 2000.
- KUD Jaya Makmur, created on February 24, 2000.
- KUD Fajar Sidik with no contract. 02 / POD-KUD / III / 2001, created on March 21, 2001.

Each contract document, signed by both parties as evidence that a work agreement has been agreed. Contract agreement documents are kept by both parties, which will be used as legal references.

6.10.4

The PFC Department sends the FFB Plasma Payment Schedule annually in the form of Internal Memo PFC Manager to Region and POM, for example: Document No. 02 / PFC / REG / XII / 2016 on December 15, 2016 to schedule payment of FFB smallholders in 2017.

For example, payments to the smallholders (M.Taufiq Assidiq) for FFB production on May 16 - 31, 2017, has been processed PFC on June 1, 2017 with the date of payment June 20, 2017. Transfer of evidence to M. Taufiq Assidiq dated June 20, 2017 from Bank Central Asia Indocement Sudirman in Jakarta to Bank Negara Indonesia Syariah Palembang

Branch. Based on the explanation Nonconformity No. 2016.36 with the minor category in the previous ASA-1 is closed.		
	Status: Comply	
6.11		
Growers and millers contribute to local sustainable development wherever appropriate.		
6.11.1		
Based on interviews with CSR and the surrounding villages, the existence of the company has provided positive benefits to local development, such as: employment opportunities, business opportunity, plasma garden cooperation, road improvement, funding for religious activities, education, sports, etc.		
Based on interviews with village community leaders around the company and relevant agency, most of the workforce of the company comes from local residents.		
From the employee list document July 2017 it is known that most of the company's employees come from local residents such as Beringin Makmur, Tanjung Raja and Bingin Teluk.		
6.11.2		
The Company demonstrated the realization of training activities, such as RSPO training activities at <i>KUD Marga Makmur</i> on May 31 till June 1, 2016 to 60 smallholders and cooperative management. <u>Sighted:</u> absent and photo activities.		
	Status: Comply	
6.12		
No forms of forced or trafficked labour are used.		
6.12.1; 6.12.2 and 6.12.3		
Based on interviews with relevant agency, field visit in Mill and Estate and then employee list document review on July 2017, it is known that there are no foreign workers for Mill and Estate.		
The Company has also submitted its 2017 employment report to relevant agency (Labor Agency of South Sumatra Province) dated January 9, 2017. In the document, there are no foreign workers for Mill and Estate operations.		
Based on interviews with harvester and spraying workers and also field observation, there was no indication of workers bringing their wife or child into the workplace. Beside that, they also said that they are freedom to choose resign or continue the contract if the contract is expired.		
	Status: Comply	
6.13		
Growers and millers respect human rights		
6.13		
Related to Human Right has been explained on the policy "Code of Conduct". The Company has socialized the Human Rights policy to the workers, for example to Belani Elok POM workers on February 17, 2016 and KBE workers on September 14, 2016. The socialization was conducted by Mr. Edi Sucipto SP.		
Based on interviews with several workers in Mill and Estate, Head of Worker Union and Gender Committees, up to audit activities there are no Human Rights violations were reported.		
	Status: Comply	
PRINCIPLE #7 Responsible development of new plantings		
7.1		
A comprehensive and participatory independent social and environmental assessment is undertaken prior to establishing new plantings or operations, or expanding existing ones, and the results incorporated into planning, management and operations.		

7.1.1

There is new planting area in 2015 for about 11.82 ha in BHE which derived from occupation areas. The respective area was include in RKL/RPL scoope, which has in accordance with endorsement from Bapedalda No. 660/398/Bapedalda/2003 dated July 22nd 2003. Those areas has also include in social impact assessment which conducted by Community Development Officer Bingin Teluk Location in April 2015. Furthermore, the CH has also able to shows interview records with KUD Air Bening Region which conducted in July 1st 2016 and its absence document. The report has also mentioned in SIA report.

7.1.2

Environment and social management has described in RKL/RPL report as mentioned in Indicator 5.1.1. Several strategy that has been implemented are Indemnity process with local people, training to local community, for example motorbike reparation and conblocks manufacturing which conducted in August 2016 and October 2016, respectively and to monitor emission and quality of air and water regularly as described in Indocator 5.6.1.

7.1.3

According to hectare statement in 2017 and information from CH Management Units and Plantation Agency of Musi Rawas utara District, it could be concluded that there is no expansion/additional smallholder areas.

Status: Comply

7.2

Soil surveys and topographic information are used for site planning in the establishment of new plantings, and the results are incorporated into plans and operations.

7.2.1 and 7.2.2

The CH has shows soil suitability map (scale 1:50,000) which derived from land suitability study, conducted by BLRS Agronomist team in 2014. In general, it could be concluded that soil properties in estates operational areas were suitable for oil palm cultivation (S2). The report mentioned that main soil limitation for oil palm cultivation were due to the presence of acid tuff plain soil soil which covers less than 10 % and low fertility soils. Soil map were available in every Estate, as confirmed during field observation to KBE and BHE. Furthermore, based on environment document it was informed that soil type in smallholder areas were generally similar. Hence, soil propertie as well as its agronomy input were adopting PT PP Lonsum Estates. Socialization regarding agronomy technique has informed to smallholders as stated by the chief of KUD Karya Mulya, Chef of Gading Mulya Group and Chief of Gading Mulya A Group).

Several strategy related slope limitation towards hilly or terraced areas were presented in several documents, such as procedure No. OP.2.9 about legume establishment in oil palm plantation, No. OP.5.10 about high conservation value (HCV) and No. OP.5.4.3 about frond placement on slope and terrace. Based on field observation to KBE and BHE, it could be concluded that there were no presence of areas with slope more than 40 %. Terraces planting pattern, planting of legume cover crop (*Mucuna bracteata*) and fronds stacking parallel to the contour line were adopted when slope condition were about 16-40 %.

Status: Comply

7.3

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

7.3.1; 7.3.2 and 7.3.3

The document review showed that CH is performed land clearing after November 1, 2005 without preceded by the identification of HCV. HCV identification was conducted on 2006. PT PP London Sumatra (LONSUM) has conduct disclosure of liability to RSPO by email on 19 September 2014. CH can not show approvals regarding the LUCA and / or compensation plan from RSPO Compensation Panel. It becomes a **Nonconformity 2017.06 with Major category**

7.3.4 and 7.3.5

The results of document review, field visits and interviews found that CH did not expand or conduct new planting since the last assessment (2016).

7.3.1	Status: Nonconformity No. 2017.06 with Major Category
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Open

7.4	Extensive planting on steep terrain, and/or on marginal and fragile soils, is avoided.
7.4.1	The CH has able to shows soil map which derived from soil survey report which conducted by Bah Lias Research Station (BLRS) at the time of beginning before land clearing and around 2014. The report has informed soil properties in Belani Elok (BEE), Bukit Hijau (BHE), Batu Cemerlang (BCE), Ketapat Bening (KBE) and Sei Kepayang Estate (SKE). The semi detail map were available in scale of 1:175,000; 1:60,000 and 1:50,000. Both report and map informed that there were no presence of peat soil and steep to very steep areas (slope >40 %). Hence, it could be concluded that there were no presence of fragile soils within CH operational areas. Main soil limitation for oil palm cultivation were due to the presence of acid tuff plain soil soil which covers less than 10 % and low fertility soils. Soil map were available in every Estate, as confirmed during field observation to KBE and BHE.
7.4.2	Up to audit in 2017, it was informed by estates management and Agencies of Muis Rawas Utara District that there were no expanding of operational areas. Strategy of planting and agronomy in marginal areas as mentioned in Indicator 4.7.1 is presented in Indicator 4.3.6.
	Status: Comply
7.5	No new plantings are established on local peoples' land without their free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.
7.5.1	Based on documents review, interview and field visits at CH, it is known that CH did not expand the operational area and there is no more land clearing activity since the last assessment (2016).
	Status: Comply
7.6	Where it can be demonstrated that local peoples have legal, customary or user rights, they are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.
7.6.1; 7.6.2; 7.6.3; 7.6.4; 7.6.5; 7.6.6	Based on documents review, interview and field visits at CH, it is known that CH did not expand the operational area and there is no more land clearing activity since the last assessment (2016).
	Status: Comply
7.7	Use of fire in the preparation of new plantings is avoided other than in specific situations, as identified in the ASEAN guidelines or other regional best practice.
7.7.1 and 7.7.2	The company has zero burning policy which are explained on: <ul style="list-style-type: none"> SOP OP 2.8 Poin 3 about Land Preparation – Strategis and parameter. This SOP explains about flame usage with any means is prohibited. As in the land preparation activity on new development area and/or replanting. SOP OP 5.8 about Waste Management – on poin 3. This SOP has policy for "Prohibited using fire (burning) for domestic waste and Agronomy Waste" <p>Based on the policy, the company does not apply land clearing by burning. Based on the document verification and field visit in KBE and BHE, there is no land clearing or replanting activity after ASA-1 RSPO assessment.</p>
	Status: Comply
7.8	New plantation developments are designed to minimise net greenhouse gas emissions.

7.8.1

It was informed by CH management unit that there were new planting in BHE on 2015 for about 11.82 ha. Regarding this matter, the CH shows carbon stock and greenhouse gasses emission study in 2015, conducted by Dr. Nyoto Santoso from Bogor Agricultural University (IPB). Method of IPCC 2006 was adopted to calculate the subject report. The report informed that from total 3,762.52 ha of BHE, total CO₂ emission of land use change for period 2005 to 2015 was about 5,516.41 ton C. Biggest change was due to conversion from mixed garden forest. According to overlapping map of BHE operational areas and carbon stock study, it was informed that the particular of land cleared area (11.82 ha) was located in two type of land, i.e. mix garden and old shrubs which covers about 3.95 ha and 7.87 ha, respectively. Total stock Carbon for new planting areas in 2015 (11.82 ha) was about 280.39 ton C with average 23.72 ton C/ha. Highest density of Carbon Stock was identified in mix garden for about 41.10 ton C/ha.

7.8.2

Management has mitigation program towards GHG emission such as by products uses for nutrient cycle, by product uses for energy sources, maintenance of production and transportation devices, zero burning during land clearing, pesticide and fertilizer application as recommended by Agronomist team and planting of trees.

Status: Comply

PRINCIPLE #8 Commitment to continuous improvement in key areas of activity
8.1

Growers and millers regularly monitor and review their activities and develop and implement action plans that allow demonstrable continuous improvement in key operations.

8.1.1

To maintain compliance with P & C RSPO, the CH conducts internal audits once every 1 year by internal auditor from Head Office. The last internal review was conducted on 11 – 13 April 2017 and 6 – 8 June 2017. All identified of nonconformities in internal audit have been closed.

The company has been implementing commitment to continual improvement, such as:

- The company has significantly reduced the use of Paraquat since 2014 (criteria 4.6).
- The company developed an owl population by making breeding nest as a breeding ground for owls and already has plans to add nest box in the field as a natural enemy of leaf-caterpillar pests. This is in order to eliminate the use of chemicals for the control of pests and diseases of oil palm plants.

The CH was not be able to shows continuous improvement towards laws/regulation fulfillment, environment and waste management (Indicator 4.4.1, 5.1.3, 5.2.4 and 5.2.5) and health check. **NCR No. 2017.07 with major category.**

8.1.1	Status: Nonconformity No. 2017.07 with Major category
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3.2 Summary of Assessment Report of Supply Chain Requirements

Clause	(Module E) CPO Mills - Mass Balance Requirements																																																															
E.1	Definition																																																															
E.1.1																																																																
Certification for CPO mills is necessary to verify the volumes of certified and uncertified FFB entering the mill and volume sales of RSPO certified producers. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. In that scenario, the mill can claim only the volume of oil palm products produced from processing of the certified FFB as MB.																																																																
Belani Elok POM is used RSPO supply chain of Mass Balance module because they still received FFB from the estate which has not been certified with RSPO that is Plasma and outgrower.																																																																
	Status: Comply																																																															
E.2	Explanation																																																															
E.2.1																																																																
The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the CB in the public summary of the P&C certification report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced should then be recorded in each subsequent annual surveillance report.																																																																
Estimates of CPO and PK produced by Belani Elok POM obtained from the data of 12 months before the audit activities and have been described in this ASA-2 report.																																																																
	Status: Comply																																																															
E.2.2																																																																
The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).																																																																
<ul style="list-style-type: none">RSPO IT Platform member registration number: RSPO_PO1000002218Certified CPO sold to each buyer period of 13 Okt 2016 to 11 Juli 2017 (Credit)																																																																
<table><tr><th>Date</th><th>Buyer</th><th>Volume (Ton)</th></tr><tr><td>10 Nov 2016</td><td>Ab Maur (UK) Limited</td><td>2,268</td></tr><tr><td>11 Nov 2016</td><td>Frito Lay (A Division of Pepsico)</td><td>311</td></tr><tr><td>16 Nov 2016</td><td>Duport Nutrition Biociences Aps</td><td>1,1649</td></tr><tr><td>17 Feb 2017</td><td>Mibelle Group Nutrition</td><td>289</td></tr><tr><td>17 Feb 2017</td><td>Mibelle Group Nutrition</td><td>311</td></tr><tr><td>21 Feb 2017</td><td>Martin & Serverna AB</td><td>100</td></tr><tr><td>23 Feb 2017</td><td>SPAAS KAARSEN NV</td><td>1,425</td></tr><tr><td>23 Feb 2017</td><td>Comias Holdings 5 BV</td><td>40</td></tr><tr><td>25 Feb 2017</td><td>State Fair Mini Donuts Inc</td><td>25</td></tr><tr><td>3 Mar 2017</td><td>OLMECA S.A.</td><td>68</td></tr><tr><td>6 Maret 2017</td><td>Nice-Pak International Ltd</td><td>50</td></tr><tr><td>6 Maret 2017</td><td>CDT Sidoli (Welshpool) Ltd</td><td>325</td></tr><tr><td>6 Maret 2017</td><td>Groupe Biscuits Lecrec Inc</td><td>25</td></tr><tr><td>7 Maret 2017</td><td>Kao Corporation</td><td>100</td></tr><tr><td>7 Maret 2017</td><td>Rockline Industries Limiteed</td><td>25</td></tr><tr><td>7 Maret 2017</td><td>CLP chemicals Inc</td><td>25</td></tr><tr><td>12 Mar 2017</td><td>JiangXi Sunner Food Co. Ltd</td><td>310</td></tr><tr><td>13 Mar 2017</td><td>Margarine Thibault</td><td>64</td></tr><tr><td>14 Mar 2017</td><td>SC Johnson and Son, Inc</td><td>1,900</td></tr><tr><td>14 Mar 2017</td><td>SC Johnson and Son, Inc</td><td>100</td></tr></table>		Date	Buyer	Volume (Ton)	10 Nov 2016	Ab Maur (UK) Limited	2,268	11 Nov 2016	Frito Lay (A Division of Pepsico)	311	16 Nov 2016	Duport Nutrition Biociences Aps	1,1649	17 Feb 2017	Mibelle Group Nutrition	289	17 Feb 2017	Mibelle Group Nutrition	311	21 Feb 2017	Martin & Serverna AB	100	23 Feb 2017	SPAAS KAARSEN NV	1,425	23 Feb 2017	Comias Holdings 5 BV	40	25 Feb 2017	State Fair Mini Donuts Inc	25	3 Mar 2017	OLMECA S.A.	68	6 Maret 2017	Nice-Pak International Ltd	50	6 Maret 2017	CDT Sidoli (Welshpool) Ltd	325	6 Maret 2017	Groupe Biscuits Lecrec Inc	25	7 Maret 2017	Kao Corporation	100	7 Maret 2017	Rockline Industries Limiteed	25	7 Maret 2017	CLP chemicals Inc	25	12 Mar 2017	JiangXi Sunner Food Co. Ltd	310	13 Mar 2017	Margarine Thibault	64	14 Mar 2017	SC Johnson and Son, Inc	1,900	14 Mar 2017	SC Johnson and Son, Inc	100
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14 Mar 2017	Margo-CSM Schweiz AG	25
23 Mar 2017	Frito Lay (A Division of Pepsico)	393
24 Mar 2017	Sofivo AS	350
25 Mar 2017	Frito Lay (A Division of Pepsico)	4,520
Total		14,698

- **Certified Palm Kernel sold to each buyer period of 13 Okt 2016 to 11 Juli 2017**

Date	Buyer	Volume (Ton)
PHYSICAL		
3 Nov 2016	Musimas	600
16 Nov 2016	Musimas	500
17 Jan 2017	Musimas	700
25 Jan 2017	Musimas	700
2 Feb 2017	Musimas	700
7 Feb 2017	Musimas	650
CREDIT		
22 Nov 2016	L'Oreal	29
Total		3,879

Status: Comply

E.3 Documented procedures

E.3.1

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

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

Belani Elok POM has had Internal Memo No. 39 / ACER-E / PBO / IX / 2016 dated 22 August 2016 to the AMA of Bingin Teluk, AME of Bingin Teluk and Mill Manager related RSPO certified supply chain system. The IM explained about:

- Data clerk in the AMA office prepare the daily data of FFB certified delivery to the mill based on delivery note and block magement.
- The AMA staff check, assess and validate the data of FFB certified delivery.
- the data of FFB certified delivery is notified to the mills and Mill clerk will keep records of FFB certified reception into daily production report
- The prouction staff of mill check, assess and validate the data of daily production report.
- Mill report document daily production report to magement.

Interviews with mill clerk note that the clerk understand the separation between FFB certified and non certified. He also record the FFB received from supply base.

Status: Comply

E.3.2

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

Belani Elok POM has had Internal Memo No. 39 / ACER-E / PBO / IX / 2016 dated 22 August 2016 to the AMA of Bingin Teluk, AME of Bingin Teluk and Mill Manager related RSPO certified supply chain system. Based on the procedure known that to separate the FFB certified and non certified is based on delivery note and block magement.

Certification unit has performed a recording of SCCS socialization conducted on 8 June 2017 and was followed by 8 people consisting of Senior Assistant, Clerk, ECSR, production Clerk, HSE Officer and Operator weighbridge. Interviews with mill clerk note that the clerk understand the separation between FFB certified and non-certified. He also record the FFB

received from supply base.

Status: Comply

E.4 Purchasing and goods in

E.4.1

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

- **Certified and non-certified FFB received period of Oct 2016 to June 2017**

Month	FFB (Ton)		
	RSPO Certified	Non Certified	Total
Oct 2016	6,199,674	21,647,936	27,847,610
Nov 2016	5,820,558	20,488,352	26,308,910
Dec 2016	6,537,610	24,527,700	31,065,310
Jan 2017	4,911,782	16,034,208	20,945,990
Feb 2017	4,598,250	12,986,650	17,584,900
Mar 2017	4,716,252	15,121,308	19,837,560
Apr 2017	3,959,355	10,944,905	14,904,260
May 2017	3,974,956	8,068,844	12,043,800
Jun 2017	3,684,344	7,872,206	11,556,550

Status: Comply

E.4.2

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

Belani Elok POM has had Internal Memo No. 39 / ACER-E / PBO / IX / 2016 dated 22 August 2016 related to RSPO certified supply chain system. This memo states that the data acceptance of FFB, CPO production, and certified PK and non-certified of RSPO must be sent every month to the ECSR department to be informed to the RSPO certification body, if there's an estimation of overage production.

Based on the attachment of RSPO ASA-1 certificate, it is known that the projected production of CSPO was 14,698 Ton and CSPK was 3,919 Ton. Meanwhile CSPO and CSPK production from 13 Oct 2016 to 7 July 2017 was 8,972.77 Ton CSPO and 2,457.45 Ton CSPK.

Status: Comply

E.5 Record keeping

E.5.1

- The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a three-monthly basis.**
- All volumes of palm oil and palm kernel oil that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO.**
- The site can only deliver Mass Balance sales from a positive stock. Positive stock can include product ordered for delivery within three months. However, a site is allowed to sell short.(ie product can be sold before it is in stock.)**

Belani Elok POM has documented records of FFB receipt, certified product production and certified product deliveries. The following is the production record of the certified product and its delivery:

Period	Production CPO (Ton)		Despatch CPO (Ton)		Production PK (Ton)		Despatch PK (Ton)	
	Cert	Non	Cert	Non	RSPO	Non	RSPO	Non
Oct 16	831.190	2,674.459	-	4,801.180	832.920	-	-	1,297.130
Nov 16	1,253.130	4,479.439	-	3,525.880	352.756	262.483	-	581.690
Dec 16	1,437.404	5,469.995	-	4,971.540	390.713	1,488.806	339.690	533.800
Jan 17	1,084.827	3,638.382	-	9,202.810	291.355	970.614	1,444.060	1,671.520
Feb 17	983.470	2,847.100	-	5,537.120	244.498	705.771	1,415.650	511.950

Mar 17	1,019.894	3,330.515	-	4,524.910	309.151	1,011.238	650.170	638.620
Apr 17	882.183	2,435.576	-	3,239.310	241.095	664.854	-	881.320
May 17	777.869	1,863.950	-	2,835.220	206.404	487.005	-	809.430
Jun 17	702.802	1,810.397	-	2,483.280	203.294	524.445	-	420.650
Status: Comply								
E.5.2 In cases where a mill outsources activities to an independent (not owned by the same organization) palm kernel crush, the crush still falls under the responsibility of the mill and does not need to be separately certified. The mill has to ensure that the crush is covered through a signed and enforceable agreement.								
Belani Elok POM does not perform activities of palm kernel crushing to the independent palm kernel crushers.								
Status: Comply								

3.3 Conformity Checklist of Certificate and Logo Use

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

3.4 Summary of RSPO Partial Certification

Compliance of the uncertified management units of PT PP London Sumatra against the rules for partial certification was determined through Self Assessment in accordance with RSPO Certification System clause 4.2.4. A summary of findings is as stated below

PT PP London Sumatra Time Bound Plan is explaining in table 1.10. PT PP London Sumatra run ten (10) mills, thirty (30) own estates in Indonesia, and has achieved RSPO certified for five (5) mills and supply base in Indonesia. PT PP Lonsun has informed the Time Bound Plan progress, MUTU has considered that PT PP London Sumatra is comply with the RSPO requirement for Time Bound Plan. The Time Bound Plan was revised and declared by PT PP London Sumatra on 27 July 2017 approved by Head of ECSR & HS Department.

