

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

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

Name of Management Organisation : **Turangie Palm Oil Mill – PT PP LONDON SUMATRA INDONESIA, Tbk**

Plantation Name : **PT PP LONDON SUMATRA INDONESIA, Tbk: Turangie Estate, Pulau Rambung Estate and Bungara Estate**

Location : **Village of Bandar Telu, Sub District of Salapian, District of Langkat, Province of Sumatera Utara, Indonesia.**

Certificate Code : **MUTU-RSPO/049**

Date of Certificate Issue : **9 January 2015**

Date of License Issue : **9 January 2018**

Date of Certificate Expiry : **8 January 2020**

Date of License Expiry : **8 January 2019**

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
ASA-3	23 – 27 October 2017	Ardiansyah (Lead Auditor), Sandra Purba, M.Syarip Lambaga, Fuji Lestari, Haikal Ramadhan Kharismansyah	Octo H.P.N. Nainggolan	Tony Arifiarachman

Assessment	Approved by MUTUAGUNG LESTARI on:
ASA-3	27 November 2017

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FIGURE

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

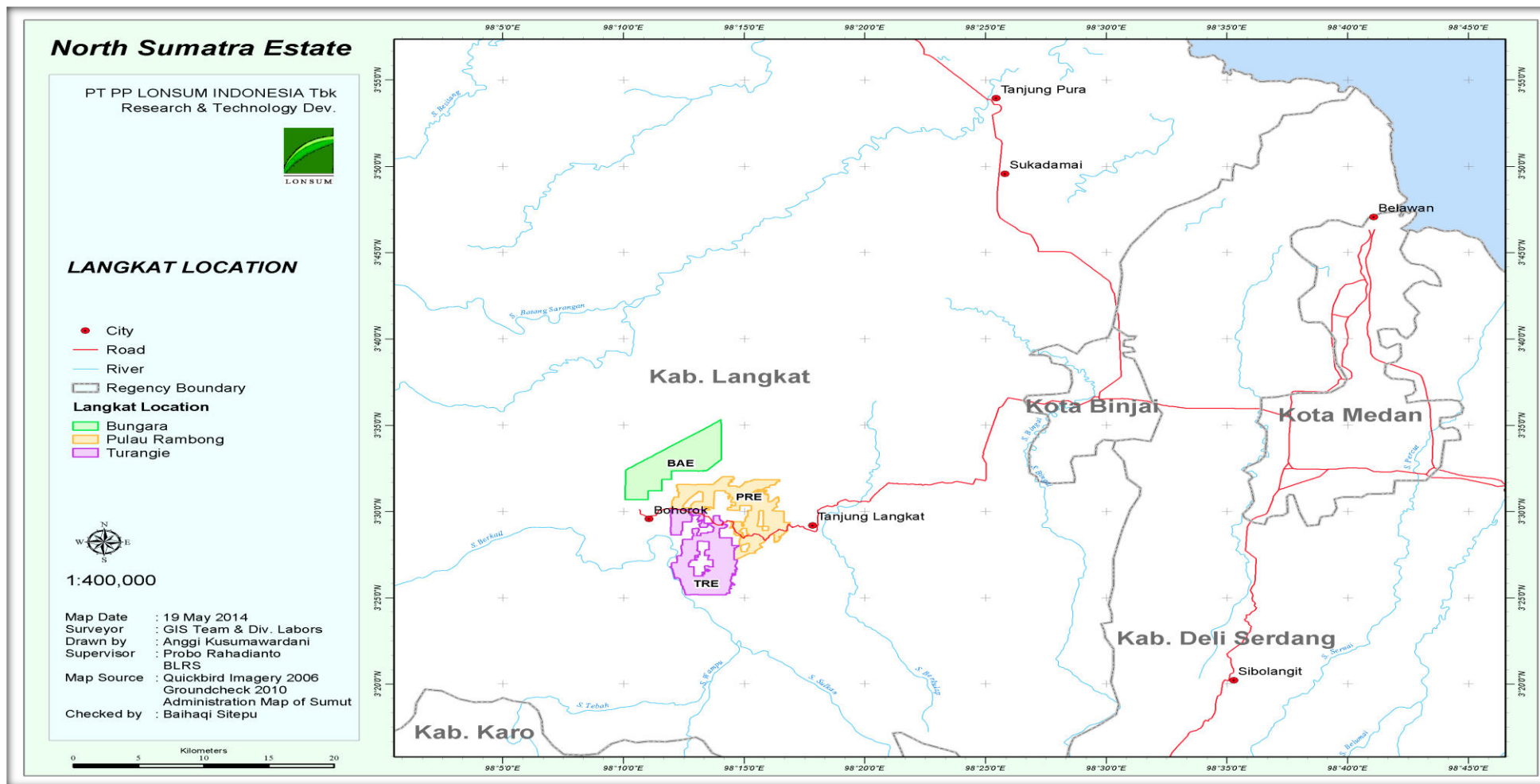


Figure 2. Operational Map of PT PP London Sumatra Indonesia Tbk – Pulau Rambong Estate

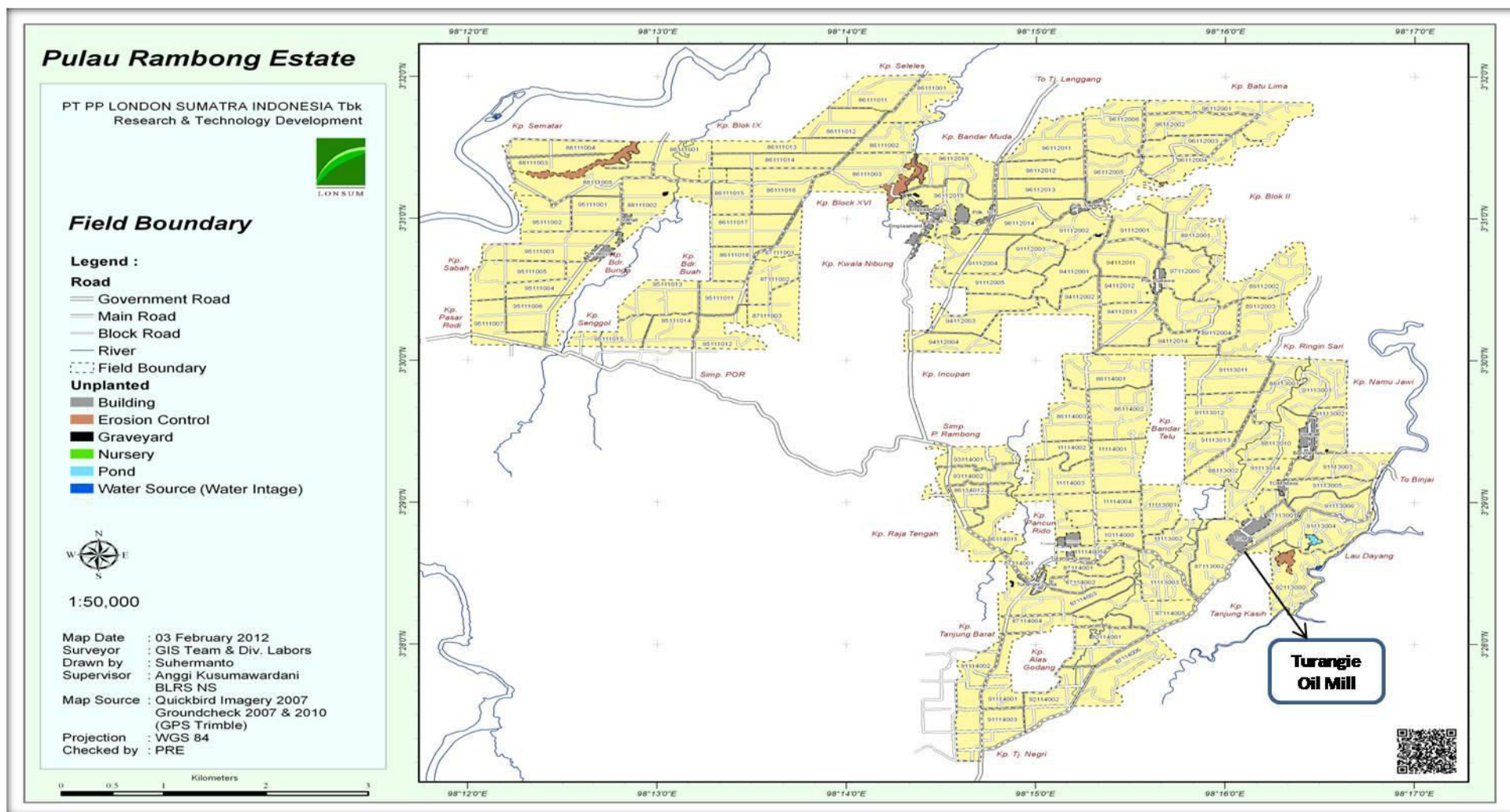


Figure 3. Operational Map of PT PP London Sumatra Indonesia Tbk – Turangie Estate