MUTU has verified partial certification for un-certified unit's subsidiary of PT PP London Sumatra based on their Time Bound Plan. There are five (5) uncertified mill management unit of PT PP London Sumatra. MUTU Auditor verified positive assurance against the company internal audit and supporting evidence as well as any information from others sources.

MUTU Auditor has verified company partial certification and concludes that:

- There is no significant land conflicts which have not been declared above
- The company has follow RSPO requirement related to Remediation and Compensation Procedure.
- There is no labour disputes that are not being resolved through an agreed process
- All plantations established since 2005 have been done so in accordance with the applicable laws of the country and that there is no evidence of non-compliance with law in any of the non-certified holdings which has not been declared above

2.1 Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
2.2.1	Did the company conduct an internal audit? If so, has a positive assurance statement been produced?	<p>Company Group/Holding Statement: Yes, there was an internal audit and has positive assurance statement.</p> <p>Auditor Verification: Internal Audit report available for Terawas Indah POM and Sei Lakitan POM.</p>
2.2.2	No replacement after dates defined in NIs Criterion 7.3 of: <ul style="list-style-type: none"> • Primary forest. • Any area identified as containing High Conservation Values (HCVs). • Any area required to maintain or enhance HCVs in accordance with RSPO criterion 7.3. 	<p>Company Group/Holding Statement: PT PP London Sumatra and its subsidiaries have been reporting disclosure of liability to RSPO and historical of Land Use by email dated 19 September 2014.</p> <p>Auditor Verification: RaCP for operation area of PT PP London Sumatra in South Sumatera and East Kalimantan, but the RaCP process not finish yet until the approval of compensation plan from RSPO compensation panel</p>
2.2.3	Any new plantings since January 1 st 2010 must comply with the RSPO New Plantings Procedure.	<p>Company Group/Holding Statement: There is new planting after 1 Jan 2010 in Pahu Makmur POM and Supply Base.</p> <p>Auditor Verification: Auditor has verified the supporting evidence of above the company statement. The above statement in accordance with the supporting evidence provided. The notification is announce on 17 June 2016 in RSPO Website</p>
2.2.4	Any Land conflicts are being resolved through a mutually agreed process, e.g. RSPO Grievance	<p>Company Group/Holding Statement:</p>

	<p>procedure or Dispute Settlement Facility, in accordance with RSPO criteria 6.4, 7.5 and 7.6.</p>	<p>There are no land conflicts. The Company has a land conflict resolution mechanism in accordance with the RSPO criteria 6.4; 7.5; and 7.6. This procedure is outlined in the SOP of Land Acquisition and Compensation (SOP OP 2.2). This procedure regulates that conflict resolution can be done in a participatory manner and can also be done by a third party (mediator).</p> <p>Auditor Verification: Auditor has verified the supporting evidence of above the company statement. There are no land conflicts for uncertified unit of the group subsidiaries.</p>
2.2.5	<p>Any Labour disputes are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.</p>	<p>Company Group/Holding Statement: There is no issue of labour disputes in uncertified unit. The company also has procedures to deal with complaints workers before they become conflicts. The procedure is describe in Internal Memo from HR Director No. 28/HRD/CIR/2011. Procedures related employee issues arranged in the form of internal grooves for employees included in the category of internal stakeholders. Media used complaint is a formal letter submitted by unions or incorporated into a suggestion box which is provided in a convenient location.</p> <p>Auditor Verification: There is no information from public source and RSPO website on any labour conflict for uncertified unit of the group subsidiaries. But there is complaint from NGO to certified unit of PT PP London Sumatra.</p>
2.2.6	<p>Any Legal non-compliance is being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2.</p>	<p>Company Group/Holding Statement: Companies comply with the regulations in accordance with the requirements of the RSPO 2.1 and 2.2 where there is no violation of the rules that are relevant to the plantation. The company has a mechanism to evaluate compliance with regulations, namely EMS-P02 dated April 10th 2015. In SOP describes procedures for compliance, completeness and groove sections which explain in detail to evaluate compliance with the legislation.</p> <p>Auditor Verification: The area of Pahu Makmur Estate, Isuy Makmur Estate, Sei Lakitan Estate, Riam Indah Estate, Sei Gemang Estate, Sei Punjung Estate, Bangun Harjo Estate, Suka Bangun Estate, Terawas Indah Estate and Gunung Bais Estate are still in process for HGU (Committee B meeting)</p>

3.5 Identification of Findings, Corrective Action, Observations, OFI and Noteworthy Positive Components
3.5.1 Identification of Findings, Corrective Actions and Observations at [ASA-1](#) Assessment

NCR No.	:	2016.01	Issued by	:	-
Date Issued	:	26 June 2016	Time Limit	:	ASA-2
NC Grade	:	Minor	Date of Closing	:	14 July 2017
Standard Ref. & Requirement	:	1.1.1 List of information related to criterion 1.2 that can be accessed by relevant stakeholders shall be available.			
Non-Conformance Description & Evidence observed (filled by auditor): Based on interviews with the relevant stakeholder in Government district and village, they explained that the company has not informed the type of documents / information that can be accessed by the public. The company also cannot show socialization types of documents / information that is accessible to the public.					
Non-Conformance Description & Evidence observed (filled by auditor): List of types of documents / information that can be accessed by the public has not been made in a list.					
Correction (filled by organization audited): Make a list of types of documents / information that can be accessed by the public.					
Corrective Action (filled by organization audited): Socializing to relevant stakeholder in Government district and village about related documents that can be accessed.					
Assessor Evaluation and Conclusion (filled by auditor): 14 July 2017 In the Communication SOP (EMS-P05) adopted on August 10, 2009 it was stated that legal, environmental, social and legal information or documents are available and publicly accessible on the Company's website. Results of interviews with Environment Agency, Plantation Agency and Labor Agency obtained information that they already know what documents or data information that can be requested to the company. Based on the explanation, the nonconformity NCR. No. 2016.01 is declared closed.					
Verified by	:	Sofyan Hadi Lubis			

NCR No.	:	2016.02	Issued by	:	-
Date Issued	:	26 June 2016	Time Limit	:	23 August 2016
NC Grade	:	Major	Date of Closing	:	24 August 2016
Standard Ref. & Requirement	:	1.1.2 Records of requests for information and responses to the information requested shall be available.			
Non-Conformance Description & Evidence observed (filled by auditor): Based on verification document SOP Communications and interviews with management, there is no certain period of					

time to respond to the information request.
Root Cause Analysis <i>(filled by organization audited):</i> SOPs and policies that are owned by the company has not explain about period of time to respond the requests for information
Correction <i>(filled by organization audited):</i> 24 August 2016 Internal Memorandum (IM) of Area Manager of Agronomy (AMA) Bingin Teluk No.005 / AMA-BTL / INT / VIII / 2016 dated August 18, 2016 regarding the Request and Response Information that explains to information requests from stakeholders to be responses no later than 60 days after the information is received.
Corrective Action <i>(filled by organization audited):</i> Socializing Internal Memorandum (IM) to all the managers who are at Bingin Teluk location to carry out and implement the IM on work area.
Assessor Evaluation and Conclusion <i>(filled by auditor):</i> 24 August 2016 PT PP LONSUM has had Internal Memorandum (IM) of Area Manager Agronomy (AMA) of Bingin Teluk dated August 18, 2016 regarding the Request and Response Information that explains to information requests from stakeholders to be responses no later than 60 days after the information is received. Major verification on 6 October 2016 The results of interviews with manager of BEE, BCE and BE-POM it is known that they understand the deadline for responding to the incoming letter not more than 60 days after the letter was received. When a field visit is known that the management unit has responded to the incoming letter regarding requests for assistance to independence day activities and responded by providing direct assistance realization (recorded in the Communication Book). Based on the explanation, the nonconformity NCR. No. 2016.01 is declared closed.
Verified by :

NCR No.	2016.03	Issued by	-
Date Issued	26 June 2016	Time Limit	ASA-2
NC Grade	Minor	Date of Closing	14 July 2017
Standard Ref. & Requirement	1.3.1 There shall be a written policy committing to a code of ethical conduct and integrity in all operations and transactions along with the documentation of socialisation process of the policy to all levels of the workers and operations.		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> Based on interviews with workers at the BCE, it is known that workers do not know the policy about the "Business Conduct" that includes the prohibition of corruption, bribery and fraud as well as obeying laws and regulations.			
Root Cause Analysis <i>(filled by organization audited):</i> Lack of workers concern about this.			

<p>Correction <i>(filled by organization audited):</i> The company unit shows the document of socialization of the Business Conduct Instruction document as follows: 1. Batu Cemerlang Estate (BCE) shows evidence of socialization document. 2. Belani Elok Estate (BEE) shows document of socialization evidence.</p>	
<p>Corrective Action <i>(filled by organization audited):</i> The making of information boards placed in each of the estate offices and divisions related to Business Conduct documents.</p>	
<p>Assessor Evaluation and Conclusion <i>(filled by auditor):</i> 14 July 2017 The company has shown evidence of correction to NCR Nonconformity. No 2016.03, in the form of: 1. Evidence of the socialization of Business Conduct policy (Code of Conduct) to Batu Cemerlang Estate (BCE) workers on January 23, 2017. Sighted: Attendance list and photo of socialization activities to 25 workers. 2. Evidence of the socialization of Business Conduct policy (Code of Conduct) to Blani Elok Estate workers on May 02, 2017. Sighted: Attendance list and photo of socialization activities to 18 workers. 3. Provide a signboard of Business Conduct policy (Code of Conduct) in each office division that workers can easily to see and read by workers. 4. Interviews with man officers in PKS and clinic officers at KBE, they already know the prohibition bribes, corruption and fraud in the workplace Based on the explanation, the nonconformity NCR. No. 2016.01 is declared closed.</p>	
Verified by	: Sofyan Hadi Lubis

NCR No.	: 2016.04	Issued by	:
Date Issued	: 26 June 2016	Time Limit	: 23 August 2016
NC Grade	: Major	Date of Closing	: 6 October 2016
Standard Ref. & Requirement	: 2.1.1 Evidence of compliance with relevant legal requirements shall be available.		
<p>Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> Based on the study documents of Unpermanent Daily Workers list, there are workers who for three consecutive months to work more than 21 days and have not been appointed to be Permanent Daily Workers, for example harvesters in Batu Cemerlang Estate and Grading in Belani Elok palm oil mill. This is not in accordance with Minister of Manpower Decision 100 in 2004 concerning Employment Agreement Provisions Certain Time.</p>			
<p>Root Cause Analysis <i>(filled by organization audited):</i> Personnel who in charge on the record of attendance is less conduct a re-examination of the presence of workers</p>			
<p>Correction <i>(filled by organization audited):</i> 24 August 2016 Conducting the process of appointing daily workers into permanent employees if he/she have worked for 21 days for 3 months consecutive.</p>			
<p>Corrective Action <i>(filled by organization audited):</i></p>			

- Implement a program of socialization regarding the mechanism of attendance
- The number of daily workers needed to be controlled according to the ratio of labor in estate and mill and also provisions that have been set.

Assessor Evaluation and Conclusion *(filled by auditor):*
24 August 2016

The management unit of BCE and BE POM have shown the document of daily employees appointment who work for 21 days in three consecutive months for some of daily employees. However, the management unit has not been able to show that all employees are in accordance with regulations.

Based on the corrective action nonconformities No. 2016.4 is not yet closed

Major Verification on 3 October 2016

- An internal memorandum dated August 3, 2016 from the Director of HR on an evaluation of the ratio of labor. The memo explains that the company will evaluate the amount of labor that exist both permanent and non-permanent. Stages that will be carried by the company is doing the mapping and evaluation of positions that will be categorized as DRP, contract workers and casual laborers; Selection acceptance, dissemination duties and responsibilities, and signed an agreement.
- Company shows worker attendance policy by using fingerprint (No. 007 / S & P / SKP / 09/2016 dated 22 September 2016), the document states that the results of attendance should be evaluated and analyzed by a related party (HR Estate → HR Palembang → HR Jakarta). The system created is sufficient to set the control over employee attendance at company.
- Minutes of meeting for socialization of monitoring attendance dated 3 October 2016 to workers who monitor absent (HR/payroll check). Results of interviews with payroll check in BEE and BCE shows that they already know about the HR policy regarding the evaluation of attendance for workers with daily status.
- Each unit has demonstrated record of the identification and analysis to rationalize daily workers conducted in August 2016. Rationalization is meant is to control and verify the status of workers (daily workers / contract workers). Based on the results of the rationalization was shown the following results:
 - a. Appointment decision daily worker become permanent workers (DRP) for the worker of BE POM in shortage section on 10 August 2016.
 - b. The company has demonstrated the data proposed promotional contract workers for 2017 in BE-POM for 42 workers, in BCE for 21 workers and in BEE for 29 workers

Based on major verification nonconformities No. 2016.2 is closed. The effectiveness of corrective actions will be seen in the next audit.

Verified by : -

NCR No.	:	2016.05	Issued by	:	
Date Issued	:	26 June 2016	Time Limit	:	ASA-2
NC Grade	:	Minor	Date of Closing	:	14 July 2017
Standard Ref. & Requirement	:	2.1.3 A mechanism for ensuring compliance shall be implemented.			
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> Based on the evaluation rules, the company has complied with all regulations but still found their non-compliance with regulations, for example: <ul style="list-style-type: none">Based on field visits temporary warehouse of hazardous wastes and toxic in BCE not already have an eye wash, it is not in accordance with Decree of Environmental Bodies No. 1 in 1995.					

<ul style="list-style-type: none"> Company have not a OHS Officer and Guiding Committee of Occupational Safety & Health structure which was approved by the relevant agencies. This is not in accordance with the Manpower Regulation No. 4 in 1987. Based on interviews with spraying workers in division I BEE, explained that the PPE with the type of footwear has not provided from the company. This is not accordance with the Manpower Regulation No. 08 in 2010. Following a visit to B elani Elok POM, BEE and BCE, the contents of the First Aid box not accordance with Manpower Regulation No. 15 in 2008. 	
Root Cause Analysis <i>(filled by organization audited):</i> The Company has not been able to show the results of its internal audit and its evaluation related to the compliance of regulations regarding the completeness of facilities in hazardous waste warehouse, the availability of Occupational Safety Expert on the structure of P2K3, the provision of PPE and the completeness of the First Aid Contents.	
Correction <i>(filled by organization audited):</i> The Company can show the results of the internal audit of the 2017 period which was implemented on 8 June 2017 concluding that there are 202 regulations with the percentage of compliance fulfillment amounting to 99.41%.	
Corrective Action <i>(filled by organization audited):</i> ECSR Department will carry out monitoring, updating, evaluating, socialization and distribution the regulation to the plantation and mill management units.	
Assessor Evaluation and Conclusion <i>(filled by auditor):</i> 13 July 2017 The Company already has an internal audit system related to regulatory compliance based on actual conditions in the field. The audit results conclude that the points of nonconformity on this indicator was judged to have meet the demand of the relevant regulations.	
Verified by	: M. Amarullah

NCR No.	:	2016.06	Issued by	:	
Date Issued	:	26 June 2016	Time Limit	:	23 August 2016
NC Grade	:	Major	Date of Closing	:	05 October 2017
Standard Ref. & Requirement	:	2.2.2 Legal boundaries are demonstrated clearly and maintained.			
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> The company could not show a legal boundary map that describes all legal boundary markers and boundary markers in monitoring the results of BCE.					
Root Cause Analysis <i>(filled by organization audited):</i> Having the map of HGU poles but the map which has been shown in the surveillance audit still not showing all of the position for boundaries pole which is available in work location area and no Filling System which clearly to store the maps and record of HGU poles monitoring.					
Correction <i>(filled by organization audited):</i> 22 August 2016 1. Map of HGU pole for all boundaries pole which are available in the BCE area. 2. Summary report of HGU pole which has been conducted by BCE on August 2016.					

31 August 2016

Unit of management has been showing the location map of HGU pole which is describing all of legal boundaries pole in the area of Belani Elok Estate (BEE), Sei Kepayang Estate (SKE), Bukit Hijau Estate (BHE), and Ketapat Bening Estate (KBE).

Corrective Action (filled by organization audited):

Correcting the filling system of operational and do the routine monitoring for all HGU pole which are available

Assessor Evaluation and Conclusion (filled by auditor):
22 August 2016

Unit of management has been shown :

1. Location map of HGU pole in the area of BCE. The map was made based on the map of national land agency. Based on the map, there're 56 boundaries pole which were available in the BCE work location area.
2. Summary report monitoring of HGU pole which has been conducted by Batu Cemerang Estate on August 2016. Based on the monitoring report, it's known that all of boundaries pole (56 boundaries pole) that in the BCE operational area were in a good condition. The monitoring result has been also documented.

The company still could not shown the map which is describing all of the legal boundaries pole.

Based on the corrective evidence which has been sent, the nonconformity No. 2016.6 is not yet closed.

31 August 2016

The company has been showing the map which is describing all the legal of boundaries pole in the operational area. Based on the corrective evidence, it needs to be re-verified by doing the field visit for measuring the legal of boundaries pole which has been monitored.

Major Verification on 5 October 2016

The results of field visits in BCE show that the boundary pole No. 60 and 121 in good condition. While the results of field visits in BEE show that the boundary pole No. 49 in good condition. Based on interview with surveyor is known that the HGU pole is monitored every year in BCE and every six month in BEE.

Based on major verification nonconformities No. 2016.6 is closed. The effectiveness of corrective actions and consistency will be seen in the next audit

Verified by : -

NCR No.	: 2016.07	Issued by	: -
Date Issued	: 26 June 2016	Time Limit	: 23 August 2016
NC Grade	: Major	Date of Closing	: 22 August 2016
Standard Ref. & Requirement	3.1.1 A documented management plan, a minimum of three years shall be available, including, where appropriate, plan for scheme smallholders.		
Non-Conformance Description & Evidence observed (filled by auditor): The company could not demonstrate long-term business plan for the parameter estimates CPO prices and financial indicators and the estimated income.			
Root Cause Analysis (filled by organization audited): There is no information format for presenting long-term plan to accommodate all of the required parameters			

Correction <i>(filled by organization audited):</i> 22 August 2016 Unit of estates of PT PP London Sumatra Indonesia, Tbk. has been shown the long term plan document in the form of Forward Study for Bingin Teluk Area. The location which is showing the estimation price of CPO and the financial indicator and the estimation of income statement for the next five years.	
Corrective Action <i>(filled by organization audited):</i> Presenting the data which is occur available in the estate and mill that related with production.	
Assessor Evaluation and Conclusion <i>(filled by auditor):</i> 22 August 2016 The company has been shown the document of long term planning period 2016 – 2020 in the form of “Forward Study” for Bingin Teluk Area which was presented the estimation price of CPO and financial indicator and the estimation of income statement for the next 5 years. Based on the corrective evidence which has been sent, so the Nonconformity No. 2016.7 is closed.	
Verified by	: -

NCR No.	: 2016.08	Issued by	: -
Date Issued	: 26 June 2016	Time Limit	: 23 August 2016
NC Grade	: Major	Date of Closing	: 22 August 2016
Standard Ref. & Requirement	: 4.1.4 Records of the origins of all third-party FFB sourced (collector, deliver, Cooperative, Farmers Association and outgrower) shall be available.		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> The POM receives FFB from third parties, namely smallholdings, but the unit has not been able to show the full record related the origins FFB from third parties that already have a contract, as set out in the admission procedure for smallholdings.			
Root Cause Analysis <i>(filled by organization audited):</i> Documents FFB purchase agreement with the third party is already there, but the documents are stored in the Strong File in Palembang.			
Correction <i>(filled by organization audited):</i> 22 August 2016 Unit of estate of PT PP London Sumatra Indonesia, Tbk has show the document of sale and purchase agreement of FFB with the village cooperative unit in the area of Air Bening Region and Dwi Makmur Region, such as: <ol style="list-style-type: none"> 1. Contract with Beringin Makmur Village Cooperative Unit 2. Contract with Fajar Sidik Village Cooperative Unit 3. Contract with Jasa Usaha Bersama Village Cooperative Unit 4. Contract with Jaya Makmur Village Cooperative Unit 5. Contract with Karya Bersama Village Cooperative Unit 6. Contract with Karya Membangun Village Cooperative Unit 7. Contract with Karya Mulya Village Cooperative Unit 8. Contract with Sumber Rejeki Village Cooperative Unit 			

Corrective Action *(filled by organization audited):*

Provide Filing Systems in BPOM for the maintenance the documents of purchase agreement of Third Party FFB.

Assessor Evaluation and Conclusion *(filled by auditor):*
22 August 2016

The company has shown the work agreement with the scheme smallholder, however half of them have still not shown, such as the work agreement with Klumpang Abadi and Giri Mulya Village Cooperative Unit.

Based on the corrective evidence which has been sent, the non conformance NO. 2016.8 is not yet closed.

Major Verification on 5 October 2016

The Company has shown the following documents:

- The cooperation agreement between the company and KUD Giri Mulya dated 20 February 2003.
- The cooperation agreement between the company and KUD Kelumpang abadi dated 23 August 2001.
- Labeling mechanism for document storage system

The Company has shown for two KUD that have not been shown on the results of the first verification. Based on the evidence, the Nonconformity No. 2016.8 is closed.

The effectiveness of corrective actions and consistency will be seen in the next audit.

Verified by : -

NCR No.	: 2016.09	Issued by	: -
Date Issued	: 26 June 2016	Time Limit	: 23 August 2016
NC Grade	: Major	Date of Closing	: 22 August 2016
Standard Ref. & Requirement	: 4.1.1 4.6.7		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> Based on interviews with spraying worker in Block 04110751 BEE and BCE's office concluded that the worker: <ul style="list-style-type: none"> • Found PPE mask that does not comply with the company regulations. • Workers have not been able to explain the type of area that is forbidden to carry out spraying. • Worker mixed the pesticide in the field, which is not equipped with a container spill / spilled pesticides. • The three points mentioned above have not been in accordance with the procedure Operational Procedure (OP) section 5.2.2 for guidance on safe use of pesticides. 			
Root Cause Analysis <i>(filled by organization audited):</i> Lack of awareness of spray workers regarding to the health impact and safety due to not using the PPE, and still not understanding the impact to environment if the implementation of spraying is not suitable with the corporate SOP.			
Correction <i>(filled by organization audited):</i> 24 August 2016 <ul style="list-style-type: none"> • PT PP London Sumatra Indonesia, Tbk was giving a complete PPE which is suitable with the SOP such as boot, face protector, gloves, mask and apron to the worker (spray worker), that could be shown by the document of news event transfer of PPE to Unit of Batu Cemerlang Estate on 16th of August 2016 and Unit of Belani Elok Estate on 2nd of August 2016. • Socialization regarding to the forbidden area for spraying activity, which is shown by the news event of training for SOP No. 5.2.2 regarding to the guide to safe use of pesticide. The training was attended by spray workers and supervisor in BCE on 16th of August 2016 (attended by fifteen workers) and in BEE on 2nd of August 2016 (attended 			

<p>by 11 workers). The topic which was given such as the knowledge of the level of toxicity, safety storage for preventive action, mixing (process) of solvent and spraying, first aid, PPE and the handling of pesticide waste.</p> <ul style="list-style-type: none"> Unit of BCE and BEE have been preparing the tools for container spills or pesticed spills in the form of drum and wood box which is given by tarpaulin. Provide awareness to spray workers related to health and safety effects due to not use of PPE, and not understand the impact on the environment if the implementation of spraying is not in accordance with company's SOP.
<p>Corrective Action <i>(filled by organization audited):</i> Do the periodical socialization regarding to the standard operational of operational 5.2.2 (guide to safe use of pesticides) for spray workers.</p>
<p>Assessor Evaluation and Conclusion <i>(filled by auditor):</i> 24 August 2016 Based on the corrective evidence which has been given, it could be concluded that the corporate has been giving a complete PPE based on the procedured and the training for spray worker regarding to the understanding practice of using the safe pesticide. However, this matter has to be re-verified by doing the field trip to ensure that the comformance between procedure and implementation in the field has been conducted in all estates.</p> <p>Major Verification on 5 October 2016 Based on field visit and interviews with workers spray in the BCE and BEE note the following matters:</p> <ul style="list-style-type: none"> Spray workers has wearing PPE appropriate to the type of their work (masks, eye protection, gloves, apron, boots) know the prohibition areas for spraying activity Knowing how to safe working practices Knowing the risks of work related to the use of pesticides are used During the field visit, has provided tools for accommodate pesticed spills when mixing the pesticides. <p>Based on the evidence, the Nonconformity No. 2016.9 is closed.</p>
<p>Verified by : -</p>

NCR No.	: 2016.10	Issued by	: -
Date Issued	: 26 June 2016	Time Limit	: ASA-2
NC Grade	: Minor	Date of Closing	: 14 July 2017
Standard Ref. & Requirement	4.1.2 Checking or monitoring of operations procedures is conducted at least once a year.		
<p>Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> Companies do not have a mechanism deadline fulfillment and completion of internal audit findings. Until the external audit activities RSPO ASA-1, the management unit has not been able to provide evidence of the improvement of the internal audit in 2015.</p>			
<p>Root Cause Analysis <i>(filled by organization audited):</i> Personan in charge who can explain internal audit findings mechanisms are not in place.</p>			
<p>Correction <i>(filled by organization audited):</i> The company shows the internal audit report and its corrective action.</p>			
<p>Corrective Action <i>(filled by organization audited):</i> Inform the relevant PIC to attend during the audit.</p>			

Assessor Evaluation and Conclusion <i>(filled by auditor):</i> 14 July 2017 For non-conformity results are set for the completion at the closing meeting where the time frame depends on the findings that agreed between the auditee and auditor. Auditee will send the follow up / action plan result to the internal audit department and will wait for the auditor's response whether the nonconformity is close or not. For example the presence of advanced boiler plate walls that have been curved and exposed to fire boiler and boiler advance improvement was not completed on 24 September 2016. The auditee issued a management action plan in the form of completion of advanced boiler repair and perform maintenance boiler maxitherm boiler after the boiler advance operational With a time frame of completion until 31 December 2016. Based on the evidence, the Nonconformity No. 2016.10 is closed.	
Verified by	: Hasiholan Sihombing

NCR No.	: 2016.11	Issued by	: -
Date Issued	: 26 June 2016	Time Limit	: ASA-2
NC Grade	: Minor	Date of Closing	: 14 July 2017
Standard Ref. & Requirement	4.2.1 A record of SOP implementation to maintain soil fertility that ensures optimal and sustained yield, shall be available		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> The Company did not carry out efforts to manage soil fertility in BEE and BCE in 2016.			
Root Cause Analysis <i>(filled by organization audited):</i> The Company is in the process of establishing a system for controlling the distribution of fertilizers.			
Correction <i>(filled by organization audited):</i> The Company shows the document Recommendation and Realization of fertilization in 2017.			
Corrective Action <i>(filled by organization audited):</i> Fertilize in accordance with recommended recommendations.			
Assessor Evaluation and Conclusion <i>(filled by auditor):</i> 14 July 2017 The Company shows recommendation and actual fertilizer of NPK 15.10.23 on 2017 for Batu Cemerlang Estate. Based on the evidence, the Nonconformity No. 2016.11 is closed.			
Verified by	: Hasiholan Sihombing		

NCR No.	: 2016.12	Issued by	: -
Date Issued	: 26 June 2016	Time Limit	: ASA-2
NC Grade	: Minor	Date of Closing	: 14 July 2017

Standard Ref. & Requirement	: 4.2.3 Records of periodical leaf, soil and visual analysis shall be available
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> The Company has not been able to provide the results of analysis of leaves and soil for monitoring changes in nutrient status of the soil and leaf tissue and used for the calculation of the annual fertilizer recommendation.	
Root Cause Analysis <i>(filled by organization audited):</i> PICs having leaf and soil analysis documents used for fertilizer recommendations are not in place at the time the documents are required.	
Correction <i>(filled by organization audited):</i> The company shows leaf and soil analysis documents.	
Corrective Action <i>(filled by organization audited):</i> Estate's coordinate with Research to inform leaf and soil analysis documents to be used for fertilizer recommendations.	
Assessor Evaluation and Conclusion <i>(filled by auditor):</i> 14 July 2017 The company shows the results of soil analysis and leaves of 2016 which will be used as fertilizer recommendation recommendation in 2017. Based on the evidence, the Nonconformity No. 2016.12 is closed.	
Verified by	: Hasiholan Sihombing

NCR No.	: 2016.13	Issued by	: -
Date Issued	: 26 June 2016	Time Limit	: 23 August 2016
NC Grade	: Major	Date of Closing	: 31 August 2016
Standard Ref. & Requirement	: 4.3.1 Maps of any fragile soils shall be available		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> The company could not provide a map of the soil in sufficient scale, at least 1: 50,000.			
Root Cause Analysis <i>(filled by organization audited):</i> Land map which has been shown during the audit activity still not yet have an available scale.			
Correction <i>(filled by organization audited):</i> 23 August 2016 PT PP London Sumatra Indonesia, Tbk has been showing the land map with scale 1: 60.000 for the unit of Batu Cemerlang Estate and Belani Elok Estate.			
31 August 2016 The corporate has been showing the type of land map with the scale 1:50,000 for unit of Batu Cemerlang Estate and Belani Elok Estate.			
Corrective Action <i>(filled by organization audited):</i> Positioning the land map which is available in each estate.			

Assessor Evaluation and Conclusion <i>(filled by auditor):</i> 23 August 2016 The corporate has been showing the type of land map with the scale 1:60,000. However the type of land map with the scale 1 : 50,000 is still not available.	
31 August 2016 The corporate can show the land map of soil survey result in 2014 with scale 1:50,000. The land map which has been sent, assessed has been fulfilled the cartographic rules. Based on the evidence, the Nonconformity No. 2016.13 is closed.	
Verified by	: -

NCR No.	: 2016.14	Issued by	: -
Date Issued	: 26 June 2016	Time Limit	: ASA-2
NC Grade	: Minor	Date of Closing	: 14 July 2017
Standard Ref. & Requirement	4.3.3 A road maintenance program shall be in place.		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> Unit management of BEE and BCE cannot provide the road maintenance program in 2016.			
Root Cause Analysis <i>(filled by organization audited):</i> The documenting PIC is not in place			
Correction <i>(filled by organization audited):</i> The Company shows program and realization of road maintenance			
Corrective Action <i>(filled by organization audited):</i> Coordination before the audit activity is conducted so that the PIC is present at the time of the event.			
Assessor Evaluation and Conclusion <i>(filled by auditor):</i> 14 July 2017 Company can show programs and realization of road maintenance on BEE. Based on road maintenance recordings from March to June 2017, it was informed that road maintenance was carried out on the main road of 16,972 m and collection collection along 22,352 m. Based on the root cause analysis, description of the preventive measures and evidence of improvement shown, NCR No. 2016.14 is closed.			
Verified by	: M Amarullah		

NCR No.	: 2016.15	Issued by	: -
Date Issued	: 26 June 2016	Time Limit	: 13 September 2017

NC Grade	:	Minor upgrade Major	Date of Closing	:	6 September 2017
Standard Ref. & Requirement	:	4.4.1 An implemented water management plan shall be in place.			
Non-Conformance Description & Evidence observed (filled by auditor): The company could not show the water resources management plan that includes: <ul style="list-style-type: none">• Efficient use of water• Renewability of water resources• The impact on water catchment areas and local stakeholders• Access to clean water throughout the year for local communities Avoid contamination of surface and ground water					
Root Cause Analysis (filled by organization audited): Do not have a water management plan yet					
Correction (filled by organization audited): Create a water management plan					
Corrective Action (filled by organization audited): Evaluate routine water management and implement water management plans					
Assessor Evaluation and Conclusion (filled by auditor): 14 July 2017 BCE has demonstrated monitoring records of water protection plant explaining the location of planting, plant species, plant age and documentation of the plant. But there is no water resources management plan yet. So Nonconformity No. 2016.20 is increased from minor to major.					
31 August 2017 The CH has shows water sources management plan in Ketapat Bening Estate for period 2017, which consist of: <ul style="list-style-type: none">• Identification of water sources which conducted in January.• To forms water sources map which carried out in January.• Monitoring water sources which carried out in April, August and December.• Installation of signboard on water sources areas in April. The signboard has informed water sources protection through prohibition instruction on several activities such as land destruction, land burning, logging and hunting.• Monitoring of signboard condition which conducted in July and December.• To conduct rehabilitation through planting of 28 trees in October to December.• Field upkeep and planting of 65 trees of mahogany in January and July.• Plants/trees monitoring in march, June, September and December.• Ring marking on water sources zone area, which free from agrochemicals application, conducted in July to November.• Water usage monitoring which carried out every month.• Socialization of value and function of water sources to workers and surrounded local communities which carried out in December. Furthermore, management unit has also shows several program which already implemented, as follows: <ul style="list-style-type: none">• Official report reservoir/basin marking realization on 15 surrounded palms where carried out in Block 96110450 BHE.					

- Official report and documentation of signboard installation on riparian zone of Putih River in Block 07110800.
- Official report of riparian zone marking at 30 palms, located on Aur River in Block 96112201, 96112202, 95112091, 96112101, 96112102 and 96112103.
- Official report on planting of 65 trees of mahogany and bamboo cluster on emplasment reservoir in Block 95112092 KBE

However, management unit was not be able to shows water sources management plan for all units included in RSPO scoope certification. Hence, NCR No. 2016.15 has consider as **open**.

6 September 2017

Management unit has shows water sources management program and its implementation for batu Cemerlang, Belani Elok and Sei Kepayang Estate. It was known that water sources were coming from river and basin. Hence, **NCR No. 2016.15 has considered closed**.

Verified by : M Amarullah

NCR No.	2016.16	Issued by	-
Date Issued	26 June 2016	Time Limit	23 August 2016
NC Grade	Major	Date of Closing	6 October 2016
Standard Ref. & Requirement	4.6.5 4.6.9		

Non-Conformance Description & Evidence observed *(filled by auditor):*

- MSDS are available at the warehouse of pesticides is not appropriate and complete. For example, MSDS brand Lindomin, Sevin, Matador, Gramoxone, Klerat and Elang in BEE are not from the vendor and found no MSDS for Starlon.
- The management unit has not been monitoring the use of PPE for workers spray.
- The results of interviews with workers spray in Block 04110751 BEE and at the office of BCE shows that employees do not understand and implement procedures best practice such as, completeness and appropriateness PPE use, hazard risk of pesticide use, areas that are prohibited to carry out spraying and there is no container when mixing pesticides activities in the field.

Root Cause Analysis *(filled by organization audited):*

- MSDS that there had been using its own format which content come from MSDS vendors that need to be consistency in the provision of the MSDS
- Filling System for documents of PPE use monitoring is not well maintained.
- Lack of awareness of spray worker to the harzard application of pesticide which is not suitable with the standard operational of procedure to the health, safety, and environmental.

Correction *(filled by organization audited):*

22 August 2016

- PT PP London Sumatra Indonesia, Tbk has given the corrective document in the form of MSDS that was coming from the vendor for every material which has been saved. Unit of BEE and BCE have been showing the documentation of MSDS placing in pesticide warehouse.
- Unit of BCE and BEE have been showing the document check list of PPE using for spray worker which has been done during the implementation of spray activity.

- PT PP London Sumatra Indonesia, Tbk has given the document of corrective evidence related to the completeness and conformance of PPE which has been used, the hazard risk for using the pesticide, the forbidden area to do the activity of spraying, such as :
 - a. Unit of BCE has been showing the document of news event for standard operational of procedure 5.2.2 related to the safety guidance to use the pesticide which has been conducted on 16th of August 2016 and followed by the member of spraying and supervisor.
 - b. Unit of BEE has been showing the document of minutes of meeting for training SOP 5.2.2 related to the safety guidance of pesticide which has been conducted on 2 August 2016 and followed by the member of spraying and supervisor.

Corrective Action *(filled by organization audited):*

- Conduct regular monitoring by warehouse personnel to ensure the MSDS from Vendor always in the proper place.
- Provides Filing system for maintenance monitoring documents of PPE use by Spray Operator
- Improving supervision when the spraying activity will be held.

Assessor Evaluation and Conclusion *(filled by auditor):*
22 August 2016
MSDS

The corporate has been showing the evidence of MSDS instalation for agrochemical material which is available in the warehouse of agrochemical material by the photo documentation. Type of MSDS which has been installed, such as :

- Warehouse of BCE: has been completed the pesticide of MSDS with brand Gramoxone, Starlon, Lindomin, Elang, Metsulindo, and Klerat.
- Warehouse of BEE: Gramoxone, Metsulindo, Elang, Decis, Matador, Sevin, Klerat, Top Zonem Agristic, Antracol, Antracol 70 WP, Lindomin, and Starlon.

Based on the explanation above, it can be concluded that the corporate has been completed the MSDS in accordance with the pesticide which has been saved in agrochemical material storage. However, this matter will be re-verified in the field, especially for the warehouse storage in the other unit of estate.

The using of PPE and The Understanding of Spray Workers Regarding to its techinal work

The corporate has been showing the documentation monitoring of PPE which is submitting the name of worker, type of PPE, location (estate and division), date, month, and year. Based on the monitoring checklist of PPE, unit of spraying work on 13th of August 2016 have been showing that five of BEE and BCE Spray Workers have been using the complete PPE in accordance with the procedure, such as boot, face protector, rubber gloves, respirator, apron, clothes for spraying. However, the conformance of PPE using in the field and the understanding of spray workers in all units of estate related to its technical would be evidenced by re-verifying in the field.

Based on the corrective evidence which has been sent, the Nonconformity No. 2016.11 is not yet closed.

Major Verification on 5 October 2016

The results of field visits in the warehouse of BCE shows that there are five types of pesticides that lindomin, gramoxone, eagles, metsulindo and starlon. While the results of field visits in the warehouse of BEE shows that there are 12 types of pesticides that Gramoxone, Metsulindo, Eagle, Decis, Matador, Sevin, Klerat, Top Zone, Agristic, Antracol, Lindomin and Starlon. The whole of pesticides have been equipped with MSDS

Spray workers

Based on field visits and the results of interviews with workers spray at BCE and BEE is known the following:

- Spray workers has wearing PPE appropriate to the type of their work (masks, eye protection, gloves, apron, boots)
- know the prohibition areas for spraying activity
- Knowing how to safe working practices
- Knowing the risks of work related to the use of pesticides are used
- During the field visit, has provided tools for accommodate pesticed spills when mixing the pesticides

Based on the evidence, the Nonconformity No. 2016.16 is closed. The effectiveness of corrective actions and consistency will be seen in the next audit.

Verified by : -

NCR No.	:	2016.17	Issued by	:	-
Date Issued	:	26 June 2016	Time Limit	:	23 August 2016
NC Grade	:	Major	Date of Closing	:	6 October 2016

Standard Ref. & Requirement : 4.6.6
Storage of pesticides shall be according to recognised best practices. All pesticides containers shall be properly managed according to the existing regulations and or instructions enclosed on the containers (see criterion 5.3).

Non-Conformance Description & Evidence observed (filled by auditor):

Based on the field in the housing BEE and BCE found ex pesticide containers are discarded and used for other purposes.

Root Cause Analysis (filled by organization audited):

Lack of awareness from the society who live around the estate to the hazard of using the ex pesticide containers.

Correction (filled by organization audited):

23 August 2016

PT PP London Sumatra Indonesia, Tbk has been showing the corrective evidence, such as :

- Unit of BCE has been showing the evidence in the form of socialization document of used pesticide containers management which had been held on 16 August 2016 to the worker and society who live in the housing of estate and change the containers of used pesticide in the housing with plastic bucket.
- Unit of BEE has been showing the evidence in the form of socialization document of used pesticide containers management on 25 July 2016 to worker and society who live in the housing of estate and change the used pesticide containers in the housing with plastic bucket.
- Provide awareness to the community in the estate related to the dangers of using pesticide containers

Corrective Action (filled by organization audited):

Change the packaging of used pesticide in the housing with plastic bucket.

Assessor Evaluation and Conclusion (filled by auditor):

23 August 2016

The corporate has been showing the evidence of socialization regarding to the hazard of using the used pesticide container which exploited with plastic container that was provided by corporate. Based on the corrective evidence which has been sent, the Nonconformity 2016.17 is not yet closed due to the needs of re-verified in the field to ensure that the used pesticide packaging disposed with responsible.

Major Verification on 5 October 2016

Auditors have conducted field visits to ensure that former of pesticide containers are not reused in housing. The results of the field verification and interview is known that the former pesticide containers are no longer used in employee housing.

The Company has shown the documents in form of internal memo about the ban on the hazardous waste use (No. 0125 / BEE / EST / X / 2016) to all employees. In addition, the company will perform the inspection program to housing for the use of hazardous waste materials and domestic waste. Based on the evidence, the Nonconformity No. 2016.17 is closed. The effectiveness of corrective actions and consistency will be seen in the next audit.

Verified by	:	-
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NCR No.	:	2016.18	Issued by	:	-
Date Issued	:	26 June 2016	Time Limit	:	23 August 2016
NC Grade	:	Minor	Date of Closing	:	6 October 2016
Standard Ref. & Requirement	:	4.6.11 Annual medical records of pesticide operators, and follow-up treatment of medical results, shall be available			
Non-Conformance Description & Evidence observed (filled by auditor): Based on a review of documents and field visits in Belani Elok Estate and Batu Cemerlang Estate, company has not made specific health checks to all pesticide operators (35 BEE and 60 BCE).					
Root Cause Analysis (filled by organization audited): The medical examination has not been scheduled in detail so that the provision of funds not coordinated well.					
Correction (filled by organization audited): 24 August 2016 Unit of estate of PT PP London Sumatra Indonesia, Tbk has been showing the result of medical check up (cholinesterase) for BCE and BEE spray workers which was held by UPTD Hiperkes and occupational health department of labour South Sumatra Province on 15 August 2016					
Corrective Action (filled by organization audited): Improve control by estate and HS Dept on a schedule of periodic health examination.					
Assessor Evaluation and Conclusion (filled by auditor): 24 August 2016 Unit of estate of PT PP London Sumatra Indonesia, Tbk has been showing the document result of medical check up (cholinesterase) for BCE and BEE spray workers which has been held by UPTD Hiperkes and Department of Labor of Occupational Safety of South Sumatra Province on 15 August 2016. Based on the data, it's known that there are ten spray workers of BEE and sixteen spray workers of BCE who have been checked of their health. So, there're still some workers who have not been checked, such as: <ul style="list-style-type: none">- 25 BEE spray workers- 44 BCE spray workers Based on the corrective evidence which has been given, it's known that not all the operator of pesticide have been checked periodically.					
22 September 2016 The Company showed a letter from the UPTD Hiperkes and Department of Labor of Occupational Safety of South Sumatra Province No.070 / 085 / UPTD / BHP / 2016 dated 8 September 2016 about Implementation of the Periodic Health Examination for Labor to be conducted on 19 September 2016. Based on the corrective evidence which has been given, field verification needs to be done to ensure that annual medical surveillance has been carried to all operators of pesticides.					
Major Verification on 6 October 2016 According to interviews with spray workers of Division II BCE known that they had examined the health in August 2016. The company has also demonstrated the attendance list for health checks on 44 spray workers of BCE which conducted by UPTD Hiperkes and Department of Labor of Occupational Safety of South Sumatra Province. but the result not yet					

published.