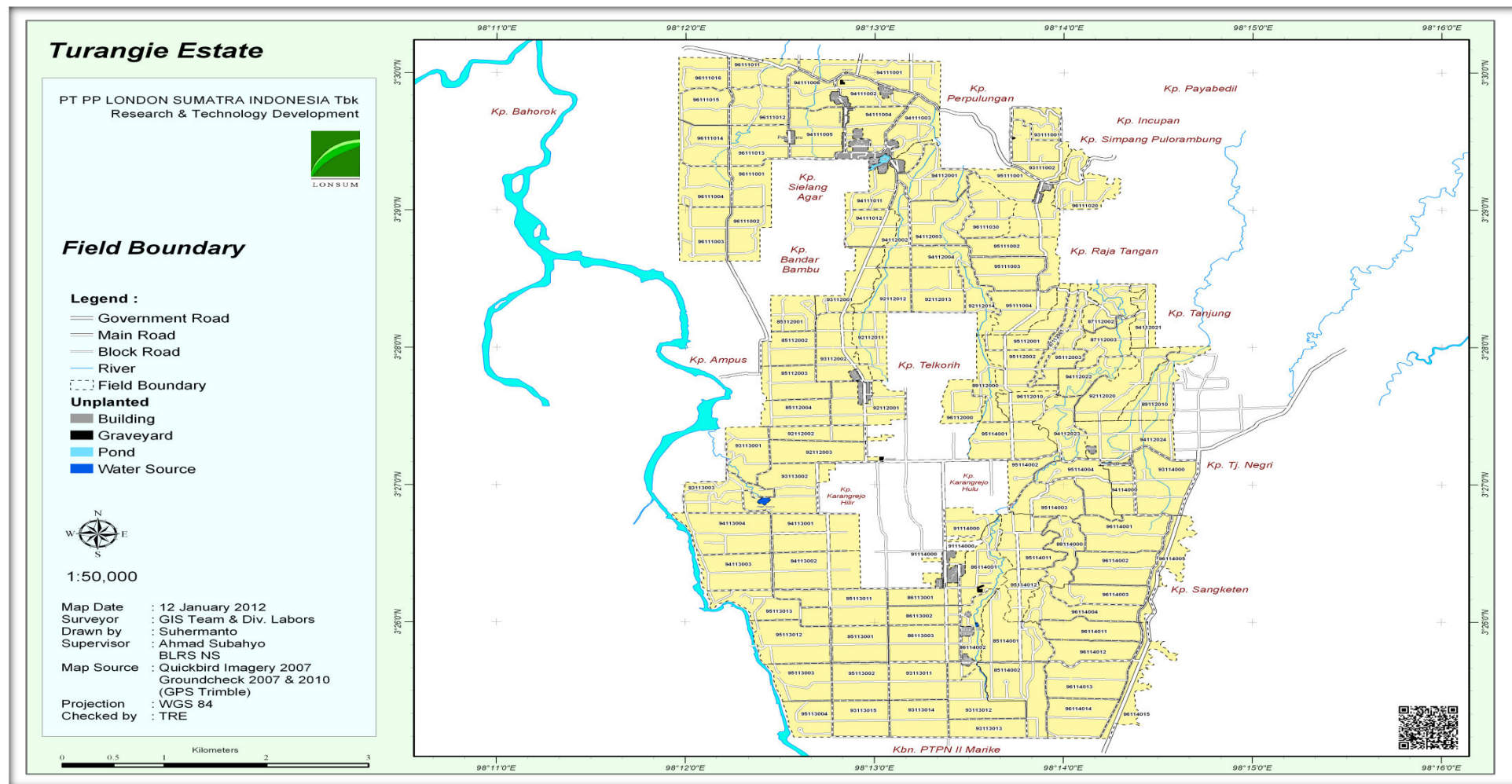
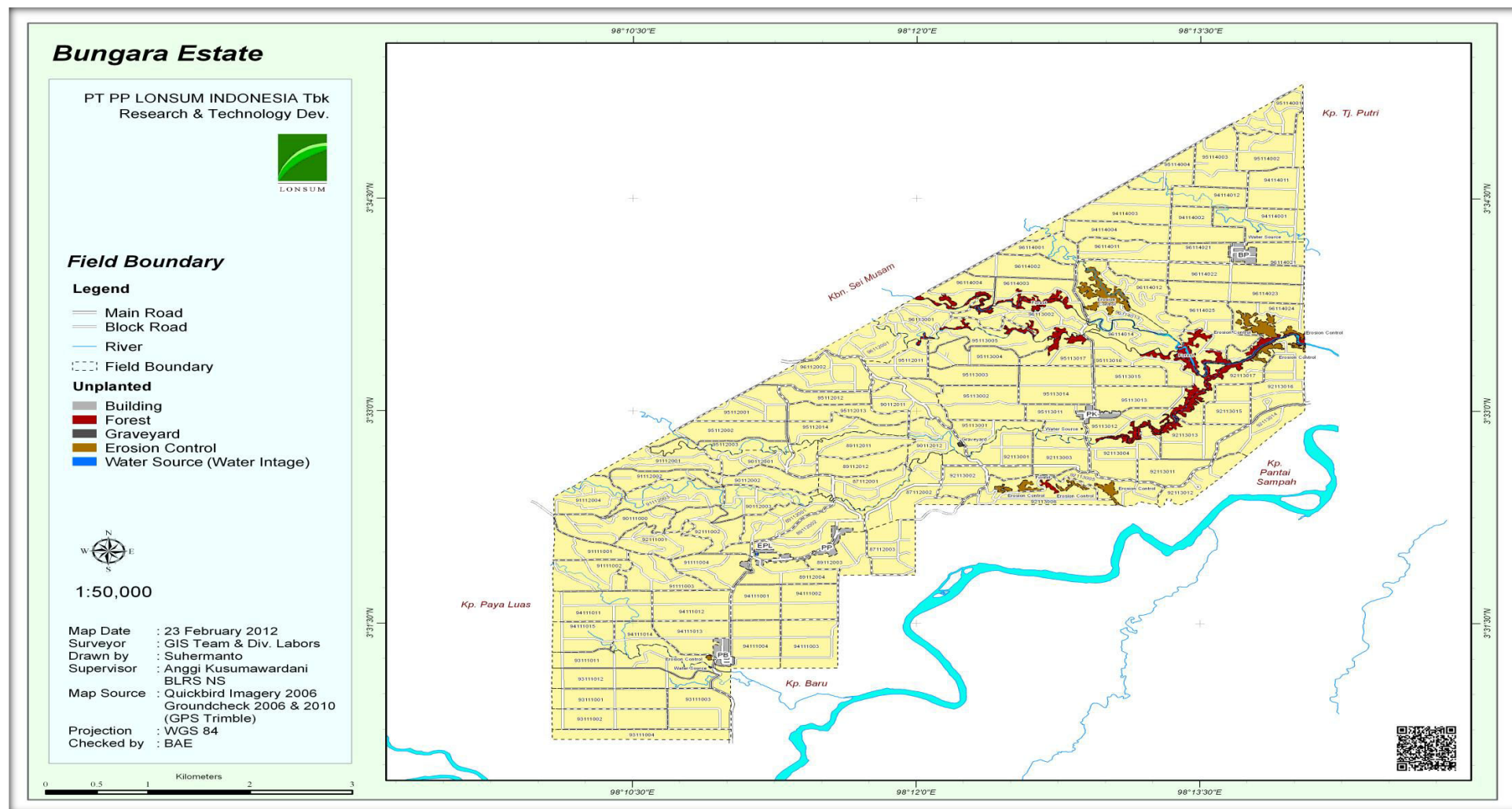


Figure 4. Operational Map of PT PP London Sumatra Indonesia Tbk – Bungara Estate



Glossary

AMA	: Area Manager Agronomy
AME	: Area Manager Engineering
ASA	: Annual Surveillance Assessment
BAE	: Bungara Estate
BKS-PPS	: <i>Badan Kerjasama Perusahaan Perkebunan Sumatera</i> (Association of palm oil plantation company)
BLRS	: Bah Lias Research Station
BOB	: Barn Owl Box
BPJS	: Social Security Administration Bodies
BPN	: <i>Badan Pertanahan Nasional</i> (National Land Agency)
CH	: Certificate Holder
CHE	: Cholinesterase
CITES	: The Convention on International Trade in Endangered Species
COC	: Code of Conduct
CPO	: Crude Palm Oil
CSR	: Corporate Social Responsibility
DRP	: Daily Rate Payment
ECSR	: Environment and Corporate Social Responsibility
EFB	: Empty Fruit Bunch
EIA	: Environmental Impact Assessment
EMS	: Environmental Management System
FFA	: Free Fatty Acid
FFB	: Fresh Fruit Bunch
FPIC	: Free Prior Informed and Consent
GAPKI	: <i>Gabungan Pengusaha Kelapa Sawit Indonesia</i> (Indonesian Palm Oil Association)
GHG	: Green House Gasses
GIS	: Geographic Information System
HCV	: High Conservation Value
HGU	: <i>Hak Guna Usaha</i> / Land Use Title
HRD	: Human Resources Departement
HSE	: Health, Safety and Environment
IPM	: Integrated Pest Management
IUCN	: International Union for Conservation of Nature
LCC	: Legume Cover Crop
LTI	: Lost Time Injury
KER	: Kernel Extraction Rate
LONSUM	: London Sumatra
NGO	: Non Government Organization
MOR	: Monthly Operational Review
MSDS	: Material Safety Data Sheet
MRP	: Monthy Rate Payment
OER	: Oil Extraction Rate
OHS	: Occupational Health and Safety
P2K3	: Panitia Pembina Keselamatan dan Kesehatan Kerja/OHS Committee
PHL	: Pekerja Harian Lepas / Daily Workers
PIC	: Person In Charge
PLN	: <i>Perusahaan Listrik Negara</i> / State Electricity Company
PK	: Palm Kernel
PKB	: Perjanjian Kerja Bersama / Collective Labor Agreement
POM	: Palm Oil Mill
POME	: Palm Oil Mill Effluent
PPE	: Personal Protective Equipment

PRE	:	Pulau Rambung Estate
RISPA	:	Research Institute of The Sumatra Planters Association
RSPO	:	Roundtable Sustainable Palm Oil
RTE	:	Rare Threatened Endangered
RKL/RPL	:	<i>Environmental Management and Monitoring Plan)</i>
SCCS	:	Supply Chain Certification Standard
SEIA	:	Social Environment Impact Assessment
SIA	:	Social Impact Assessment
SOP	:	Standart Operating System
TOM	:	Turangie Oil Mill
TRE	:	Turangie Estate
WTP	:	Water Treatment Plant
WWTP	:	Waste Water Treatment Plant

1.0 SCOPE OF THE CERTIFICATION ASSESSMENT				
1.1 Assessment Standard Used		<ul style="list-style-type: none"> <i>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: Prudential Tower 15th Floor Jl. Jenderal Sudirman Kav. 79 Jakarta, Indonesia 12920		
1.2.4	Telephone	(061) – 4532300		
1.2.5	Fax	(061) – 4550421		
1.2.6	E-mail	Muhammad.Waras@londonsumatra.com		
1.2.7	Web page address	www.londonsumatra.com		
1.2.8	Management Representative who completed the application for certification	Muhammad Waras (Head of ECSR & HS Department)		
1.2.9	Registered as RSPO member	1-0015-04-000-00 – 5 November 2004		
1.3 Type of Assessment				
1.3.1	Scope of Assessment and Number of Management Unit	Palm Oil Mill and supply base: Turangie Oil Mill, Turangie Estate, Pulau Rambung Estate, Bungara Estate		
1.3.2	Type of certificate	Single		
1.4 Locations of Mill and Plantation				
1.4.1	Location of Mill			
	Name of Mill	Location	Coordinate	
			Latitude	Longitude
	Turangie	Village of Bandar Telu, Salapian Sub-district, Langkat District, Sumatera Utara Province, Indonesia	N 3° 28' 41"	E 98° 16' 05"
1.4.2	Location of Certification Scope of Supply Base			
	Name of Supply Base	Location	Coordinate	
			Latitude	Longitude
	Turangie	Village of Turangie, Bahorok Sub-district, Langkat District, Sumatera Utara Province,	N 3° 29' 52"	E 98° 13' 04"