According to interviews with spray workers of Division II BEE known that they had examined the health in September 2016. The company has also demonstrated the attendance list for health checks on 36 spray workers of BEE which conducted by UPTD Hiperkes and Department of Labor of Occupational Safety of South Sumatra Province, but the result not yet published.

Results of interviews with estate personnel and HS departments known that for health checks on pesticide operator has been understood by each party and coordinate regularly via email.

Based on major verification Nonconformity No. 2016.18 is closed and will be observe again related to the result of Health Examination.

Verified by : -

NCR No.	: 2016.19	Issued by	: -
Date Issued	: 26 June 2016	Time Limit	: 23 August 2016
NC Grade	: Major	Date of Closing	: 6 October 2016
Standard Ref. & Requirement	: 4.7.3 Records of Occupational Health and Safety (OHS) program (see 4.8) and Personal Protective Equipment (PPE) training in accordance with the result of hazard identification and risk analysis shall be available to all workers.		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> <ul style="list-style-type: none">• Management can not show that all heavy vehicle operator in BCE and BEE already get safe working practices.• Field visit in estate shows that there are some workers undisciplined in PPE use at working place• Field visit in POM known that workers in sterilization station using cotton to covers the ears			
Root Cause Analysis <i>(filled by organization audited):</i> Lack of awareness of the estate and mill workers with the safety work implementation.			
Correction <i>(filled by organization audited):</i> 23 August 2016 Unit of estate of PT PP London Sumatra Indonesia, Tbk has been showing the corrective document, such as: <ul style="list-style-type: none">• Unit of BCE has been showing the internal of memorandum regarding to the training request for the lift and haul operator No 007/BBC-EM/HRD/VIII/2016 on 10 August 2016. Unit of BEE has been showing the internal of memorandum regarding to the training request for the lift and haul operator No 087/BEE/HR-PBO/VIII/2016 on 10 August 2016. Which is based on this request, has been followed up by the human resource department No 151/HRD/TR/IN/VIII/2016 in regard to the training invitation “Certification for Lift and Haul Operator” which will be held on 19-23 September 2016.• Increase awareness of employees on the use of PPE that has been set by the company in the work, by giving socialization the hazard if not using the PPE has been held on 25 July 2016 in BEE, 18 July 2016 in BE POM and 16 August 2016 in BCE.			
Corrective Action <i>(filled by organization audited):</i> <ul style="list-style-type: none">• Evaluating the implementation of the training program needs in the estate and mill• Inspection the completeness of PPE by direct supervisor.			
Assessor Evaluation and Conclusion <i>(filled by auditor):</i>			

23 August 2016

The corporate has been showing the socialization evidence for workers to upgrading awareness of using the PPE, in the form of minutes of meeting, attendance and photo, such as :

- Hazard socialization for not using the PPE for 25 workers in BCE on 16 August 2016.
- Hazard socialization for not using the PPE for 22 workers in BEE on 25 July 2016.
- Hazard socialization for not using the PPE for 8 workers in Belani Elok POM on 18 July 2016.

In the socialization minutes of meeting, has been explained that the workers must be used the PPE, the workers must be measuring the condition of PPE before do the work, and explaining the negative impact that will be inflicted if they're not using the PPE.

The corporate also has been showing the training invitation for lift and haul operator with the letter from the training and recruitment manager (No. 151/HRD/TR/IN/VIII/2016 on 18 August 2016) which has been submitted that there're 21 of heavy equipment operators (13 operator from BEE and 8 operators from BCE) will do the training "Certification of Lift and Haul Operator" on 19-23 September 2016. Due to the implementation of training will be verified furthermore on the next assessment.

Major Verification on 6 October 2016

Based on the document review "list Lift and Haul Operator in BCE 2016" finds that there:

Types of heavy equipment	Unit		license		Without license	
	BCE	BEE	BCE	BEE	BCE	BEE
Tractor	2	2	1	2	1	-
Excavator	2	1	1	1	1	-
Road grader	1	1	1	1	-	-
compactor	1	1	1	1	-	-
Becholoader	1	1	1	1	-	-

Based on these data, the company has provided training safe working practices by involving the operator in the training for lift and haul operator. Based on interviews with several employees and operators known that these personnel have to know how to work a safe and how unsafe condition that should be avoided. As for workers who do not have the license is transferred to other part which is helper and given training in safe work performed by internal training (2016).

The corporate has been showing the documentation monitoring of PPE which is submitting the name of worker, type of PPE, location (estate and division), date, month, and year. Based on field visit in BCE and BEE shows that spary workers and harvest workers is using the PPE while working.

During a visit to BE POM is known that workers in the sterilizer has used ear plugs and other appropriate PPE. The use of PPE by workers in the area of loading ramp, thresher station and the engine room has also been using PPE that are set.

Based on field visits and additional documents, Nonconformity No. 2016.19 is closed. The effectiveness of corrective actions and consistency will be seen in the next audit.

Verified by : -

NCR No.	: 2016.20	Issued by	: -
Date Issued	: 26 June 2016	Time Limit	: ASA-2
NC Grade	: Minor	Date of Closing	: 14 July 2017
Standard Ref. & Requirement	: 4.7.5 A procedure for emergency and work accident shall be available in Indonesian		

	Language; and the workers, who have attended First Aids training, are available in the working areas.
Non-Conformance Description & Evidence observed (filled by auditor): In field observations regarding the functioning hydrant simulation where there is a leaky hose. This is not in accordance with emergency procedures section on the evaluation and implementation of periodic testing. To ensure that the equipment is in decent condition used at any time and preparedness emergency response team in implementing its duties and responsibilities need to be evaluated and periodic testing to evaluate their effectiveness.	
Root Cause Analysis (filled by organization audited): Evaluation and periodic testing are not routinely performed.	
Correction (filled by organization audited): Shows evidence of monitoring the condition of emergency response equipment	
Corrective Action (filled by organization audited): Establish evaluation programs and periodic testing for emergency response equipment.	
Assessor Evaluation and Conclusion (filled by auditor): 14 July 2017 Simulation was performed to know the preparedness of emergency response equipment in the POM. The simulation was performed on 4 hydrants located in various places in the mill and the result of the experiment was concluded that the hydrant tool is ready for use. Also shown monthly observation document on hydrant condition.	
Verified by	: Hasiholan Sihombing

NCR No.	:	2016.21	Issued by	:	-
Date Issued	:	26 June 2016	Time Limit	:	ASA-2
NC Grade	:	Minor	Date of Closing	:	14 July 2017
Standard Ref. & Requirement	:	4.7.6 All workers shall be provided with medical care, and covered by accident insurance (see criterion 6.5.3).			
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> The company could not show that all the employees and contract workers covered by accident insurance.					
Root Cause Analysis <i>(filled by organization audited):</i> Administration requirements such as ID card's and family card are not yet complete from the employees.					
Correction <i>(filled by organization audited):</i> Register BPJS for PKWT.					
Corrective Action <i>(filled by organization audited):</i> Require administrative completeness related to BPJS in recruitment process.					
Assessor Evaluation and Conclusion <i>(filled by auditor):</i> 14 July 2017 The Company shown proof of payment for accidents insurance of all employees in Bingin Teluk Area for period of June					

2017 paid to Bank BRI for 77 staff, MRP 502 persons, DRP 534 persons, PHL 517 persons, total 1,630 persons.

Verified by : Hasiholan Sihombing

NCR No.	: 2016.22	Issued by	: -
Date Issued	: 26 June 2016	Time Limit	: ASA-2
NC Grade	: Minor	Date of Closing	: 14 July 2017
Standard Ref. & Requirement	4.7.7 Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics.		
Non-Conformance Description & Evidence observed (filled by auditor): The Company has not show that all accidents that happen are recorded by using the calculation Lost Time Accident.			
Root Cause Analysis (filled by organization audited): LTA calculations have not been done because there is no personal in charge knowing how to calculation the LTA.			
Correction (filled by organization audited): Show the LTA calculations performed by the OHS expert.			
Corrective Action (filled by organization audited): Generate LTA reports regularly at the beginning of the year and reported to OHS coordinator.			
Assessor Evaluation and Conclusion (filled by auditor): 14 July 2017 The company shown the calculation of occupational accidents using LTA metric period of 2016 which is described as follows:			
	Belani Elok POM	Ketapat Bening Estate	Bukit Hijau Estate
Frequency Rate	0	3.2	1
Saverity Rate	0	77.4	1
Hours lost	0	48	184
Number of work accidents in 2016	0	2	1
Total workers as of December 2016	141	310	522
Nonconformity No. 2016.22 is closed			
Verified by	: Hasiholan Sihombing		

NCR No.	: 2016.23	Issued by	: -
Date Issued	: 26 June 2016	Time Limit	: ASA-2
NC Grade	: Minor	Date of Closing	: 14 July 2017
Standard Ref. & Requirement	4.8.2 Records of training for each employee shall be maintained.		
Non-Conformance Description & Evidence observed (filled by auditor): The management unit has not shown that the training records for each worker maintained.			

Root Cause Analysis <i>(filled by organization audited):</i> The management unit has not coordinated with the HR department related to training recording.	
Correction <i>(filled by organization audited):</i> The company shows evidence of the program and the realization of the training implementation.	
Corrective Action <i>(filled by organization audited):</i> The management units will be coordinate with relevant departments for conducted audit preparation.	
Assessor Evaluation and Conclusion <i>(filled by auditor):</i> July 14, 2017 The company has shown evidence of correction to NCR Nonconformity. No 2016.23, in the form of: <ol style="list-style-type: none"> Recapitulation of training implementation to workers in 2016 for Blani Elok and Batu Cemerlang Estate. Types of training that have been conducted are: OHS general training, emergency response training, etc. Interview with DAMKAR officers in PKS and BHE, it is known that they have conducted emergency response training in 2016. Interview with OHS officer is known that they conducted OHS training. Based on the explanation, the nonconformity NCR. No. 2016.01 is declared closed.	
Verified by	: Sofyan Hadi Lubis

NCR No.	:	2016.24	Issued by	:	-
Date Issued	:	26 June 2016	Time Limit	:	13 September 2017
NC Grade	:	Minor upgrade major	Date of Closing	:	31 Agustus 2017
Standard Ref. & Requirement	:	5.1.3 Environment monitoring plan document, its implementation report, and the corrective plan (if non-conformance arised from the monitoring result) shall be available. This plan is reviewed on two-yearly basis.			
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> Based on the Report of the Environmental Management Plan/Environmental Monitoring Plan 2 nd Semester 2015, the company has not been able to show the monitoring of environmental impacts that carried out in accordance with Environmental Management Plan/Environmental Monitoring Plan matrix, such as: <ul style="list-style-type: none">Aspects of the potential fire has not provided the results of the monitoring.Methods of monitoring social <i>aspcet</i> have not been realized as planned, by interview with using a questionnairePublic health monitoring methods has not covered the community around the plantation.Companies have not been monitoring air quality in the area of Land Application.Companies do not monitor the quality of the river Rawas.					
Root Cause Analysis <i>(filled by organization audited):</i> The matrix in the RKL-RPL implementation report has not been detailed according to amdal document.					
Correction <i>(filled by organization audited):</i> The company has added the following data: <ul style="list-style-type: none">Fire monitoringQuestioner for monitoring social unrestHealt data of communities					

- Monitoring air quality
- Monitoring of water in Rawas River

Corrective Action (filled by organization audited):

Perform all monitoring accordance Amdal documents

Assessor Evaluation and Conclusion (filled by auditor):

13 July 2017

The Company can show some parameters that have not been implemented in the previous audit period, among others as follows:

- Laboratory analysis of Rawas River water quality shown through document no. 660/1835 / SPPC-ALC-B3 / XI / 2016 dated 15 December 2016. The test results of 12 parameters indicate that the water quality of Rawas River has been in accordance with Pergub Sumatera Selatan No. 6 of 2005.
- The form and results of fire monitoring of Semester II 2016 and Semester I 2017 show that there is no fire in all areas of plantation and factory operations. It is also informed in the RKL / RPL report of Semester II of 2016.
- The company has conducted health checks for the community surrounding the company, implemented by Bingin Teluk Health Center. The Company may also show records of examination results from January to June 2017 signed by the Health Center (Puskesmas) Officer.
- Company can show questionnaires form and interview guide related to monitoring social unrest around. However, the proof of implementation can not be shown yet.

The company also has not been able to show evidence, among others:

- Record of monitoring social unrest.
- Monitoring of air quality in the area of Land Application (LA).

So Nonconformity No. 2016.25 is not closed and upgrade from minor to major.

31 August 2017

Management unit has shows official report of SIA monitoring which carried out towards surrounded communities, e.g. Tebing Tinggi, Belani, Batu Kucing, Bingin Teluk, Beringin Makmur II, Pauh I, Tanjung Raja, Air Bening and Mekar Sari. Moreover, record on air ambient quality at land application areas which conducted in 12 April 2017 has also available. Hence, **NCR No. 2016.24 has considered closed.**

Verified by : M Amarullah

NCR No.	:	2016.25	Issued by	:	-
Date Issued	:	26 June 2016	Time Limit	:	23 August 2016
NC Grade	:	Major	Date of Closing	:	20 Sept 2016
Standard Ref. & Requirement	:	5.2.2 Where rare, threatened or endangered (RTE) species and or other HCVs are present or affected by the plantation and mill operations, an appropriate measures that are expected to maintain or enhance them shall be implemented through a management plan			
Non-Conformance Description & Evidence observed (filled by auditor): The company has had a management plan to protect HCV, but the plan has not been explained about the management of RTE species.					

Root Cause Analysis *(filled by organization audited):*

Planning of management to protect the HCV, still not yet explaining regarding to the planning for RTE species management.

Correction *(filled by organization audited):*

22 August 2016

PT PP London Sumatra Indonesia, Tbk has been showing the corrective document, such as:

1. Planning of HCV management
2. Planning and indicator for HCV monitoring which is explaining related to the planning of RTE species management.

Which is inside of the planning has been explaining related to the planning for RTE species management.

20 September 2016

The corporate has been showing the document of management planning for each type of CV and each of estate. The management planning and monitoring for RTE species (HCV 1.2) have been explaining as below:

1. The corporate has been doing the stabilization area which is aim to guarantee the existence of protected area in a long term. The stabilization area has to be efforted and agreed by the parties regarding the condition of social-politic of the society who are dynamic. The recognition of protected area by legally (de jure) will give the guarantee of legal certainty of protected area regarding to the status and the limit of area and will minimize the conflict of land using in the future.
2. The corporate has been doing the security and protection to the area with all efforts to prevent and limited the harm of protected area which are causing by human activity, livestock, fire, power of nature, pest and disease, also to defend and keep the country's rights over the ecosystem border of river and the value of service, and the shrine/cultural sites.
3. The corporate has been implementing the security strategy of estate which are consists of counseling, preventive, action and protecting the flora and fauna, such as:
 - Posting the forbidden board for hunting and forbidden board for damage the plant as a warning for not disturbing flora and fauna within.
 - Posting the forbidden board for hunting and damage the plant in HCV area which is prone to interference.
 - Maintaining the forbidden board for hunting and forbidden board for damage the plant in the area of border of river.
4. The corporate has been doing the social approach, such as:
 - Socialization of HCV which is aim to give the information for all parties regarding to the existence, location and function of border of river.
 - Counseling to the society routinely regarding the importance of preservation area of border of river, hill, the area around water springs, bufferzone of forest, and shrine/cultural sites, and biodiversity.
 - Employee training for upgrading the skills of employee of PT PP London Sumatra Indonesia, Tbk. – MUSIRAWAS, especially for the division of environment by joining them in a course in the sector of area management of border of river, and biodiversity, which was held by the related institution.

Corrective Action *(filled by organization audited):*

Creating a plan for RTE species management and do the monitoring routinely in accordance to the HCV management plan.

Assessor Evaluation and Conclusion *(filled by auditor):*

22 August 2016

The corporate has been showing the plan management of HCV for each type of HCV and each estate. Management plan and monitoring for RTE species (HCV 1.2) has still not yet explaining to:

- Measuring that each law requirement of law which is regarding to the protection of species or habitat has been fulfilled.
- The area of HCV which is still managed by the society.
- The species of RTE which is maintained by worker of staff.

Based on the corrective evidence which has been given, the nonconformity No. 2016.25 is not yet closed.

20 September 2016

The corporate has been showing the management plan of HCV and the species of RTE in the operational area. The management plan which has been mentioned, such as the coordination with the related institution, the stabilizing of HCV area with the involvement of all parties, the protection of flora and fauna, etc.

Based on the corrective evidence, the Nonconformity No. 2016.25 is closed with observation.

Verified by : -

NCR No.	:	2016.26	Issued by	:	
Date Issued	:	26 June 2016	Time Limit	:	ASA-2
NC Grade	:	Minor	Date of Closing	:	14 July 2017
Standard Ref. & Requirement	:	5.2.3 Program(s) to socialize the status of protected, rare, threatened or endangered (RTE) to all workers shall be available, including records of appropriate sanction disciplinary measures to any individual working for the company who is found to capture, harm, collect or kill these species.			
Non-Conformance Description & Evidence observed (filled by auditor): The results of interviews with workers known that they do not understand about the type of RTE species and disciplinary action taken if there is a violation. The management unit has not been monitoring the HCV area to make sure no one lay traps / snares.					
Root Cause Analysis (filled by organization audited): Lack of socialization to all workers about the type of RTE species					
Correction (filled by organization audited): socialize the type of RTE species through the installation of signages in the plantation					
Corrective Action (filled by organization audited): Establish a program of monitoring and maintenance of existing signages					
Assessor Evaluation and Conclusion (filled by auditor): 14 July 2017 The Company showed the design of a protected animal information board located around the company's operational area and documentation of it's installation activities in the field. The board informs among others the following: <ul style="list-style-type: none">• Picture and name of RTE species (local and latin), for example in BHE there are four animals of RTE, among others <i>Rusa Sambar, Burung madu Kelapa, Burung madu Belukar and Cekak Belukar.</i>• Warning statement "It is prohibited to arrest, injure, kill, store, possess, maintain and harvest protected animals".• Description of sanction. The Company may show records of identification and monitoring of flora fauna and its identification status under national regulation, IUCN and CITES, for example among others as follows: <ul style="list-style-type: none">• Records of identification and monitoring dated 2 February 2017 at BEE noted that there are 4 species of mammals, 10 species of birds, 1 species of reptile, 1 amphibian species and 4 tree species.					

- Records of identification and monitoring of 2 May 2017 in BCE noted that there were 12 species of mammals, 8 species of birds, 2 species of reptile, 1 amphibian species and 13 tree species.

Company can show evidence of socialization of RTE species and HCV areas to employees and surrounding communities in the form of minutes of meeting, photo of activities and attendance list. The socialization was held in BEE on 2 May 2017, attended by 44 workers and surrounding communities. In BCE was held on 23 January 2017, attended by 18 workers and employees.

Verified by : **M Amarullah**

NCR No.	:	2016.27	Issued by	:	-
Date Issued	:	26 June 2016	Time Limit	:	13 September 2017
NC Grade	:	Minor upgrade major	Date of Closing	:	16 September 2017
Standard Ref. & Requirement	:	5.2.4 Once the management plan is prepared, continuous monitoring documentation and report regarding the status of the RTE and HCVs are affected by the operations of the plantation and palm oil mill shall be available, and the results of monitoring are to be used to follow-up on the improvement of the management plan.			
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> The management unit has conducted monitoring of HCV, but the unit has not documented its actual conditions and have not management plan that has considered the results of monitoring.					
Root Cause Analysis <i>(filled by organization audited):</i> The Company has not conducted HCV and RTE monitoring yet, and the uncertainty of existing HCV areas.					
Correction <i>(filled by organization audited):</i> The Company has presented HCV monitoring documents and follow-up plans for monitoring results					
Corrective Action <i>(filled by organization audited):</i> Conduct HCV reassessment activities and create regular monitoring programs and follow-up programs from monitoring results					
Assessor Evaluation and Conclusion <i>(filled by auditor):</i> 14 July 2017 The Company has not shown the monitoring results which consist of: <ul style="list-style-type: none">Land ownership data that overlapping with HCV areas in each estate.Description of the location and extent of HCV and land tenure.HCV conditions that overlap with community.Management plans for the result of monitoring Nonconformity No. 2016.26 is not closed and upgrade from minor to major. 6 September 2017 Management unit has shows HCV monitoring record of all estates certified areas. However, information given on the record were not clear and satisfactory. Furthermore, data on occupant/claimnant which overlapped with HCV areas.					

current land mastery status and management plan were not available. Hence, NCR No. 2016.27 has consider still **open**.

15 September 2017

Management unit has shows monitoring record on HCV areas where overlapped with the locals. For example, there were 5 claimnant in Bukit Hijau Estate. Furthermore, management plan towards those overlapped areas were available. Hence, **NCR No. 2016.27 has consider closed**.

Verified by : **M Amarullah**

NCR No.	: 2016.28	Issued by	: -
Date Issued	: 26 June 2016	Time Limit	: 13 September 2017
NC Grade	: Minor upgrade major	Date of Closing	: 16 September 2017
Standard Ref. & Requirement	5.2.5 Where HCV areas overlapped with an identified local community's land, there shall be evidence of a negotiated agreement that optimally safeguard their HCVs and the local community's rights		
Non-Conformance Description & Evidence observed (filled by auditor): The management unit has not shown an agreement to protect HCV owned by local communities.			
Root Cause Analysis (filled by organization audited): HCV Areas that overlap with community land have not been clearly defined.			
Correction (filled by organization audited): Conducting HCV Re Assessment			
Corrective Action (filled by organization audited): Conduct HCV management from Re-Assessment results			
Assessor Evaluation and Conclusion (filled by auditor): 14 July 2017 The Company has not shown the correction of the Nonconformity, so it been upgrade from minor to major. The company are not be able to describe a satisfactory root of course, correction and corrective action. Several points which need to be clarified by the company are: <ul style="list-style-type: none">- Identification of land owner (claimnant) which overlapped with HCV areas, as well as its map identification.- Management plan towards HCV overlapped areas with local rights.- Evidence of negotiation process and agreement of both parties towards HCV management. As explained above, it could be concluded that NCR No. 2016.33 has considered still open and upgraded into Major. 11 September 2017 Management unit has shows Letter of Agreement with 6 person of HCV Claimnant (5 from Bukit Hijau Estate and 1 from Ketapat Bening Estate). However, identification of all claimnants over the company was still not available. Hence, NCR No. 2016.33 has considered as open. 15 September 2017 Management unit has shows identification of monitoring HCV areas which overlapped with local rights through all the			

estates. Monitoring record informed that there were 7 claimants in HCV areas. Letter of Agreement with all claimants were available. Hence, **NCR No. 2016.28 has considered closed.**

Verified by : **M Amarullah**

NCR No.	: 2016.29	Issued by	: -
Date Issued	: 26 June 2016	Time Limit	: 23 August 2016
NC Grade	: Major	Date of Closing	: 22 Sept 2016
Standard Ref. & Requirement	: 5.3.1 5.6.1		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> Companies have not shown the identification of sources of pollution and emissions generated from operating activities of plantation			
Root Cause Analysis <i>(filled by organization audited):</i> no Filling System which clearly to store the result of identification of pollution and emissions generated from operating activities in estate.			
Correction <i>(filled by organization audited):</i> 29 August 2016 Unit of BCE and BEE of PT PP London Sumatra Indonesia, Tbk has been done the identification for the source of pollution and emission which produced by, resource from Genset, Heavy Equipment, Car, Air Conditioner, Pesticide, and Fertilizer. 22 September 2016 Company show the documents of identification of pollution and waste that explains the emission source, type of pollution and type of waste.			
Corrective Action <i>(filled by organization audited):</i> Do the identification for the source of pollution and emission routinely.			
Assessor Evaluation and Conclusion <i>(filled by auditor):</i> 29 August 2016 The corporate has been showing the identification document of pollution and waste sources within explaining the source of emission (heavy equipment, air conditioner, genset, pesticide and fertilizer), which can produce the waste and pollution. However, the document still can not explaining the detail type of waste and the pollution which is produced. Based on the explanation above, so the Nonconformity No. 2016.29 is not yet closed. 22 September 2016 Company show the documents of identification of pollution and waste that explains the emission source, type of pollution and type of waste. Based on the explanation above, so the Nonconformity No. 2016.29 is closed.			
Verified by	: -		

NCR No.	: 2016.30	Issued by	: -
Date Issued	: 26 June 2016	Time Limit	: 23 August 2016
NC Grade	: Major	Date of Closing	: 6 October 2016
Standard Ref. & Requirement	: 5.3.2 There shall be evidence that all chemicals and their empty containers are disposed of responsibly		
Non-Conformance Description & Evidence observed (filled by auditor): Based on the results of field visits in BCE housing at 2nd division found that Ex-pesticides Package are not managed in accordance with the procedure: <ul style="list-style-type: none"> Ex-pesticides Package of chemicals used for water storage containers. Ex-pesticides Package <i>Round Up</i> in landfills. 			
Root Cause Analysis (filled by organization audited): Lack of awareness from the society who live around the estate to the hazard of using the ex pesticide containers.			
Correction (filled by organization audited): 29 August 2016 PT PP London Sumatra Indonesia, Tbk has been showing the corrective evidence, such as : <ul style="list-style-type: none"> Unit of BCE has been showing the evidence in the form of socialization document of used pesticide containers management which had been held on 16 August 2016 to the worker and society who live in the housing of estate and change the containers of used pesticide in the housing with plastic bucket. Unit of BEE has been showing the evidence in the form of socialization document of used pesticide containers management on 25 July 2016 to worker and society who live in the housing of estate and change the used pesticide containers in the housing with plastic bucket. Provide awareness to the community in the estate related to the dangers of using pesticide containers 			
Corrective Action (filled by organization audited): Keep an eye out influx of pesticide containers.			
Assessor Evaluation and Conclusion (filled by auditor): 29 August 2016 <ul style="list-style-type: none"> The company can not yet show the latest status of the findings of field conditions (packaging containers of pesticides). The company showed socialization to workers for pesticide container waste management conducted in BEE on July 25, 2016 with 22 workers and BCE on August 16, 2016 to 25 workers. In this socialization explained that pesticide containers should not be reused for other uses such as water containers, trash can and all packaging must be marked with the former red paint and kept at hazardous waste warehouse. <p>Based on the improvements will need to be carried out field verification to ensure the implementation of waste management.</p> <p>Major Verification on 6 October 2016 Auditors have conducted field visits to ensure that former of pesticide containers are not reused in housing. The results of the field verification and interview is known that the former pesticide containers are no longer used in employee housing.</p> <p>The Company has shown the documents in form of internal memo about the ban on the hazardous waste use (No. 0125 / BEE / EST / X / 2016) to all employees. In addition, the company will perform the inspection program every 3 months to housing for the use of hazardous waste materials and domestic waste. Based on the evidence, the Nonconformity</p>			

No. 2016.30 is closed. The effectiveness of corrective actions and consistency will be seen in the next audit.

Verified by : -

NCR No.	: 2016.31	Issued by	: -
Date Issued	: 26 June 2016	Time Limit	: 23 August 2016
NC Grade	: Major	Date of Closing	: 5 October 2016
Standard Ref. & Requirement	: 5.3.3 5.6.2 7.8.2		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> <ul style="list-style-type: none"> The company has not shown plans and implementation to minimize pollution generated from operating activities of plantation. Based on a visit to the diesel fuel tank in BCE, there are spills of diesel fuel in the charging area which lead contamination in the soil. Based on the field observation of housing in division 2, domestic waste dumped behind the house and burned. This is not in accordance with EMS - WI - 8 on waste management that organic domestic waste managed buried in a pit with min distance of 500 meters from water bodies, fenced and marked. 			
Root Cause Analysis <i>(filled by organization audited):</i> <ul style="list-style-type: none"> No Filling System which clearly to store the result of plan and implementation to minimize pollution from operating activities in estate. Lack of awareness of fuel charging officer into the car tank to prevent spills Lack of understanding related to the effort for minimizing the pollution. 			
Correction <i>(filled by organization audited):</i> 29 August 2016 PT PP London Sumatra Indonesia, Tbk has been showing the corrective document, as below: <ul style="list-style-type: none"> Unit of BCE and BEE have been showing the planning and implementation for minimizing the pollution that produced, and the action which has been done, such as: <ul style="list-style-type: none"> ➤ Maintenance or routine service due to the machine which is the source of pollution. ➤ Planting species of trees. ➤ Socialization or warning regarding to the efficiency of energy and the forbidden warning for burning of the household trash. Unit of BCE has been showing the documentation of the removal of former spilled diesel which is in the area of gas station. Unit of BCE has been showing minutes of meeting of socialization for the employee and society who lives in BCE housing, related to the management of domestic waste and has been held on 16 August 2016. Unit of BEE has been showing the document of minutes of meeting of socialization to the employee and society who lives in BEE housing, related to the management of domestic waste which has been held on 4 August 2016. 23 September 2016 <ul style="list-style-type: none"> The company showed Work Instruksion of admissions process of diesel fuel and Work Instruksion of filling process and also documentation of installation of Work Instruksion in the area around the diesel fuel tank which used by workers as a guide for does not cause pollution of soil. The company showed a location map of the landfill that situated in the estate. 			
Corrective Action <i>(filled by organization audited):</i>			

- Provides Filing System for maintaining document of plan and realization of pollution and GHG mitigation
- Provides an understanding the procedures for solar charging to prevent spills
- Provide awareness to the community who live in housing about the impact of pollution for life and the sources of pollution as well as efforts to minimize the pollution.

Assessor Evaluation and Conclusion *(filled by auditor):*
29 August 2016

The corporate has been showing the corrective evidence, such as:

- The corporate has been showing the planning and realization of pollution and GHG mitigation for 2016 with kind of type, such as:
 - Planting trees which is planned on December 2016.
 - Repairing of air conditioner which is done three times in a year and has been realized on March and July 2016.
 - Improvement and maintenance of heavy equipment and genset which have been done every month.
 - Socialization for the efficiency of electricity.
 - Forbidden burning of household trash.
 - Planting of LCC in the new area.
- The corporate has been showing the photo of clearance in the fuel tank area which is leak.
- The corporate has been showing the socialization regarding to the domestic waste management and agronomy in accordance with the SOP to 40 workers in BCE on 16 August 2016 and in BEE on 4 August 2016 to 15 workers. In the minutes of meeting has been mentioned that the domestic waste is managed by separating the type of waste (organic waste and inorganic waste); for the organic waste, it can be discarded in a special place to be used as mulching; and for the inorganic waste has to be buried with the range 500 meter from the water body. The company could not prove that inorganic waste has to be buried with the range 500 meter from the water body.

Based on the explanation above, so the nonconformity No. 2016.31 is not yet closed.

23 September 2016

- The Company shows WI-00 dated 17 September 2016 on the process of filling the fuel which describes the prevention of fuel spills by providing the collecting bucket of fuel at the stop valves / connections.
- The company showed location map of the final disposal (landfill) situated in the estate. For BCE distance between the landfill with water bodies within ± 4 km. While the BCE distance landfill by water bodies within ± 900 meters.

Based on the evidence, this needs to be confirmed again during field visits.

Major verification on 5 October 2016

BCE and BEE field visit showed that:

- The results of field visits in BCE fuel tank showed that the fuel nozzle has been given a container of the drum to accommodate if there are droplets of diesel fuel.
- Domestic waste in BCE and BEE had not dumped behind the house and also not burnt. In housing are provided trash bags (organic and organic).
- Domestic waste that produced in housing are transported every 2-3 days to landfills in block 320 division 2 BCE and away from water bodies.

The Company has shown the documents in form of internal memo about the ban on the hazardous waste use (No. 0125 / BEE / EST / X / 2016) to all employees. In addition, the company will perform the inspection program every 3 months to housing for the use of hazardous waste materials and domestic waste. Based on the evidence, the Nonconformity No. 2016.32 is closed. The effectiveness of corrective actions and consistency will be seen in the next audit.

Verified by : -

NCR No. :

2016.32
Issued by : -

Date Issued	: 26 June 2016	Time Limit	: 23 August 2016
NC Grade	: Major	Date of Closing	: 5 October 2016
Standard Ref. & Requirement	: 6.1.2 6.1.5 7.1.1		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> The company could not show that the social impact assessment in 2015 conducted by involving smallholder.			
Root Cause Analysis <i>(filled by organization audited):</i> Assessment document of social impact which is owned still not involving the smallholders.			
Correction <i>(filled by organization audited):</i> 23 August 2016 PT PP London Sumatra Indonesia, Tbk has been showing the document result of interview and list of attendance the assessment of social impact which was involving the smallholders and has been held on 1 July 2016.			
Corrective Action <i>(filled by organization audited):</i> Creating the list of stakeholders who were related in the assessment of social impact.			
Assessor Evaluation and Conclusion <i>(filled by auditor):</i> 23 August 2016 The corporate has been showing the interview result with the representative of smallholders from Air Bening Region Village Cooperative Unit on July 2016. The corporate must can be showing the result assessment of social impact which was based on the interview result with smallholders. Based on the explanation above, so the Nonconformity No. 2016.32 is not yet closed. Major Verification on 5 October 2016 The company has show SIA reports to the smallholder that include describes issues that developed, positive impacts, negative impacts and efforts made to reduce the negative impact. Based on the explanation, Nonconformity No. 2016.32 is closed.			
Verified by	: -		

NCR No.	: 2016.33	Issued by	: -
Date Issued	: 26 June 2016	Time Limit	: 23 August 2016
NC Grade	: Major	Date of Closing	: 5 October 2016
Standard Ref. & Requirement	: 6.5.2 Collective Labor Agreement/Company Regulation, in accordance with the manpower regulations, shall be available in understandable language; and explained by the management or Labor Union to the workers		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> The management unit has not been able to demonstrate clearly the calculation of the overtime hours. Based on interviews with workers at the mill grading Belani Elok, overtime per hour is 1/7 x HK. This is not in accordance with the regulations Ministerial Decree 102 of 2004 concerning overtime and overtime pay.			

Root Cause Analysis *(filled by organization audited):*

Shortage of permanent worker in resolving operational work, while daily workers work based on working days

Correction *(filled by organization audited):*

23 Agustus 2016

PT PP London Sumatra Indonesia, Tbk has been showing the document of internal of memorandum No. 017/HRD/CIR-G/VIII/2016 on 14 August 2016 regarding the overtime for laborer, which is if the laborer has been finished their work in the outside of work hour, so the overtime will be given in accordance with the labor applicable regulation.

Corrective Action *(filled by organization audited):*

The implementation over the internal memo for the calculation of over time for laborer in accordance with applicable regulation.

Assessor Evaluation and Conclusion *(filled by auditor):*

23 August 2016

The corporate has been showing the internal of memorandum No. 017/HRD/CIR-G/VIII/2016 on 14 August 2016 related to the overtime for laborer, however still can not explaining such as:

- What kind of labor regulation which is used as the indicator for the calculation of overtime.
- How is the type of socialization from the internal memo to the worker.
- How is the detail calculation of over time which has been mentioned in the internal memo.
- How did the corporate can show that the internal memo has been implemented in the field.

Based on the explanation above, the Nonconformity No. 2016.33 is not yet closed.

Major verification o 5 October 2016

Based on interviews with HR and Head Section known that labor legislation referred to is Manpower Minister Decree No. 102 of 2004, but is not written specifically for accommodating the case of regulatory changes on the calculation of overtime.

The POM has demonstrated submission form overtime made by each employee. This form describes the date, hours of work, overtime approval and percentage of overtime hours. Based on the salary slip Employee No. P81800074 as FFB sorting workers is known overtime wages paid in accordance with the applicable labor legislation, namely the first overtime hours multiplied by 150% and the second hour multiplied by 200%. Overtime values is obtained from the minimum wages / 173.

Overtime calculation has been implemented since July 2016 (paid in August 2016). Based on the explanation, Nonconformity No. 2016.33 is closed.

Verified by :

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NCR No.	:	2016.34	Issued by	:	-
Date Issued	:	26 June 2016	Time Limit	:	ASA-2
NC Grade	:	Minor	Date of Closing	:	14 July 2017
Standard Ref. & Requirement	:	6.6.2 Records of meetings with labor unions or workers representatives shall be available.			
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i>					
The company cannot show evidence of registration of union meetings that have been implemented.					

Root Cause Analysis <i>(filled by organization audited):</i> The workers union does not have a document storage system (filing) of the meeting and other SPSI activities.	
Correction <i>(filled by organization audited):</i> Record the activities of meetings conducted by workers unions.	
Corrective Action <i>(filled by organization audited):</i> Secretary of SPSI shall implement concurrently the document storage system of meeting meetings and other activity documents.	
Assessor Evaluation and Conclusion <i>(filled by auditor):</i> 14 July 2017 The Company shows the meeting note between the organization and Head of PUK.FSPPP.SPSI, for example: <ul style="list-style-type: none"> - PUK.FSPPP.SPSI.BCE dated February 17, 2016, attended by 47 people. - PUK.FSPPP.SPSI.BCE dated February 17, 2017, attended by 32 people. Based on the explanation, the nonconformity NCR. No. 2016.01 is declared closed.	
Verified by	: Sofyan Hadi Lubis

NCR No.	: 2016.35	Issued by	: -
Date Issued	: 26 June 2016	Time Limit	: 23 August 2016
NC Grade	: Major	Date of Closing	: 6 October 2016
Standard Ref. & Requirement	6.9.1 A policy to prevent sexual and all other forms of harassment and violence, shall be documented, implemented and communicated to all levels of the workforce		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> Based on a review of documents, interviews with unions as well as interviews with workers can be informed that the current in mill and estate has not provided forum /gender committee specifically related to issues of interest to women. This committee, which should consist of representatives from all areas of work, will consider issues related to women in the workplace.			
Root Cause Analysis <i>(filled by organization audited):</i> Having the female worker who has been chosen as the representative to delivering the problem which is related to female, however still not yet in the form of a gender committee structure.			
Correction <i>(filled by organization audited):</i> 29 August 2016 PT PP London Sumatra Indonesia, Tbk has been showing the structure of Committee Gender of Woman Protection in the form of flow chart. The highest structure was start from the level of builder, Chairman, Secretary, Division of Service, Division of Health for Mother and Children, Division of Counseling Service, and Counseling. The committee structure was formed based on : <ul style="list-style-type: none">• Unit of BCE was formed based on the regulation No. 01/BCE/SK/VIII/2016 on 13 August 2016 which was established by the Estate Manager and the Department of Labour.• Unit of BEE was formed based on the regulation No. 01/BEE/SK/VIII/2016 on 1 August 2016 which was established by the Estate Manager and The Department of Labour.• Unit of Belani Elok POM was joining in the structure of gender committee in BCE due to there're only three women worker who work in BE-POM.			

23 September 2016

- The company showed Committee Gender Structure of Women's Protection of BHE is in the structure of the Secretary Mr. Herman Jaya is representative of BEPOM.
- The company showed documentation of gender socialization committee by attaching a gender committee structure at the division office and first aid post to be known by workers.

Corrective Action (filled by organization audited):

Creating the work programme for gender committee that has been build.

Assessor Evaluation and Conclusion (filled by auditor):
29 August 2016

The corporate has been showing the organizational structure and the establishment of gender committee in BCE and BEE. However, the corporate has still can not show that the workers have been known the existence of gender committee as the place for handling the women rights.

Based on the corrective evidence which has been sent, the non conformance No. 2016.35 is not yet closed.

23 September 2016

- The company showed Committee Gender Structure of Women's Protection of BHE is in the structure of the Secretary Mr. Herman Jaya is representative of BEPOM.

The company showed documentation of gender socialization committee by attaching a gender committee structure at the division office and first aid post to be known by workers.

Major verification on 5 October 2016

Based on interviews with women working in the BEE, BCE and BEPOM, it is known that workers already know the gender committee structure and the things what to do in case of sexual harassment.

Based on the evidence, the Nonconformity No. 2016.35 is closed. The effectiveness of corrective actions and consistency will be seen in the next audit.

Verified by : -

NCR No.	: 2016.36	Issued by	: -
Date Issued	: 26 June 2016	Time Limit	: ASA-2
NC Grade	: Minor	Date of Closing	: 14 July 2017
Standard Ref. & Requirement	: 6.10.4 Agreed payments shall be made in a timely manner.		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> The company could not show information of payment FFB to smallholders are paid on time.			
Root Cause Analysis <i>(filled by organization audited):</i> The payment mechanism of FFB to the smallholders is carried out by the <i>Plasma Finance Control (PFC)</i> Departments in Palembang and Jakarta and the <i>Treasury Department</i> in Jakarta. Payment time \pm 2-3 weeks after the Plasma Region cover report. At the time of audit activities, recapitulation of payment proof schedule can not be shown yet.			
Correction <i>(filled by organization audited):</i> The PFC Department sends the FFB Plasma Payment Schedule annually in the form of Internal Memo PFC Manager			

to Region and POM, for example document No. 02 / PFC / REG / XII / 2016 dated December 15, 2016 to schedule payment of TBS Plasma in 2017.

For example, payments to the Plasma Farmer a.n. M. Taufiq Assidiq for the production of FFB dated May 16-31, 2017 (the closing period of May 31, 2017), has been processed PFC dated June 1, 2017, the payment date of June 20, 2017. Transfer of evidence to M. Taufiq Assidiq on June 20, 2017 from Bank BCA Indocement Sudirman in Jakarta to Bank BNI Syariah Palembang Branch.

Corrective Action *(filled by organization audited):*

The Region and POM units will coordinate with the *PFC Department and the Treasury Department* on procurement schedule and proof of payment of FFB purchases to Plasma Farmers / smallholders.