		Indonesia			
	Pulau Rambung	Viilage of Pulau Rambung and Bandar Telu, Salapian Sub-district, Langkat District, Sumatera Utara Province, Indonesia	N 3° 09' 27"	E 98° 14' 24"	
	Bungara	Viilage of Bungara, Bahorok Sub-district, Langkat District, Sumatera Utara Province, Indonesia	N 3° 31' 57"	E 98° 11' 17"	
1.5 Description of Area Statement					
1.5.1	Tenure				
	• State		9,032.40	Ha	
	• Community		-	Ha	
1.5.2	Area Statement				
	• Total area		9,032.40	Ha	
	• Mature area		8,055.97	Ha	
	• Immature area		-	Ha	
	• Mill		8.98	Ha	
	• Building and Emplishment		113.25	Ha	
	• Infrastructure		718.00	Ha	
	• Nursery		4.59	Ha	
	• HCV (Include planted/mature area)		195.25	Ha	
1.6 Planting Year and Cycles					
1.6.1	Age profile of planting year				
	Planting Year	Hectarage (Ha)			
		Turangie	Pulau Rambung	Bungara	Total
	1985	174.75	-	-	174.75
	1986	121.78	422.21	-	543.99
	1987	57.39	265.53	93.40	416.32
	1988	23.08	212.55	-	235.63
	1989	51.31	143.84	150.66	345.81
	1990	-	-	153.23	153.23
	1991	19.75	464.80	192.84	677.39
	1992	220.01	81.41	365.85	667.27
	1993	376.03	39.24	182.39	597.66
	1994	584.01	198.21	407.37	1,189.59
	1995	568.48	286.62	535.84	1,390.94
	1996	639.14	344.73	450.39	1,434.26
	1997	-	26.21	-	26.21

	2010	-	18.19	-	18.19		
	2011	-	184.73	-	184.73		
	TOTAL	2,835.73	2,688.27	2,531.97	8,055.97		
1.6.2	New Planting area after January 2010		- Ha				
1.6.3	Planting Cycle		2 nd Cycle				
1.7	Description of Mill and Supply Base						
1.7.1	Description of Mill						
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO Out put (ton)	Palm Kernel Extraction (%)		
	Turangie	45	172,599.71	39,379.88	22.82		
	<i>* Source: Production Data of POM period October 2016 – September 2017</i>						
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)	%
	Turangie	3,156.45	2,835.73	62,857.50	22.17	62,857.50	100
	Bungara	2,777.48	2,531.97	50,462.24	19.93	50,462.24	100
	Pulau Rambung	3,098.47	2,688.27	59,279.97	22.05	59,279.97	100
	TOTAL	9,032.40	8,055.97	172,599.71	21.43	172,599.71	100
	<i>* Source: Production Data of Estate period October 2016 – September 2017</i>						
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)		
	-	-	-	-	-		
	TOTAL				-		
	<i>* Source: Production Data of POM period October 2016 – September 2017</i>						
1.7.4	Product categories			FFB, CPO, PK			
1.8	Estimate Tonnage of Certified Product						
1.8.1	Past Annual Claim Certified Product			Previous Certificate Claim 9 January 2017 to 8 January 2018 (tonnes/year)		Actual certified product 9 January 2017 to 23 October 2017 (tonnes/year)	
	• FFB Production			185,894		134,310.17	
	• CPO Production			44,615		30,734.29	
	• Palm Kernel (PK) Production			12,827		9,329.18	
1.8.2	Product selling						
	Tonnage of selling product			Actual selling product period 9 January 2017 to 23 October 2017 (Ton)			

	<ul style="list-style-type: none">• CSPO• CSPK• CPO under other scheme trading (e.g ISCC, RFS)• CPO under conventional trading (if any)• PK under other scheme• PK under conventional trading (if any)		<div>-</div> <div>5,863.26</div> <div>-</div> <div>29,679.39</div> <div>-</div> <div>3,253.19</div>					
1.8.3	Estimate of Certified FFB Claim							
	Name of Estates		Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/ year)	Yield (tonnes/ha/year)		
	Turangie		3,156.45	2,835.73	65,222	23.00		
	Pulau Rambung		3,098.47	2,688.27	53,765	20.00		
	Bungara		2,777.48	2,531.97	58,235	23.00		
	TOTAL		9,032.40	8,055.97	177,222	22.00		
	* Source: Projection Data of Estate period 9 January 2018 – 8 January 2019							
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 (%)	
	Turangie	45	177,222	42,533	24	12,228	6.9	IP
	* Source: Projection Data of POM period 9 January 2018 – 8 January 2019							
1.9 Other Certifications								
	ISPO from Mutuagung Lestari with certificate No. MUTU-ISPO/008 that valid from 20 September 2013 until 19 September 2018							
	Gold flag for OHS Management System							
	Certified for ISO 14001: 2005							
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	-
	Kencana Sari	2017	Arta Kencana	2017	Lahat, South Sumatera	ST-2
			Kencana Sari	2017	Lahat, South Sumatera	ST-2
	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	-
			Pahu Makmur	2018	West Kutai, East Kalimantan	ST-2
			Kedang Makmur	2018	West Kutai, East Kalimantan	ST-2
	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: 1. Gunung Bais POM postpone the certification process from 2016 to 2019 because the unit management is still process the HGU 2. Arta Kencana/ Kencana Sari 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					
	Turangie Oil Mill does not receive FFB from associated smallholder or outgrower. Turangie Oil Mill receive supply FFB from the own estate (Turangie Estate, Pulau Rambung Estate and Bungara Estate) that has been certified.					