Assessor Evaluation and Conclusion *(filled by auditor):*

Based on Root Cause Analysis, Correction and Corrective Action Which is shown to the auditor, **the nonconformity NCR. No. 2016.36 is declared closed.**

Verified by : Sofyan Hadi Lubis

NCR No.	: 2016.37	Issued by	: -
Date Issued	: 26 June 2016	Time Limit	: 23 August 2016
NC Grade	: Major	Date of Closing	: 5 October 2016
Standard Ref. & Requirement	6.13.1 A policy to respect human rights shall be documented and communicated to all levels of the workforce and operations.		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> The Company has not been able to show evidence socialization of human rights for management unit BCE.			
Root Cause Analysis <i>(filled by organization audited):</i> Regarding the human rights contained in the policy of Business Conduct Instruction has been known by all staff and communicated to all employees by their respective superiors, but not well documented.			
Correction <i>(filled by organization audited):</i> 22 August 2016 PT PP London Sumatra Indonesia, Tbk Unit of BCE has been showing the evidence document of human rights socialization which has been held on 16 August 2016. 20 September 2016 The corporate has been showing the document of human rights socialization for other unit of estate, such as: 1. BHE has been implemented the socialization of human rights on 16 September 2016. 2. Ketapat Bening Estate has been implemented the socialization of human rights on 14 September 2016. 3. Sei Kepayang Estate has been implemented the socialization of human rights on 9-14 September 2016.			
Corrective Action <i>(filled by organization audited):</i> Creating the schedule for socializing the applicable policy in the corporate.			
Assessor Evaluation and Conclusion <i>(filled by auditor):</i> 22 August 2016			

Based on the corrective evidence which has been sent, the corporate is still in the scope of BCE, whereas the corrective action that has been requested was the evidence of human rights socialization for all workers.

Based on the corrective evidence which has been sent, the Nonconformity No. 2016.37 is not yet fulfilled.

20 September 2016

The corporate has been showing the record evidence for socialization of human rights policy in Bukit Hijau Estate, Ketapat Bening Estate, and Sei Kepayang Estate which have been given to all workers.

This matter will be verified during the field visit.

5 October 2016

Based on interviews with spray workers, BCE staff, sorting workers, sterilizer workers and operators in the engine room, it is known that the personnel have been trained on human rights and workers understand what is presented related to human rights.

Verified by : -

NCR No.	: 2016.38	Issued by	: -
Date Issued	: 26 June 2016	Time Limit	: 23 August 2016
NC Grade	: Major	Date of Closing	: 31 August 2016
Standard Ref. & Requirement	: 7.2.1 Soil suitability maps or soil surveys adequate to establish the long-term suitability of land for oil palm cultivation shall be available and taken into account in plans and operations.		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> The Company has not been able to show the map and study the suitability of land for oil palm cultivation in the area of exploitation permit for the company in a sufficient scale and determine the strategy of land management of the identification results, taking into account the factor of Agronomy and conservation, to develop sustainable palm oil.			
Root Cause Analysis <i>(filled by organization audited):</i> Land map which has been shown during the audit activity still not yet have an available scale.			
Correction <i>(filled by organization audited):</i> 23 August 2016 PT PP London Sumatra Indonesia, Tbk has been showing the land map with scale 1: 60.000 for the unit of Batu Cemerlang Estate and Belani Elok Estate. 31 August 2016 The corporate has been showing the type of land map with the scale 1:50,000 for unit of Batu Cemerlang Estate and Belani Elok Estate.			
Corrective Action <i>(filled by organization audited):</i> Positioning the land map which is available in each estate.			
Assessor Evaluation and Conclusion <i>(filled by auditor):</i> 23 August 2016 The corporate has been showing the type of land map with the scale 1:60,000. However the type of land map with the scale 1 : 50,000 is still not available.			

31 August 2016

The corporate can show the land map of soil survey result in 2014 with scale 1 : 50,000. The land map which has been sent, assessed has been fulfilled the cartographic rules. Based on the corrective evidence which has been sent, the Nonconformity No. 2016.38 is closed.

Verified by : -

NCR No.	: 2016.39	Issued by	: -
Date Issued	: 26 June 2016	Time Limit	: 23 August 2016
NC Grade	: Major	Date of Closing	: 31 August 2016
Standard Ref. & Requirement	: 7.8.1 The carbon stock of the proposed development area and major potential sources of emissions that may result directly from the development shall be identified and estimated		

Non-Conformance Description & Evidence observed (filled by auditor):

Based on the study document Hectare Statement February 2016, known that there are new land clearing in 2015 covering an area of 11.82 hectares in BHE but the company has not been able to show the carbon stock assessment for the area.

Root Cause Analysis (filled by organization audited):

The document has still not yet distributed to unit due to during the implementation of document audit was still in the finalization process between the consultant and the related department.

Correction (filled by organization audited):
29 August 2016

PT PP London Sumatra Indonesia, Tbk has been showing the document result of carbon stock assessment in 2015 for 11,82 of total area in BHE.

20 September 2016

The corporate has been showing based on the carbon stock document and GHG Emission Study in 2015 by Bogor Agricultural University, and the overlay of study document map with map of Bukit Hijau Estate, have been explaining for the site opening area in 2015 for 11,82 Ha of total area in BHE which have two cover sites that was consist of Mix Garden (3,95 Ha) and Old Shrub (7,87 Ha).

Table of Carbon Stok based on type of cover site for the new site of opening area in 2015 with 11,82 Ha of total area

No	Land cover	Area (Ha)	C Stock (ton C/Ha)	C Stock (ton C)
1	Mix garden	3.95	41.10	162.34
2	Old shrub	7.87	15.00	118.05
	Total	11.82		280.39

Total of carbon stock for new development area in 2015 with 11,82 Ha of total area are 280,39 ton C, with the average 23,72 ton C per Ha. The highest density of carbon stock was found in Mix Garden as much 41,1 ton C per Ha.

Corrective Action (filled by organization audited):

Positioning the document result assessment of carbon stock in the unit of estate.

Assessor Evaluation and Conclusion (filled by auditor):
29 August 2016

The corporate has been showing the carbon stock and GHG Emission Study in 2015 by Bogor Agricultural University which was explaining the assessment of carbon stock in BHE by using the IPCC method in 2006. The assessment had been done in the operational area of BHE with total area as much 3,765.52 Ha and with total CO₂ of emission which have been produced from the cover site change during 2005 until 2016 as much 5,516.41 tons C. The highest change due to the conversion of mix forestry. However, the corporate still not yet showing the carbon stock in the area which has been opened after 1 January 2015. The Nonconformity No. 2016.39 is not yet fulfilled.

20 September 2016

The corporate has been showing the result of carbon stock assessment for the area that has been opened after 1 January 2015 as much 11.82 Ha of total area. Based on the assessment result, it's known that the area was consist of mix garden as 3.95 Ha and old shurb as 7.87 Ha with total carbon stock 280.39 ton C.

Based on the corrective evidence which has been sent, the Nonconformity No. 2016.39 is **closed**.

Verified by : -

NCR No.	: 2016.40	Issued by	: -
Date Issued	: 26 June 2016	Time Limit	: 23 October 2016
NC Grade	: Major	Date of Closing	: 6 October 2016
Standard Ref. & Requirement	: 8.1.1 The action plan for monitoring shall be available, based on a consideration of the social and environmental impacts and routine evaluation of the plantation and mill operations.		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> From the results of non-conformities identified during the ASA-1, auditors team assessed that there is systematic failures associated with the recurrence of nonconformity on the results of previous audits (ST-2), such as: 1) The company could not show a legal boundary map that describes all legal boundary markers and boundary markers in monitoring the results of BCE (2.2.2). 2) Based on the field in the housing BEE and BCE found ex pesticide containers are discarded and used for other purposes (4.6.6 and 5.3.2).			
Root Cause Analysis <i>(filled by organization audited):</i> It has not been an analysis of the factors that cause the problems occurred			
Correction <i>(filled by organization audited):</i> 5 October 2016 Using Tools Fishbone (PICA) in analyzing a problem so that effective treatment measures taken and the accompanying precautions so the same problem do not reoccur.			
Corrective Action <i>(filled by organization audited):</i> Make PICA data sheet available to provide information on the history of effective action ever done of the issues involved, so it can be used as a reference for the analysis of other issues.			
Assessor Evaluation and Conclusion <i>(filled by auditor):</i> 5 October 2016 The Company has demonstrated PICA documents that have been reviewed by management. In addition, the company showed a letter of invitation to conduct the management review. Based on the explanation, the Nonconformity No. 2016.40 is closed .			
Verified by	: -		

NCR No.	: 2016.41	Issued by	: -
Date Issued	: 26 June 2016	Time Limit	: 23 July 2016
NC Grade	: NC	Date of Closing	: 5 October 2016
Standard Ref. & Requirement	: E.3.1		
Non-Conformance Description & Evidence observed (filled by auditor): The mill has procedures SCCS however the management unit can not show their implementation of SCCS procedures and interviews with mill workers showed that they do not understand about the procedure of SCCS.			
Root Cause Analysis (filled by organization audited): Lack of awareness from the employee regarding to SCCS procedure that was owned by the corporate.			
Correction (filled by organization audited): 23 August 2016 PT PP London Sumatra Indonesia, Tbk. has been showing the document of RSPO Supply Chain and E-trace training which have been held on 4-5 of August 2016 and have been participated by staff and employee of Belani Elok POM.			
Corrective Action (filled by organization audited): Do the training activity regarding to the owned procedure by the corporate for employee.			
Assessor Evaluation and Conclusion (filled by auditor): 23 August 2016 PT PP London Sumatra Indonesia, Tbk has been implementing the supply chain training on 4-5 of August 2016 and has been followed by 70 people. The understanding of SCCS Procedure to the employee will be re-verified by the field visit. 5 October 2016 The results of interviews with ECSR staff and clerk of crop in POM known that they already know how to document a separation between FFB that come from certified area and non certified area. Based on the explanation, the Nonconformity No. 2016.41 is closed .			
Verified by	: -		

NCR No.	: 2016.42	Issued by	: -
Date Issued	: 26 June 2016	Time Limit	: 23 July 2016
NC Grade	: NC	Date of Closing	: 5 October 2016
Standard Ref. & Requirement	: E.3.2		
Non-Conformance Description & Evidence observed (filled by auditor): The management unit has procedures to split reception SCCS FFB certified and non-certified, but the unit has not able to show the implementation of the SCCS procedures that have been.			
Root Cause Analysis (filled by organization audited): Lack of awareness from the employee regarding to SCCS procedure that was owned by the corporate			

Correction (filled by organization audited):
23 August 2016

PT PP London Sumatra Indonesia, Tbk. has been showing the document of RSPO Supply Chain and E-trace training which have been held on 4-5 of August 2016 and have been participated by staff and employee of Belani Elok POM.

Corrective Action (filled by organization audited):

Do the training activity regarding to the owned procedure by the corporate for employee.

Assessor Evaluation and Conclusion (filled by auditor):
23 August 2016

The corporate has been showing the implementation of SCCS procedure which is the sign giving in the delivery note in the form of FFB RSPO certified stamp for the FFB which is coming from the estate that has been certified of RSPO and the ungiven stamp for the estate which is coming from the estate that still not yet get the RSPO certified.

The corporate still can not explaining since when the implementation of sign using such as stamp of FFB RSPO certified for the FFB which is coming from the estate that has been getting the RSPO certified and the ungiven stamp for the estate which is coming from the estate that still not get the RSPO certified.

Based on the explanation above, the Nonconformity No. 2016.42 is not yet closed.

Major verification on 5 October 2016

Based on interviews with ECSR staff note that tagging of delivery note can not be applied in Bingin Teluk Location because there are some areas that not include the scope of the RSPO certification and during FFB transport in the field possibility of blocks certified and non-certified mixed. The company has demonstrated Internal Memo No. 39 / ACER-E / PBO / IX / 2016 dated August 22, 2016 to the AMA of Bingin Teluk, AME of Bingin Teluk and Mill Manager related RSPO certified supply chain system. The IM explained about:

- Data clerk in the AMA office prepare the daily data of FFB certified delivery to the mill based on delivery note and block magement.
- The AMA staff check, assess and validate the data of FFB certified delivery.
- the data of FFB certified delivery is notified to the mills and Mill clerk will keep records of FFB certified reception into daily production report
- The prouction staff of mill check, assess and validate the data of daily production report.
- Mill report document daily production report to magement.

Based on the explanation above, the Nonconformity No. 2016.42 is closed.

Verified by : -

NCR No.	:	2016.43	Issued by	:	-
Date Issued	:	26 June 2016	Time Limit	:	23 July 2016
NC Grade	:	NC	Date of Closing	:	5 October 2016
Standard Ref. & Requirement	:	E.4.1			
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> Mill has not shown documentation of amount certified and non certified FFB that received since the mill has been RSPO certified.					
Root Cause Analysis <i>(filled by organization audited):</i> Lack of awareness from the employee regarding to SCCS procedure that was owned by the corporate					

Correction (filled by organization audited):
23 August 2016

PT PP London Sumatra Indonesia, Tbk. has been showing the document of RSPO Supply Chain and E-trace training which have been held on 4-5 of August 2016 and have been participated by staff and employee of Belani Elok POM.

PT PP London Sumatra Indonesia, Tbk has been showing the document of FFB certified registration and non certified for the period of January 2015 until June 2016.

Corrective Action (filled by organization audited):

Doing the documentation of FFB certified and non certified in each unit of estate and mill.

Assessor Evaluation and Conclusion (filled by auditor):
23 August 2016

The corporate has been showing the separation of volume between the FFB certified and non certified for the period of 2015 and 2016.

Unit of management not yet showing the documentation of separation of FFB certified and non certified since getting the RSPO Certificate (18th of September 2015) until the ASA-1 audit activity has been done.

Nonconformity No. 2016.43 is not yet closed.

Major verification on 5 October 2016

The corporate has been showing the separation of volume between the FFB certified and non certified for the period of daily, monthly and since getting the RSPO Certificate, such as in January 2016 there is reception of RSPO certified FFB as 4,431.618 tons and non certified FFB as 10,895.402 Ton

Based on the explanation above, the Nonconformity No. 2016.43 is closed.

Verified by : -

NCR No.	: 2016.44	Issued by	: -
Date Issued	: 26 June 2016	Time Limit	: 23 July 2016
NC Grade	: NC	Date of Closing	: 5 October 2016
Standard Ref. & Requirement	: E.4.2		
Non-Conformance Description & Evidence observed (filled by auditor): The mill has not shown documentation volume of FFB, CPO and PK RSPO certified and non-certified that produced since the mill has been RSPO certified.			
Root Cause Analysis (filled by organization audited): Lack of awareness from the employee regarding to SCCS procedure that was owned by the corporate			
Correction (filled by organization audited): 23 August 2016 PT PP London Sumatra Indonesia, Tbk. has been showing the document of RSPO Supply Chain and E-trace training which have been held on 4-5 of August 2016 and have been participated by staff and employee of Belani Elok POM. The corporate has been showing the separation of FFB reception and production of certified product (CPO and PK) which conducted based on internal memorandum (IM) No. 100/ECSR-JKT/VIII/2016 on 18th of August 2016 regarding			

to the data acceptance of FFB, production of certified product (CPO and PK) and non certified product.

Corrective Action (filled by organization audited):

Doing the documentation of FFB certified and non certified in each unit of estate and mill.

Assessor Evaluation and Conclusion (filled by auditor):

23 August 2016

The corporate has been showing the internal of memorandum (IM) No. 100/ECSR-JKT/VIII/2016 on 18th of August 2016 regarding to the data acceptance of FFB, CPO production, and certified PK and non certified of RSPO that must be sent every month to the ECSR department to be informed to the RSPO certification body, if there's an estimation of overage production of total certified of FFB.

Unit of management not yet showing the documentation of certified volume of FFB, CPO and PK which produced since the mill get RSPO Certificate (18 September 2016).

Nonconformity No. 2016.44 is not yet closed.

Major verification on 5 October 2016

The corporate has been showing the documentation of certified volume of FFB, CPO and PK for the period of daily, monthly and during the RSPO Certificate period. The company can show the documentation of certified product (CPO and PK) which produce since mill get RSPO certificate until ASA-1 (23 June 2016) as 8,482.661 Ton CPO and 2,283.42 Ton PK.

Based on the explanation above, the Nonconformity No. 2016.44 is closed.

Verified by : -

NCR No.	:	2016.45	Issued by	:	-
Date Issued	:	26 June 2016	Time Limit	:	23 July 2016
NC Grade	:	NC	Date of Closing	:	5 October 2016
Standard Ref. & Requirement	:	E.5.1			
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> The mill has not shown documentation RSPO certified volume of FFB reception and delivery of products.					
Root Cause Analysis <i>(filled by organization audited):</i> Lack of awareness from the employee regarding to SCCS procedure that was owned by the corporate					
Correction <i>(filled by organization audited):</i> 23 August 2016 PT PP London Sumatra Indonesia, Tbk. has been showing the document of RSPO Supply Chain and E-trace training which have been held on 4-5 of August 2016 and have been participated by staff and employee of Belani Elok POM. The corporate has been showing the documentation of FFB reception, production of certified product (CPO and PK) and despatch of product.					
Corrective Action <i>(filled by organization audited):</i> The implementation of FFB acceptance documentation with RSPO certified and non certified of RSPO in each unit of estate and mill.					

Assessor Evaluation and Conclusion *(filled by auditor):*
23 August 2016

The corporate has been showing the documentation of FFB reception, production of certified product (CPO and PK) and despatch of product. But not yet explain regarding the despatch of certified product or non certified product since the mill get RSPO certificate (18 September 2016).

Nonconformity No. 2016.45 is not yet closed.

Major verification on 5 October 2016

The corporate has been showing the documentation of certified volume of FFB, CPO and PK for the period of daily, monthly and during the RSPO Certificate period. The company also shows the documentation of product despatch as certified product or non certified product since mill get RSPO certificate until ASA-1 (23 June 2016).

Based on the explanation above, the Nonconformity No. 2016.45 is closed.

Verified by : -

NCR No.	:	2016.46	Issued by	:	-
Date Issued	:	26 June 2016	Time Limit	:	23 July 2016
NC Grade	:	Minor upgrade major	Date of Closing	:	31 August 2017
Standard Ref. & Requirement	:	RSPO Certification System 4.2.4.e			
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> Partial Certification Identified planting since 1 January 2010 in PT PP LONSUM - Bingin Teluk Location that are outside the scope of certification covering an area of 4,468.45 hectares. This area is yet to be shown evidence of partial certification because it is part of the TBP.					
Root Cause Analysis <i>(filled by organization audited):</i> internal audit has not been performed					
Correction <i>(filled by organization audited):</i> Conducting internal audit on areas that have not been certified					
Corrective Action <i>(filled by organization audited):</i> Perform internal partial certification audit activities regularly at least once a year					
Assessor Evaluation and Conclusion <i>(filled by auditor):</i> 14 July 2017 The Company has not shown the correction of the Nonconformity , so it been upgrade from minor to major. 31 August 2017 The management unit has demonstrated the results of internal assessments for areas that not yet RSPO by RSPO such as the Bingin Teluk area which still in process of HGU. Assessment activities were conducted on 20 July 2017, based on the assessment results revealed that there are still discrepancies related to the compliance of regulations such as HGU. The management unit also shows the process of handling it, where the last process performed by the					

management unit is to complete the lack of data according to the letter from BPN RI dated 14 June 2017.

Based in the evidence, **Nonconformity 2016,46 is closed with observation.**

Verified by	:	Ardiansyah
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3.5.2 Identification of Findings, Corrective Actions and Observations at ASA-2 Assessment

NCR No.	: 2017.01	Issued by	: M Amarullah, Sofyan Hadi Lubis, Hasiholan Sihombing
Date Issued	: 14 July 2017	Time Limit	: 13 September 2017
NC Grade	: Major	Date of Closing	: 16 September 2017
Standard Ref. & Requirement	: 2.1.1 Evidence of compliance with relevant legal requirements shall be available.		
Non-Conformance Description & Evidence observed (filled by auditor): Based on field observations, the following are found: <ul style="list-style-type: none"> • Hazardous waste warehouse in KBE dot not have a permit from Government Agency. This is not comply with PP No. 101, year 2014. • Based on observation to hazardous waste warehouse in BEPOM, KBE and BHE, eyewash and alarm were not available. This is not comply with KepBapedal No. 1, year 1995. • Based on observation to hazardous waste warehouse in BEPOM, BHE and KBE, symbols and labels of hazardous materials waste were not in accordance with PermenLH No. 14 year 2013. • Based on observation to agrochemicals (pesticide) warehouse in KBE and BEE, symbols and labels of hazardous materials were not in accordance with PermenLH No. 03, year 2008. • Based on document review and interview with boiler operator, it is known that boiler operation is divided into 3 shifts per day. Boiler capacity is 40 ton/hour and the company has 4 licensed operators Class I category for all shifts. This is not in accordance with Appendix 1 of Regulation of the Minister of Labor No. 1 of 1988 about the number of steam aircraft operators. • Belani Elok POM has a first aid officer who has received first aid training under license no: 058/P3K/X/2014 with validity period until 1 October 2017, but can not shown the first aid officer license for KBE and BHE. This is not in accordance with Annex 1 of Regulation of the Minister of Labor No. 15 of 2008 about the ratio of number of first aid officers in the workplace with the number of workers based on the classification of the workplace. • The company has not been able to show evidence submitted development of plantation business report to relevant agency, as stipulated in "Permentan No. 98/2013" related to Plantation Business Guidelines. 			
Root Cause Analysis (filled by organization audited): The company already has a mechanism to monitor the regulations to be applied to the Estate and Factory in SOP EMS - P02 about Legal Requirement, but it still needs to be improved in coordination in the implementation of regulations in the field.			
Correction (filled by organization audited): Estate and Mill must apply the rules and regulations that have been introduced into the real activity on the field.			
Attached evidence of corrective actions taken: <ol style="list-style-type: none"> License of hazardous waste warehouse The Company shows the Letter of application for license of hazardous waste warehouse in Ketapat Bening Estate to Environmental Agency of Musi Rawas Utara District on 10 August 2017. Followed up by Environmental Agency of Musi Rawas Utara District through Letter No. 660/802 / DLHP / II / 2017 dated August 16, 2017 to supersede the administrative requirements of hazardous waste warehouse permit. Company follow up letter from Environmental Agency of Musi Rawas Utara District through letter No. 17 / ENV-EXT / VIII / 2017 dated August 21, 2017 on August 23, 2017. Company email addressed by Environmental Agency of Musi Rawas Utara District via email on August 25, 2017 that has received the file in the form of softcopy for the next file will we learn and if it is complete can proceed to the next process of technical verification. Belani Elok POM (BEPOM), Bukit Hijau Estate (BHE) and Ketapat Bening Estate (KBE) show documentation in the form of Eyewash installation and emergency sound (bells) that are placed in hazardous waste warehouse. 			

3. Bukit Hijau Estate (BHE), Ketapat Bening Estate (KBE) and Belani Elok POM (BEPOM) shows photo of Installation of hazardous waste symbol at hazardous waste warehouse, BHE, KBE and BEPOM also shows document of Minutes of Socialization of hazardous waste symbol which was conducted on 1 August 2017 and 11 August 2017.
4. Bukit Hijau Estate (BHE) and Ketapat Bening Estate (KBE) has shown photo of Installation of hazardous symbol in Warehouse of Fertilizer, Pesticide, Oil and Solar Tank and shows record of of hazardous symbol socialization conducted on 1 August 2017 and 11 August 2017
5. The Company shows the minutes of completion of the Training and Certification of First Aid (P3K) conducted by PT. Safety Sumber Sukses (PT SASES) on 24 until 26 August 2017, which was followed by 20 participants.
6. The Company shows the minutes of the completion of the Training and Certification of Class II Steamship Operators conducted by PT Safety Sumber Sukses (PT SASES) on 24 until 26 August 2017, which was followed by 11 participants.
7. Evidence of reporting development of plantation business to relevant agency.
The company has show document of activity latter dated August 03, 2017 related to reporting development of plantation business to relevant agency (Agriculture and Fisheries Agency of Musirawas Utara District).

Corrective Action (filled by organization audited):

Monitoring the application of applicable laws and regulations in the Estate and Mill in accordance with SOP EMS P02 which stipulates:

1. Dept ECSR (Environment & Corporate Social Responsibility) is responsible for identifying regulations.
2. Monitoring the implementation of the regulation by using Form Evaluation of SPO Regulations.
3. Monitoring of implementation at least once a year by ECSR Regional Staff and evaluated by using Form Evaluation of SPO Regulations.

Assessor Evaluation and Conclusion (filled by auditor):

31 August 2017

The Company shows improvement documents, among others:

1. The management unit has shows the process of obtaining the hazardous waste warehouse license in Ketapat Bening Estate. Based on the last communication conducted (August 25, 2017) it is known that Environmental Agency of Musi Rawas Utara District has received administrative completeness and will study the document. After the inspection is done and declared complete it will be done technical verification.
2. The management unit has demonstrated documentation of bell installation at hazardous waste warehouse in Belani Elok POM and Bukit Hijau Estate, as well as installation of alarms at hazardous waste warehouse in Ketapat Bening Estate. Besides, there is also documentation of eyewash installation in hazardous waste warehouse of Belani Elok POM, Bukit Hijau Estate and Ketapat Bening Estate.
3. The management unit has documented the installation of hazardous waste symbols at hazardous waste warehouse in Belani Elok POM, Bukit Hijau Estate and Ketapat Bening Estate.
4. The management unit has shows the record of hazardous symbol installation at Bukit Hijau Estate and Ketapat Bening Estate. Locations equipped with hazardous symbols are pesticide store, olie store, fertilizer store and solar tank area.
5. Documentation evidence such as the minutes of completion of Training and Certification of First Aid followed by 20 participants on 24-26 August 2017 also Training and Certification of Class II Steamship operators which was attended by 11 participants on 24-26 August 2017. However, the auditor has not received any related information a list of names of workers attending first aid and steamship operators training. In addition, no certificates or licences have been shown for workers who have attended the training.
6. The company has show document of activity latter dated August 03, 2017 related to reporting development of plantation business to relevant agency (Agriculture and Fisheries Agency of Musirawas Utara District).

The management unit should provide additional explanations regarding the root cause and corrective action. Based on this, the Non-Conformity No. 2017.01 with the Major category is still not closed.

6 September 2017

PT PP LONSUM has listed the names of workers who participated in training of first aid and steam operators. Based on the list, it is known that there is one worker from each estate who attended the first aid training and 3 workers who

participated in the training of the steam operator. However, the management unit did not shown the certificate or licences for the workers who have attended the training. **Based on this, the Non-Conformity No. 2017.01 with the Major category is still not closed.**

16 September 2017

- PT PP Lonsum shows the represent letter No: 301/SASES/IX/2017 from PT SASES PJKS stating that the certificate for first aid training held on 21 to 23 August 2017 at PT PP Lonsum is in process at the Ministry of Manpower of the Republic of Indonesia in Jakarta for approximately 2 months.
- PT PP Lonsum shows the represent letter No: 302/SASES/IX/2017 from PT SASES PJKS stating that the certificate for steam operators raining held on 24 to 26 August 2017 at PT PP Lonsum is in process at the Ministry of Manpower of the Republic of Indonesia in Jakarta for approximately 2 months.

Non-conformity No. 2017.01 with the Major category stated closed and will be observed at the next audit.

Verified by : Ardiansyah dan Hasiholan Sihombing

NCR No.	: 2017.02	Issued by	: Hasiholan Sihombing
Date Issued	: 14 July 2017	Time Limit	: 13 September 2017
NC Grade	: Major	Date of Closing	: 16 September 2017
Standard Ref. & Requirement	: 4.6.5 Evidence of pesticide application by trained person and in accordance with application guidelines in product label and storage guidelines shall be available. Appropriate safety equipment shall be provided and utilized. All precautions attached to the products shall be properly observed, applied, and understood by workers (see Criterion 4.7)		
Non-Conformance Description & Evidence observed (filled by auditor): Based on field observation to pesticides warehouse in KBE, it was found that MSDS from vendor for products of <i>Pulse</i> , <i>Furadan</i> , <i>Bayfolan</i> , <i>Trichoderma</i> , <i>DMA-6</i> , <i>Starane 200EC</i> , <i>Agroxone-4</i> , <i>Garlon 670EC</i> , and <i>Thuricide HP</i> were not available.			
Root Cause Analysis (filled by organization audited): Installation of pesticide MSDS according to the regulation has been contained in EMS WI 7 - Guide to the safe use of Pesticides, where the Kerani Pesticide Warehouse is set up to ensure MSDS availability. However this is due to lack of concern from the personnel to the application of EMS WI 7.			
Correction (filled by organization audited): Ketapat Bening Estate shows photo installation of MSDS in each product of <i>Pulse</i> , <i>Furadan</i> , <i>Bayleton</i> , <i>Trichoderma</i> , <i>DMA-6</i> , <i>Starane 200EC</i> , <i>Agroxone-4</i> , <i>Garlon 670EC</i> , dan <i>Thuricide HP</i> . And shows the official report of MSDS socialization to workers, held on 11 August 2017.			
Corrective Action (filled by organization audited): Each stored pesticide product is equipped with MSDS and inspected by Kerani Pesticide Warehouse. The completeness of MSDS in Pesticide Warehouse will also be the responsibility of Kasie which is the boss of Kerani Gudang, and conducted routine inspection at least 1 year by Team Sustainability.			
Assessor Evaluation and Conclusion (filled by auditor): 31 August 2017 The Company shows improvement documents, among others:			

1. Installation documentation of MSDS in KBE Pesticide Warehouse, but management unit has not shown copy of MSDS owned.
2. News event of MSDS socialization to 14 KBE employees.

The management unit should provide additional explanations regarding the root cause and corrective action. **Based on this, the Non-Conformity No. 2017.02 stated still not closed.**

6 September 2017

The management unit has shown a copy of MSDS from a pesticide owned by Pulse, Furadan, Bayleton, Trichoderma, DMA-6, Starane 200EC, Agroxone-4, Garlon 670EC, dan Thuricide HP. However, the management unit has not provided additional explanation regarding the root cause and corrective action. Based on this, the **Non-Conformity No. 2017.02 stated still not closed.**

16 September 2017

Based on the explanation of the root cause and the corrective action given, the **Non-Conformity No. 2017.02 with the Major category stated closed** and will be observed at the next audit.

Verified by : Hasiholan Sihombing

NCR No.	: 2017.03	Issued by	: Hasiholan Sihombing
Date Issued	: 14 July 2017	Time Limit	: 13 September 2017
NC Grade	: Major	Date of Closing	: 31 Agustus 2017
Standard Ref. & Requirement	: 4.6.11 Annual medical records of pesticide operators, and follow-up treatment of medical results, shall be available		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> The company shown the results of cholinesterase examination on 19-20 September 2016 to 7 KBE spraying workers and 6 BHE spray workers with normal results, but based on document review the number of spray workers in KBE were 17 people and BHE were 48 people, so it can be concluded that not all spraying workers performed special health checks.			
Root Cause Analysis <i>(filled by organization audited):</i> At the time of periodic health checks, the workers to be examined are not in place.			
Correction <i>(filled by organization audited):</i> There is a report on the results of periodic labor medical check up (Cholinesterase) for Bukit Hijau Estate which is implemented by UPTD Hiperkes and Safety of Labor Office of South Sumatera Province on 26 July 2017, the amount examined 42 Persons and the result is Normal. There is a report on the results of periodic labor medical check up (Cholinesterase) for Ketapat Bening Estate which is implemented by UPTD Hiperkes and Safety of Labor Office of South Sumatera Province on 27 July 2017, the amount examined 11 Persons and the result is Normal.			
Corrective Action <i>(filled by organization audited):</i> Provide information to workers regarding the medical check up schedule and the purpose of the medical check up, before a periodic medical check up will take place. If the worker on a medical check up is unable to attend, the worker will be reopened for a medical check up.			
Assessor Evaluation and Conclusion <i>(filled by auditor):</i> The Company shows improvement documents, among others: 1. Records of periodic health checks (cholinesterases) on 42 spray workers of BHE that conducted by Balai Hiperkes and Safety of Labor Office of South Sumatera Province on 26 July 2017 which shows Normal results for all workers.			

2. Records of periodic health checks (cholinesterases) on 11 spray workers of KBE that conducted by Balai Hiperkes and Safety of Labor Office of South Sumatera Province on 27 July 2017 which shows Normal results for all workers

Non-conformity No. 2017.03 with the Major category stated closed.

Verified by : **Hasiholan Sihombing**

NCR No.	2017.04	Issued by	Hasiholan Sihombing
Date Issued	14 July 2017	Time Limit	13 September 2017
NC Grade	Major	Date of Closing	16 September 2017
Standard Ref. & Requirement	4.7.2 A documented risk assessment shall be available and its implementation shall be recorded.		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> Unit management shown the document of hazard identification, risk assessment and risk control that describes the description/activity, potential hazards, risk assessment and risk control. However, it has not identified all the activities in POM such as in hazardous materials and hazardous waste warehouse. While, in estate not completed yet in losse fruit collect activity, material warehouse, hazardous materials and hazardous waste warehouse.			
Root Cause Analysis <i>(filled by organization audited):</i> Hazard Identification, Risk Assessment and Control for activities such as pick up loosefruit, material warehouse, hazardous warehouses and hazardous waste materials have been contained in the Harvesting and Warehouse activities, but the activities have not been separated and details per activities.			
Correction <i>(filled by organization audited):</i> <ul style="list-style-type: none">• Belani Elok POM (BEPOM) shows the document of HIRAC for hazardous warehouses, hazardous waste warehouses which was reviewed by the P2K3 Secretary and Approved by the Factory Manager on 20 July 2017. BEPOM also shows the sosialization record of HIRAC to related workers which is held on 24 July 2017.• Bukit Hijau Estate (BHE) shows the document of HIRAC for chemical warehouses, material warehouses, picker of loose fruit and hazardous waste warehouses which was reviewed by the P2K3 Secretary and Approved by the Factory Manager on 21 July 2017. BHE also shows the sosialization record of HIRAC to related workers which is held on 10 August 2017.• Ketapat Bening Estate (KBE) shows the document of HIRAC for chemical warehouses, material warehouses, picker of loose fruit and hazardous waste warehouses which was reviewed by the P2K3 Secretary and Approved by the Factory Manager on 14 July 2017. KBE also shows the sosialization record of HIRAC to related workers which is held on 11 August 2017.			
Corrective Action <i>(filled by organization audited):</i> Perform evaluation of the implementation and Updating data of HIRAC for chemical warehouses, material warehouses, picker loose fruit and hazardous waste warehouses.			
The Company has a procedure for HIRAC, (P-03) attached, whereas in item 5.2. A Review is stipulated that "This hazard identification is reviewed at least once a year or if any abnormality is found in its application." In the Procedure of HIRAC (P-03) is attached, in which point 5.1 Hazards identification stipulates that: Hazard identification is carried out on all goods and services activities, workplace processes, to obtain data on potential hazards which comes from several conditions, among others: <ol style="list-style-type: none">1. Building: Construction, layout, maintenance etc.2. Machinery & Equipment: Tools, machinery, aircraft, installations etc.3. Material: All raw & auxiliary materials.4. Process: Initial production activity to the end.			

5. Work environment: Sanitation, dust, gas, noise, vibration, lighting, work climate etc.
6. Nature of Work: Works of a dangerous nature/which result in fatality (lifelong disability/death or large material loss).

Assessor Evaluation and Conclusion (filled by auditor):
1 September 2017

The Company shows improvement documents, among others:

1. Document of HIRAC for chemical warehouses, material warehouses, picker of loose fruit and hazardous waste warehouses of BHE, KBE and BEPOM unit.
2. Socialization record of HIRAC in KBE unit which was held on 11 August 2017 and was attended by 18 participants.
3. Socialization record of HIRAC in hazardous and material warehouses of BHE unit which was held on 10 August 2017 and was attended by 7 participants.
4. Socialization record of HIRAC in hazardous waste warehouses of BHE unit which was held on 10 August 2017 and was attended by 7 participants.
5. Socialization record of picker loose fruit HIRAC of BHE unit which was held on 10 August 2017 and was attended by 15 participants.
6. Socialization record of HIRAC in BEPOM unit which was held on 24 July 2017 and was attended by 10 participants.

The management unit should provide additional explanations regarding corrective action, resulting in **Non-Conformity No. 2017.04 with the Major category stated not closed.**

6 September 2017

The management unit should provide additional explanations regarding corrective action, resulting in **Non-Conformity No. 2017.04 with the Major category stated not closed.**

16 September 2017

Based on the corrective action submitted, **Non-Conformity No. 2017.04 with the Major category stated Closed.**

Verified by : **Hasiholan Sihombing**

NCR No.	:	2017.05	Issued by	:	M Amarullah
Date Issued	:	14 July 2017	Time Limit	:	ASA-3
NC Grade	:	Minor	Date of Closing	:	16 September 2017
Standard Ref. & Requirement	:	5.6.3 A monitoring plan and results of regular reporting on emission and pollutants from estate and mill operations using appropriate methods, shall be available.			
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> CH was not not be able to shows GHG emission calculation using PalmGHG calculator Version 3.0. Hence, raised NCR No. 2017.05 with minor category.					
Root Cause Analysis <i>(filled by organization audited):</i> The CH has not updated on new version of PalmGHG Calculator Version 3.0					
Correction <i>(filled by organization audited):</i> The CH shows GHG calculation of Belani Elok Factory with five estates supply based for period 2016 through PalmGHG Calculator Version 3.0.					
Corrective Action <i>(filled by organization audited):</i> To keep updating on RSPO regulation and system and communicate it (distribute the information) to all operational units					

of PT PP Lonsum. Monitoring and updating has carried out through RSPO web checking and to follows trainings and seminars conducted by RSPO.

Assessor Evaluation and Conclusion (filled by auditor):

31 August 2017

Management unit has shows summary of GHG calculation through PalmGHG Calculator Version V.3.0, as follows:

Summary of Net GHG Emissions periode 2016

Emissions per product	tCO ₂ e/tProduct	Extraction	%	Production	ton/year
CPO	2.07	OER	21.24	FFB Processed	72,594.05
PK	2.07	KER	5.92	CPO Produced	45,281.72

Land Use	ha
OP planted area	7,410.63
OP Planted on peat	19.4
Conservation area	392.06

Summary of Field Emissions and Sinks

	Own Crop			Group		3 rd Party		Total	
	tCO ₂ e	tCO ₂ e/ha	tCO ₂ e/t FFB	tCO ₂ e	tCO ₂ e/ha	tCO ₂ e	tCO ₂ e/ha	tCO ₂ e	tCO ₂ e/ha
Emissions									
Land conversion	97,286.43	13.13	1.34	0	0	0	0	0	0
*CO ₂ emissions from fertilizer	123.25	0.02	0	0	0	0	0	0	0
**N ₂ O emissions	1,609.97	0.22	0.02	0	0	0	0	0	0
Fuel consumption	2,561.15	0.35	0.04	0	0	0	0	0	0
Peat Oxidation	1,059.24	0.14	0.01	0	0	0	0	0	0
Sinks									
Crop sequestration	-69,376.33	-9.36	-0.96	0	0	0	0	0	0
Conservation Sequestration	0	0	0	0	0	0	0	0	0
Total	33,263.71	4.49	0.46	0	0	0	0	0	0

Summary of Mill Emissions and Credits

	tCO ₂ e	tCO ₂ e/tFFB
Emissions		
POME	37,277.47	0.17
Fuel consumption	881.06	0
Grid Electricity Utilisation	0	0
Credits		
Export of Grid Electricity	-969.92	0
Sales of PK	0	0
Sales of EFB	0	0
Total	37,188.61	0.17

Palm oil Mill Effluent (POME) Treatment

Divert to compost	0
Divert to anaerobic digestion	100

POME Diverted to Anaerobic Digestion:

Divert to anaerobic pond	100
Divert to methane capture (flaring)	0

Divert to methane capture (electricity generation)	0
<p>Apart from the above, description on corrective action is not available. Hence, NCR No. 2017.05 has considered still open.</p> <p>6 September 2107 Management unit is required to give more explanation towards corrective action. Hence, NCR No. 2017.05 minor has considered still open.</p> <p>16 September 2017 The CH has describe a satisfactory corrective action. Hence, NCR No. 2017.05 has considered closed.</p>	
Verified by	: M Amarullah

NCR No.	: 2017.06	Issued by	: Ardiansyah
Date Issued	: 14 July 2017	Time Limit	: 13 September 2017
NC Grade	: Major	Date of Closing	: 27 September 2017
Standard Ref. & Requirement	: 7.3.1 There shall be evidence that no new plantings have replaced primary forest, or any area required to maintain or enhance one or more High Conservation Values (HCVs), since November 2005. New plantings shall be planned and managed to best ensure the HCVs identified are maintained and/or enhanced (see Criterion 5.2).		
Non-Conformance Description & Evidence observed (filled by auditor): The document review showed that CH is performed land clearing after November 1, 2005 without preceded by the identification of HCV. HCV identification was conducted on 2006. PT PP London Sumatra (LONSUM) has conduct disclosure of liability to RSPO by email on 19 September 2014. CH can not show approvals regarding the LUCA and / or compensation plan from RSPO Compensation Panel.			
Root Cause Analysis (filled by organization audited): The company does not have officers who can conduct a land use change analysis (LUCA).			
Correction (filled by organization audited): Conducting Land Use Change Analysis (LUCA) by working with third parties. Attached evidence of corrective actions taken are: <div><div>1.</div><div>Land Use Change Analysis Report</div></div> <div><div>2.</div><div>Confirm Disclosure Liability London Sumatra to RSPO</div></div>			
Corrective Action (filled by organization audited): Provide human resources with competence of agronomic environment studies including competence to conduct study on LUCA			
Assessor Evaluation and Conclusion (filled by auditor): 17 September 2017 The management unit has demonstrated the results of the LUCA study for all of the estate in the scope of certification and proof of delivery to RSPO conducted on 7 September 2017. However, the company has yet to show the results of the LUCA review and or compensation plan that approved by the RSPO Compensation Panel. Based on evidence of improvements submitted, Non-Conformity No. 201706 is open.			

27 September 2017

Management unit show email from RSPO on 27 September 2017 that stated PT London Sumatra has no development without HCV assessment since Nov 2005. Based on the evidence **Non-Conformity No. 201706 is closed.**

Verified by : **Ardiansyah**

NCR No.	: 2017.07	Issued by	: Ardiansyah
Date Issued	: 14 July 2017	Time Limit	: 13 September 2017
NC Grade	: Major	Date of Closing	: 16 September 2017
Standard Ref. & Requirement	: 8.1.1 The action plan for monitoring shall be available, based on a consideration of the social and environmental impacts and routine evaluation of the plantation and mill operations.		
Non-Conformance Description & Evidence observed (filled by auditor): The CH was not be able to shows continuous improvement towards laws/regulation fulfillment, environment and waste management (Indicator 4.4.1, 5.1.3, 5.2.4 and 5.2.5) and health checking.			
Root Cause Analysis (filled by organization audited): Corrective action has not been analyzed to the root of the problem			
Correction (filled by organization audited): Conduct discussions with all managemen unit (mill and estates) to determine the plan for nonconformity improvement (NCR). Attached evidence of corrective actions taken: <ol style="list-style-type: none">1. List of presentations for NCR improvement plan of 14 July 2017.2. Documentation of discussion of NCR improvement plan of 14 July 2017.3. List of NCR Progress Review on 28 July 20174. Documentation of NCR Progress Review dated 28 July 2017.			
Corrective Action (filled by organization audited): Review progress of NCR improvement until corrective action is carried out. In order for the same nonconformity not to occur again in the future then the unit must have SOP and conducted a periodical implementation review at least once a year by Team Sustainability. In order for the same non-conformity not to occur later on in other units, the unit must review the condition of the unit, if it is not appropriate then the unit must implement the improvement plan and be subjected to monitoiring by Team Sustainability at least once a year.			
Assessor Evaluation and Conclusion (filled by auditor): 6 September 2017 The management unit has presented a attendant list of NCR ASA-2 RSPO review conducted on July 14 and 28 July 2017. However, the management unit has not shown the results of the NCR review that has been performed and the management unit should provide additional explanations regarding corrective action, so Nonconformity No. 2017.07 with Major category is still open.			