2.0 ASSESSMENT PROCESS	
2.1 Assessment Team	
ASA-3	<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 SCCS and Environmental.</p> <p>2. Sandra Purba (Auditor). Indonesian citizen. Graduated from Forestry Faculty Bachelor Degree, majored in Forest Product Technology. Have experience working in industrial forest company, mining and oil palm plantations company for 6 (six) years as EHS and Sustainability Assistant. Has been certified as General OHS Expert, attend and passed the several trainings of management system (OHS, environment and quality management), has been attend the training of waste management, GHG vericator and validator training, and conflict resolution and mapping training. Have been successfully passed the Indonesian Sustainable Palm Oil (ISPO) Lead Auditor training course, RSPO lead auditor training course and auditor of RSPO Next. Involve in many audit activities of similar scheme (ISPO) since April 2013 covering the Legal Aspect, Environmental aspect, Social Aspect, Health and Safety Aspect, conservation and Worker Welfare. At the time of audit, has verify aspect of OHS.</p> <p>3. Syarif Lambaga (Auditor). Indonesian citizen, Bachelor of Agriculture from UNHAS, Master of Science Program Post Harvest Technology of IPB, trainings have been followed among others, Lead auditor training RSPO, In House Training for ISO 9000 and 14001 Lead Auditor Training SFM as Social Expert, ISO 22000 Lead Auditor Training, ISPO Lead Auditor Training, and Malcolm Baldrige Training. Having experience in the plantation of more than 5 years, and experience as a food safety auditor for more than 5 years, team members evaluator SNI BSN Awards, and as a team member for socialization RSPO smallholder and large estates conducted by DMSI 2006-2009. During this audit, he verified aspect of social, legal and land dispute.</p> <p>4. Fuji Lestari (Auditor). Indonesian citizen, Bachelor of Agriculture Department of Agribusiness Management, Politeknik Negeri Jember. The training that has been followed is ISPO Auditor Training, ISO 9001: 2008 Training, ISPO legal reporting and reporting, ISO 17021 and ISO17065 Training, ISO 14001: 2005 Training, IHT Palm Oil Processing, IHT Peatland Management, IHT Pest and Plant Disease Control, OHSAS 18001, Social IHT and IHT Mapping. During this audit, she verified aspect of worker welfare and transparency.</p> <p>5. Haikal Kharismansyah (Auditor Trainee). Indonesian citizen, Bachelor of Agriculture department of plant and pest disease (Agrotechnology). He has 3 years experience as an Agronomy Staff in private oil palm plantation in Indonesia. Training which had attended including Basic Management Development Program Agronomy, Integrated Urban Pest Management, Integrated Pest Management, ISO 9001 : 2015, Auditor ISPO, RSPO awareness, ISO 22000 awareness. Did some audit ISPO scheme with aspects Best management practices. During this audit, he assigned to verify Best Management Practices aspect and long term plan.</p>
2.2 Assessment Methodology, Assessment Process and Locations of Assessment	
2.2.1	Figure of person days to implement assessment
ASA-3	<p>Number of auditors : 4 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 : 25 Working days</p>
2.2.2	Assessment Process
ASA-3	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>Indonesian National Interpretation of RSPO Principles and Criteria (P&C) for the Production of Sustainable Palm Oil – 30 September 2016 And Supply Chain Certification</i>

	<p><i>Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 (Module D 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. Some opportunities for improvement of the results ASA-3 delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase (ASA-4).</p> <p>Improvement of findings from surveillance assesment findings were observed by auditors at this ASA-3 assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of ASA-3.</p> <p>The assessment program please find Appendix 2.</p>
2.2.3	Location of Assessment
ASA-3	<p>Number of unit in this certification activity is 1 (one) Mill and 3 (Three) 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 (Turangie Oil Mill) and two estate (Bungara Estate and Pulau Rambung Estate).</p> <p>Detail of field visit locations described below:</p> <p>Turangie Oil Mill</p> <ol style="list-style-type: none"> Security post. Observation and interview related to FFB receive, dispatch product, emergency procedures, PPE, working hour, inspection of vehicles in and out. Weighbridge Station. Interview with worker related to administration of FFB reception and delivery product, SCCS and training. 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. 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 Post. Observation and interviews with one respondent regarding aspects of OHS, Employment and Medical Waste Management. Hazardouse Waste Temporary Storage. Field observation and interviews with one respondent regarding hazardouse waste management. Chemical Store. Field observation and interviews with one respondent regarding hazardouse material handling, environment and including OHS implementation. Workshop. Field observation and interviews with one respondent regarding maintenance, manpower, OHS and environment aspects. Composting. Field observations and interviews with two respondents related to aspects of OHS, Employment, environmental sanitation around composting and safe working methods. Water Treatment Plant (WTP). Observations and interviews with two respondents related to aspects of OHS, Employment, environmental sanitation around the WTP and safe working methods. Waste Water Treatment Plant (WWTP). Observe activities in the WWTP Station, OHS implementation, checking flowmeter condition and interview with Foreman and workers towards technical, OHS and manpower aspect.

Pulau Rambung Estate

14. **Field 93112004 Division 2 (Chemical spraying).** Interview with the spraying worker related health and safety implementation during the work, sustainability policy, and working procedure
15. **Field 96112004 Division 2 (harvesting).** Observation and interview with worker and supervisor in harvesting activity.
16. **Field 11114003 Division 2 (barn owl nest observation).** Observation related occupation of barn owl box and the strategy of Integrated Pest Management
17. **Field 95113004 Division 3 (slope area).** Observation related to soil and water conservation in a slopy area
18. **Field 10114001, Division 3.** Observation the monitoring well in non application area of POME
19. **Field 10113001, Division 3.** Observation the monitoring well in application area of POME and interview with workers related to management in land application area.
20. **Empty Bunch Application. Division 2.** Observation and interviews with workers related the application of empty bunch as organic fertilizer.
21. **Workshop.** Interview and observation, PPE and first aid kit provided on field, OHS signboard installed, the personnels undertand regarding to the risk, hazar, work instruction and has been trained well.
22. **Fertilizer store and Chemical storage.** Observation regarding to implementation of OHS aspect, environment aspect and waste management aspect. Interview with store keeper regarding to the SOP understanding and training.
23. **Mixing area and PPE storage.** Observation regarding to implementation of OHS aspect, environment aspect and waste management aspect. Interview with store keeper regarding to the SOP understanding and training.
24. **Fires emergency preparedness equipment.** To check the equipment preparedness by simulation, location and the completeness according to the applicable regulation
25. **Hazardous Waste Warehouse.** Observation regarding to implementation of OHS, environment and waste management, the emergency facility has been provided in the store according to the license requirement. Interview with store keeper regarding to the SOP understanding and training.
26. **Clinic.** Observation on infectious waste management, medicine management and interview with paramedics regarding to the employee's health services.
27. **Generator room.** Observation on OHS implementation and waste management.
28. **Landfill Div. IV.** Field observations related waste management.
29. **Housing Complex of Division IV.** Observations and interviews with one respondent related to waste management and workers' facilities and infrastructure including the availability of electricity and water.
30. **First Aid Post (clinic) of Div. IV.** Observation and interviews with one respondent regarding aspects of OHS, Employment and Medical Waste Management.
31. **Field 88111003.** Observation the conditions and position of legal boundary BPN 28.
32. **Field 95111003.** Observation the conditions and position of legal boundary BPN 29.
33. **Field 95111006.** Observation the conditions and position of legal boundary BPN 36.
34. **Field 95111009.** Observation the conditions and position of legal boundary BPN 39.
35. **Field 92113004.** Observation the conditions and position of legal boundary BPN 60.
36. **Field 92113000.** Observation the conditions and position of legal boundary BPN 61.
37. **Field 88111005.** Observation the implementation of management in HCV area in form of water fall.
38. **Field 92113000.** Observation the implementation of management in HCV area in form of water reservoir.
39. **Field 86114012.** Observation the implementation of management in HCV area in form of riparian.
40. **Field 9211300, Division 1.** Observation and interview related to management in water supply area for the mill. The source of water comes from the Kaluci River.

Bungara Estate

41. **Block 95112003 Division 2 (Chemical spraying).** Interview with the spraying worker related health and safety implementation during the work, sustainability policy, and working procedure
42. **Block 87112003 Division 2 (harvesting).** Observation and interview with worker and supervisor in harvesting activity
43. **Block 93111004 Division 1 (FFB Transport).** Observation and interview with worker and supervisor related to Fresh Fruit Bunch Transport Activity
44. **Lubricant Warehouse.** Observations and interview related to the implementation of storage hazardous material,