16 September 2017

The management unit has provided additional explanations regarding corrective action, in addition to the management unit also showing the results of the NCR review and the action plan to be undertaken to ensure non-recurring nonconformity. Based on this, **Nonconformity No. 2017.07 with Major category is closed.**

Verified by : **Ardiansyah**

3.5.3 Opportunity for Improvement

No	Ref Std	Descriptions
1	2.2.2	Improve maintenance of the stake and follow up the results of the monitoring.
2	4.4.2	The border of the Aur river conditions in Block P95112201 and Block 95112202 KBE are considered quite good, judging from the cover crop vegetation around the border area. However, the company still has a chance to give a sign in the field that informs the existence of the river border area.

3.5.4 Noteworthy Positive Components

No	Ref Std	Descriptions
1		The company's commitment to apply the principles of sustainable palm oil management.
2		Conducting the development of Plasma partnership.

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

Public Issues (Institution/ NGO/Community)	Auditor Responses
Air Bening Village <ul style="list-style-type: none"> Assistant to scheme smallholder has been done such as preparation of RSPO certification. There is no issue of environmental pollution PT LONSUM has provided a good example to the smallholders regarding plantation management. The company has provided some assistance to the village such as donations for religious events, donations for independence birthday events, etc. Communication with the company is good. There is 1 land dispute with the Air Bening Village at the division 3. Piece worker is used no later than 1 week in 1 month 	<p>There were no negative issues from communities. The management unit has demonstrated evidence of compliance with the RSPO standard for Group Certification such as Criterion 6.2; 6.10 and 6.11.</p> <p>Document verification shows that land claim in Ketapat Bening Estate has been settled and there is no longer any claim of Ketapat Bening Estate.</p> <p>The management unit uses piece worker as needed.</p>
Bingin Teluk Village <ul style="list-style-type: none"> There is no land dispute in operation area There is no issue of environmental pollution The company has provided some assistance to the village such as donations for religious events, donations for independence birthday events, honorarium for teachers, etc. Communities can take advantage of "Rumah Pintar" in LONSUM. Communication with the company is good. 	<p>There were no negative issues from communities. The management unit has demonstrated evidence of compliance with the RSPO standard for Group Certification such as Criterion 2.2, 5.1, 6.2 and 6.11.</p>
Beringin Makmur II Village <ul style="list-style-type: none"> There is no land dispute in operation area There is no issue of environmental pollution The company has provided some assistance to the village such as clean water for weddings and deaths, road maintenance, etc. The boundaries of citizens with companies are clear by using trech. Communication with the company is good. 	<p>There were no negative issues from communities. The management unit has demonstrated evidence of compliance with the RSPO standard for Group Certification such as Criterion 2.2, 5.1, 6.2 and 6.11.</p>
Committee of Smallholder under Cooperative (KUD) Karya Mulya (Chief of KUD, Chief of Gading Mulya Smallholder Group, Chief of Gading Mulya A Smallholder Group). <ul style="list-style-type: none"> The KUD has established in 1995, which spread on a single landscape and covers about \pm 1,100 ha. Establishment has known by several Governemnt Institution such as Sub-District Head (Camat) of Rawas Hilir, Regent (Bupati) of Musi Rawas and Cooperative 	<p>There were no negative issues from communities. The management unit has demonstrated evidence of compliance with the RSPO standard for Group Certification such as Criterion 1.1; 2.2; 6.3; 6.10 and 6.11.</p>

Public Issues (Institution/ NGO/Community)	Auditor Responses
<p>Agency of Musi Rawas. Currently KUD has fully managed by smallholders (include road maintenance), which mostly came from Bumi Makmur Village.</p> <ul style="list-style-type: none"> • KUD has 27 Smallholder Groups which consist of 491 Lots with average area 2 ha/Lot. • Changes of LOT owner has informed to PT PP Lonsum Belani elok POM. • When palms still Immature, management has harried out by the company, after that (mature), it was take over to Smallholder Groups. • FFB price has updated every two weeks by the company, based on on decision from Plantation Agency of Sumatera Selatan Province. KUD has representative on the meeting. • There is no issues on FFB payment. Usually paid 2 to 3 weeks after closing balance. • Manager and Assistant Smallholder has appointed as company representative which responsible to maintain good communication on information, technical, business and social aspects. • Replanting scheme was still under development by KUD Management Unit. The draft will be proposed and discussed to the company. • Management of ex pesticide containers has managed in cooperation with company. 	
<p>Environment and Land Agency of Musi Rawas Utara District (Secretary, Head of Land and PPKLH)</p> <ul style="list-style-type: none"> • The Company has environmental documents in the form of AMDAL / SEIA and RKL / RPL revised approved by the relevant government. • The Company has licensed Hazardous Waste Store / TPS LB3 approved by the relevant government. TPS LB3 located in POM and Estate. • The Company has licensed utilization of waste water in the land (land application) which is approved by the relevant government. • The Company every 6 months submits the RKL / RPL implementation report. In general, all environmental aspects requested in environmental documents have been managed and monitored, for example: emission quality, noise, water quality, flora & fauna and social aspects. • The Company every 3 months submits the Hazardous Waste / LB3 report, but the LB3 logbook submitted has not been in accordance with the Template and has not yet attached the LB3 manifest. • There is a river pollution issue that comes from POME. • There is no air pollution issues are sourced from POM and Estate operations. Air quality testing is conducted 	<p>The management unit has demonstrated evidence of compliance with the RSPO P & C i.e Criterion 1.1, 4.4; 4.6; 4.7, 5.1 and 5.3.</p> <ul style="list-style-type: none"> - The result of interview with communities, field visit and document review, obtained information that there is no air pollution issue, river water and land caused by POM and Estate activities. - The results of field visits in Housing Division 1 of KBE and Housing emplacement of BHE, auditors do not see the use container of pesticide (LB3) as Flower Pots and Trashcan. - Types of publicly accessible information include legal documents, environmental documents and social documents. Information can be accessed by verbal or by mail, or email.

Public Issues (Institution/ NGO/Community)	Auditor Responses
<p>periodically.</p> <ul style="list-style-type: none"> Roads to POM and estate are damaged and need repair so as not to cause social problems. The Company has provided PPE to POM & Estate workers Container of pesticide (LB3) is stored in licensed TPS LB3, but there are still used for Flower Pot and Trashcan. Reports on fire control and prevention should be sent to Environment Agency. Environment Agency already know what data can be requested to the company. 	
<p>Agriculture and Animal Farm Department of Musi Rawas Utara District (Head of Plantation Department)</p> <p>Respondents did not know the information related to the extent area of the plantation business permit, the estate class, the development of plantation business, the development of plasma area, the issue of land fires, the overlapping issue of company area with other plantation activities. This is because the Plantation Business Development report has never been submitted by the company to the Plantation Department.</p>	<p>The Company not able to show evidence plantation business development reporting to the plantation department, as stipulated in <i>PERMENTAN No. 98/2013</i> on Plantation Business Guidelines. This does not comply with Indicator 2.1.1</p>
<p>Labor Agency of Musi Rawas Utara District. (Head of Industrial relations)</p> <ul style="list-style-type: none"> The organizational structure of P2K3 POM and Estate Unit has been approved by the labor agency but the secretary of P2K3 in the Estate still no expert OHS. The collective work agreement / PKB for the period 2016 - 2018 has been approved by the Labor Agency The wages of all workers have been paid in accordance with governmental provisions (UMSP). Overtime workers in POM and Estate Unit have been paid in accordance with the applicable provisions. No negative issues related to overtime are not paid to workers. There are still Daily Workers / PHL in POM and Estate. The company has provided housing facilities, religious facilities, clean water and electricity for workers. There is SPPP SPSI in POM Unit and Estate which have registered in Labor Agency. There is a Gender Committee in POM and Estate Unit registered at the Labor Estate. There is no issue of child labor and discrimination. The Labor Agency already knows what information data can be requested to the company. Information can be accessed by verbal or by mail, or email. 	<p>The management unit has demonstrated evidence of compliance with the RSPO P & C i.e Criterion 1.1, 6.5, 6.6 and 6.9.</p> <ul style="list-style-type: none"> - Document review and interview with workers is known that all estates and mill has OHS expert. - PHL already has an employment contract in the Indonesian language and has been reported to Labor Agency, as set forth in <i>Kepmenakertrans No. 100 Tahun 2004</i>.

Public Issues (Institution/ NGO/Community)	Auditor Responses
Labor Union of Belani Elok POM (Chief) <ul style="list-style-type: none"> All employees of the Belani Elok POM are union members. The minimum age of workers in the company is 18 years. No underage employee of the Belani Elok POM. Employees status in Belani Elok POM is fixed term contract (<i>PKWT/ Perjanjian Kerja Waktu Tertentu</i>), <i>DRP</i> (Daily Rate Payment) and <i>MRP</i> (Monthly Rate Payment). Overtime pay is in accordance with the provisions of legislation and already listed in the CLA about the calculation of overtime. Facilities and infrastructure provided by the company is adequate such as housing, clean water, electricity, places of worship, sports facilities, and school bus shuttle. The company does not discriminate in terms of employee recruitment. Recruitment of employees based on procedures established by the company. Labor Union contribution for employees is 1% from basic salary + allowance. The company provides PPE for the employees for free because it's a company's responsibility. Routine meetings both internal labor union itself and with company representatives. The labor union accommodates employee complaints and is considered as a lawyer for the employees in case of employment problems. Labor Union relationship with the company is quite harmonious so far. 	<p>The certificate holder has showed good cooperation with worker union. There is no significant industrial issue for 2016 to 2017. CH has shown the evidence of compliance to RSPO standard criteria 1.1; 4.7; 6.2; 6.3; 6.6; 6.8, 6.9 and 6.12.</p>
Head of PUK SPPP-SPSI Lonsum Ketapat Bening Estate <ul style="list-style-type: none"> The Company has <i>PKB</i> for period 2016 - 2018 which has been approved by the Labor Agency. <i>SPSI</i> meeting is conducted if there is grievance / complaint from <i>SPSI</i> members. Overtime workers do not pay in accordance with the <i>PKB</i>. There are still <i>PHL</i> who have not been appointed permanent employees Difficult to get clean water due to broken water pump machine 	<p>The management unit has demonstrated evidence of compliance with the RSPO P & C i.e Criterion 4.7, 6.5, 6.6, 6.7 and 6.8.</p> <ul style="list-style-type: none"> - The results of the document review on the Workers Salary document and the Attendance List, obtained information that overtime workers have been paid according to the rules and collective labor agreements. - <i>PHL</i> already has an employment contract in the Indonesian language and has been reported to Labor Agency, as set forth in <i>Kepmenakertrans No. 100 Tahun 2004</i>. - <i>KBE</i> has distributed clean water through water tanks. <i>BHE</i> has requested the Drilling Well to the management for access to clean water.

Public Issues (Institution/ NGO/Community)	Auditor Responses
Head of PUK SPPP-SPSI Lonsum Bukit Hijau Estate <ul style="list-style-type: none"> The Company has <i>PKB</i> for period 2016 - 2018 which has been approved by the Labor Agency. SPSI meetings are conducted if there is grievance from SPSI members. Every meeting is accompanied by a Meeting Note. No negative issues related to social employment 	<p>There were no negative issues from stakeholder. The management unit has demonstrated evidence of compliance with the RSPO P & C i.e Criterion 6.5; 6.7; 6.8 and 6.9.</p>
Head of Committee Gender Ketapat Bening Estate <ul style="list-style-type: none"> The Gender Committee has been approved by the Labor Agency There is no issue of discrimination against women workers 	<p>There were no negative issues from stakeholder. The management unit has demonstrated evidence of compliance with the RSPO P & C i.e Criterion 6.8 and 6.9.</p>
Gender Committee (Chief of Gender Gender Committee for BHE dan BEPOM) <ul style="list-style-type: none"> The gender committee has established in August 2016 as follow up of Estate Manager Decree. The presence of committee has reported to Manpower Agency of Musi Rawas Utara. It was reported that there no issues related to gender, sexual harassment and home life violence. Socialization towards gender committee has been conducted in May 2017. The committee has cooperation with "Smart House" for inventive program through crochet (knit) skills and training on Quran recitation for female worker and employees housewife since March 2017. Moreover, cooperation with Puskesmas (or local government clinic) towards family nutrient enhancement, medical herbs plantation in the kindergarten has also conducted. The company has considered support the gender committee program. 	<p>There were no negative issues from stakeholder. The management unit has demonstrated evidence of compliance with the RSPO P & C i.e Criterion 6.8 and 6.9</p>
Head of Committee Gender Bukit Hijau Estate <ul style="list-style-type: none"> The Gender Committee has been approved by the Labor Agency There is no issue of discrimination against women workers 	<p>There were no negative issues from stakeholder. The management unit has demonstrated evidence of compliance with the RSPO P & C i.e Criterion 6.8 and 6.9.</p>
Civil Contractor <ul style="list-style-type: none"> The contractor is a native of Belani village. The contractor is selected to be a suspension bridge contractor through a tender process in accordance with company procedures. 	<p>There are no negative issues related to contractor workers. PT PP LONSUM Bingin Teluk area has shown the evidence of compliance related to the RSPO standard on criteria 4.7, 6.2, 6.10 and 6.11.</p>


Public Issues (Institution/ NGO/Community)	Auditor Responses
<ul style="list-style-type: none"> Contractors are required by companies to comply with OHS and PPE procurement by contractors. Payments to contractors are made on time in accordance with the contract. Communication between the contractor and the company is well established. The company's relationship with the surrounding villages so far is quite good. There are no complaints from contractors. The only suggestion is to make the company more diffuse and often follow the events in the village. 	

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

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

Signed on behalf of:

PT. PP London Sumatra Indonesia
Management Representative


Muhammad Waras
6 October 2017

Mutuagung Lestari
Lead Auditor


Ardiansyah
6 October 2017

APPENDICES
Appendix 1. List of Stakeholder Contacted in the RSPO Certification Process

No	Institution/NGO/Community	Address	Phone/Email	Form of Communication	Date of Contact	Response	
						Yes	No
1	Environment and Land Agency	District of Musi Rawas Utara, Province of Sumatera Selatan.	-	Interview	11 July 2017	✓	
2	Manpower Agency	District of Musi Rawas Utara, Province of Sumatera Selatan.	-	Interview	11 July 2017	✓	
3	Agriculture Agency (Plantation Department)	District of Musi Rawas Utara, Province of Sumatera Selatan.	-	Interview	11 July 2017	✓	
4	Air Bening Village (member of BPD)	District of Musi Rawas Utara, Province of Sumatera Selatan.	-	Interview	11 July 2017	✓	
5	Bingin Teluk Village (Chief of Village)	District of Musi Rawas Utara, Province of Sumatera Selatan.	-	Interview	11 July 2017	✓	
6	Beringin Makmur II Village (Chief of BPD)	District of Musi Rawas Utara, Province of Sumatera Selatan.	-	Interview	11 July 2017	✓	
7	Management of KUD Karya Mulia - Plasma	District of Musi Rawas Utara, Province of Sumatera Selatan.	-	Interview	11 July 2017	✓	
8	Indonesian Workers Union of Belani Elok POM, Ketapat Bening Estate and Bukit Hijau Estate	District of Musi Rawas Utara, Province of Sumatera Selatan.	-	Interview	11 - 12 July 2017	✓	
9	Gender Committee of Belani Elok POM, Bukit Hijau Estate and Ketapat Bening Estate	District of Musi Rawas Utara, Province of Sumatera Selatan.	-	Interview	11 - 12 July 2017	✓	
10	Civil Contractor	District of Musi Rawas Utara, Province of Sumatera Selatan.	-	Interview	11 July 2017	✓	
11	<i>Wahana Lingkungan Hidup Indonesia (Walhi)</i>	Jakarta, Indonesia	informasi@walhi.or.id	Email	6 Juni 2017		✓
12	<i>Aliansi Masyarakat Adat Nusantara (AMAN)</i>	Jakarta, Indonesia	rumahaman@cbn.net.id	Email	6 Juni 2017		✓
13	<i>Yayasan Setara Jambi</i>	Jambi, Indonesia	ukionly@setarajambi.org	Email	6 Juni 2017		✓
14	Internal Stakeholder: <ul style="list-style-type: none"> • 2 security • 2 weighbridge operators • 3 sorter • 1 boilerman • 1 kernel operator • 1 engine room operator • 1 Foreman and 2 Welder in workshop. • 1 Operator WTP. • 1 Operator WWTP. 	Belani Elok POM	-	Interview	11 July 2017	✓	
15	Internal Stakeholder: <ul style="list-style-type: none"> • 1 nurse 	Ketapat Bening Estate	-	Interview	12 July 2017	✓	

	<ul style="list-style-type: none"> • 1 foreman of harvesting • 1 spraying foreman • 3 spraying workers • 1 census worker • 2 harvester • 1 Transport Assisstant, 3 Tractor Driver and 1 Welder in Workshop. • 1 Agrochemical (Hazardous Materials) Warehouse Keeper. 						
16	Internal Stakeholder: <ul style="list-style-type: none"> • 1 nurse • 1 Land application operator • 1 foreman of harvesting • 1 spraying foreman • 6 spraying workers • 2 harvester • 2 manuring workers • 1 Lubricant (Hazardous Material) Warehouse Head and 1 Warehouse Keeper. • 1 Mechanic Head and 1 Welder in Warehouse. 	Bukit Hijau Estate	-	Interview	13 July 2017	✓	

Appendix 2. Assessment Program

DATE	10 – 14 July 2017	
PLANNED TIME	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
Monday, 10 July 2017		
12.35 – 13.45	Jakarta – Lubuk Linggau	ARD/ MAH/ SHL/ HSS
14.00 – 16.00	Lubuk Linggau – PT. Lonsum	ARD/ MAH/ SHL/ HSS
16.00 – 17.00	Opening meeting	ARD/ MAH/ SHL/ HSS
Tuesday, 11 July 2017		
07.00 – 12.00	Stakeholder consultation with Government Institution of Musi Rawas Utara Districts	SHL
08.00 – 12.00	Stakeholder consultation with surrounding villages and plasma	ARD
	Stakeholder consultation with contractor, labor union and gender committee	MAH/ HSS
	Verification of previous NC (ST-2 – ASA-1)	MAH/ HSS
12.00 – 14.00	Break	ARD/ MAH/ SHL/ HSS
14.00 – 17.00	Field observation at POM:	ARD/ MAH/ SHL/ HSS
	Security, weighbridge, loading ramp, process, engine room, workshop, boiler	MAH/ HSS
	WTP, WWTP, Hazardous Waste Warehouse/TPS limbah B3, drainage, collecting place of solid waste (EFB, fiber, shell), Land Application area, methane capture (if any) and composting (if any)	ARD/ SHL
	SCCS verification	ARD
Wednesday, 12 July 2017		
08.00 – 12.00	Field observation at Ketapat Bening Estate:	ARD/ MAH/ SHL/ HSS
	Boundary pole and HCV	ARD
	Manuring, Spraying, Harvesting, IPM, Road Maintenance	HSS
	Housing, water source, daycare, health facility	SHL
	Workshop, Hazardous waste warehouse, Chemical warehouse, Firefighter equipment, Landfill	MAH
12.00 – 14.00	Break	ARD/ MAH/ SHL/ HSS
14.00 – 17.00	Verification of partial certification and time bound plan	ARD/ MAH/ SHL/ HSS
	RSPO Document Review and clarification of field visit	ARD/ MAH/ SHL/ HSS
Thursday, 13 July 2017		
08.00 – 12.00	Field observation at Bukit Hijau Estate:	ARD/ MAH/ SHL/ HSS
	Boundary pole and HCV	ARD
	Manuring, Spraying, Harvesting, IPM, Road Maintenance	HSS
	Housing, water source, daycare, health facility	SHL
	Workshop, Hazardous waste warehouse, Chemical warehouse, Firefighter equipment, Landfill	MAH
12.00 – 14.00	Break	ARD/ MAH/ SHL/ HSS
14.00 – 17.00	Verification of partial certification and time bound plan	ARD/ MAH/ SHL/ HSS
	RSPO Document Review and clarification of field visit	ARD/ MAH/ SHL/ HSS

DATE	10 – 14 July 2017	
PLANNED TIME	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
Friday, 14 July 2017		
08.00 – 10.00	Closing meeting	ARD/ MAH/ SHL/ HSS
10.00 – 13.00	PT. LONSUM - Lubuk Linggau	ARD/ MAH/ SHL/ HSS
14.00 - ...	Lubuk Linggau - Jakarta	ARD/ MAH/ SHL/ HSS