	<p>emergency equipment, Health safety and labor management.</p> <p>45. Pesticide Warehouse. Observations and interview related storage of PPE, handling hazardous materials, mixing hazardous material and handling hazardous waste, medical surveillance.</p> <p>46. Fertilizer Warehouse. Observations and interview related to the implementation of storage hazardous material, emergency equipment, Health safety and labor management.</p> <p>47. PPE Warehouse. Observation and interview related to PPE stock.</p> <p>48. Workshop. Observations and interviews with workers related to the management and implementation of health safety, waste management, training, first aid box, and fire fighting equipment.</p> <p>49. Collecting place of scrap metal. Observation related to waste management.</p> <p>50. Hazardous Waste Warehouse. Observations related to the fulfillment of the attributes health and safety, recording and the implementation of compliance requirements hazardous waste temporary warehouse.</p> <p>51. Generator room. Observation and interview with clerk related to generator system, engine capacity, engine maintenance, containment of oil spills, PPE, medical surveillance and labor management.</p> <p>52. Clinic. Observation and interview related to medical waste, medical facility, drugs availability, medical check up and work accident.</p> <p>53. Division II Office. Observation and interview related to PPE store for sparying team, spraying equipment store and washing place for PPE and spraying equipment.</p> <p>54. Field 87112002. Observation the conditions and position of legal boundary NA 11</p> <p>55. Field 87112003. Observation the conditions and position of legal boundary NA 12</p> <p>56. Field 89112004. Observation the conditions and position of legal boundary NA 13</p> <p>57. Field 94111003. Observation the conditions and position of legal boundary BAE 13</p> <p>58. Field 93111004. Observation the conditions and position of legal boundary BAE 15</p> <p>59. Field 91112004. Observation the conditions and position of legal boundary NA 16</p> <p>60. Field 94111015. Observation the implementation of management in HCV area in form of riparian of Pondok Bawah River.</p> <p>61. Field 96114004. Observation the implementation of management in HCV area in form of riparian of 2 River.</p> <p>62. First Aid Post (clinic) of Div. IV. Field observation and interviews with one respondent regarding aspects of OHS, Employment and Medical Waste Management.</p> <p>63. Water Pump of Div. IV. Field observations and interviews with one respondent related to aspects of OHS, Employment, environmental sanitation around the water pump and safe working methods.</p> <p>64. Housing of Div. IV. Field observations and interviews with one respondent related to waste management and workers' facilities and infrastructure including the availability of electricity and water.</p> <p>Stakeholder</p> <p>65. Surrounding communities (Simpang Pulau Rambung Village and Bandar Telu Village). 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>66. Government Institutions of Langkat Districts (Environmental Agency, Manpower Agency and Agriculture 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-3	<p>Consultation of stakeholders for PT PP London Sumatra Indonesia, TBK – Langkat Location was held by:</p> <ol style="list-style-type: none"> 1. Public announcement at web www.mutucertification.com on 9 October 2017. 2. Consultation meeting and interview with government agencies in Langkat District (Agriculture Agency; Manpower agency and Environment agency) on 24 October 2017. 3. Consultation meeting and interview with locals of the nearby village (Simpang Pulau Rambung Village and Bandar Telu Village) on 24 October 2017. 4. Consultation meeting and interview with Internal Stakeholder (labour union, gender committee and worker cooperative) on 24 – 25 October 2017. 5. Consultation with NGO (Sawit Watch, Walhi, Yayasan Ekosistem Lestari, Animal Rescue and AMAN) on 17 October 2017.

	Numbers of input from stakeholders were clarified by PT PP London Sumatra Indonesia, TBK – Langkat Location.
2.3.2	Stakeholder contacted
	<i>Please find appendix 1</i>
2.4	Determining Next Assessment
	The next visit (ASA-4) will be determined one year after this ASA-3 (October 2018).

3.0 ASSESSMENT FINDINGS

3.1 Summary of Assessment Report of the RSPO Certification

MUTUAGUNG LESTARI has conducted an assessment of Turangie Oil Mill – PT PP London Sumatra Indonesia, Tbk operation consisting of one (1) mill and three (3) oil palm estates.

During the assessment, there was one (1) Nonconformity were assigned against Minor Compliance Indicators and eight (8) 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.

MUTUAGUNG LESTARI found that Turangie Oil Mill – PT PP London Sumatra Indonesia, Tbk complied with the requirements of Indonesian National Interpretation of RSPO Principles and Criteria (P&C) for the Production of Sustainable Palm Oil – 30 September 2016 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.	<p>The Company's stakeholders list informing statutory bodies, Indigenous people, local communities, workers organisations, lokal NGO's, contact name, contact number dan address. Based on interviews with the management, it was known that the documents list of stakeholders updated if there were changes.</p> <p>The type of information available to the public are listed in Communication Procedure No. EMS-P05 revise date August 25, 2016, as many as 17 types of documents that can be accessed by the public. Access to information is done by submitting a letter of information requests and then will be addressed by the company (PIC) in accordance with the terms/aspects of information that has been requested. Based on interviews with stakeholders known that the information contained in the SOP has been socialized including mechanisms.</p> <p>The results of the public consultation with representatives of government agencies, representatives of Simpang Pulau Rambung village, Perkebunan Bandar Telu village and Suka Rakyat village, it was known that the company representatives had actively communicated. Verification was done by stakeholders through direct communication and the results of the public consultation said that there was no change in management. Based on a documents review on the list of stakeholders, it was known that there was no changes.</p>	
1.1.2	<p>The Company has Procedure of Communication No. EMS-P05. The document describes a practical guide for dealing with communications. According to the procedure, that the consultation and communication officer and also external aspirations and complaints officer assigned to Manager of Unit or public relations department.</p> <p>Procedure owned by the company has included elements of transparency in providing information. The company has</p>	

socialized to stakeholder about the flow of communication, information, and the handling of the complaint as well. In the document of communication procedure, it is explained that information from external parties should be taken no later than 14 working days after the information is received.

The records of information request save in communication logbook. In the logbook there is no information request since the previous surveillance was done, there is only a proposal for the help from the villagers.

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 Company has Procedure of Communication No. EMS-P05. In the procedure, there is a list of the information type that can be accessed by public. The available documents to public are available in unit management office so that stakeholders will be able to access easily in accordance with established procedures.

The mandatory report owned by company has been available to the public and have been routinely reported to the relevant agencies, however during the surveillance auditor team have information through the stakeholder interview (local community and local government institution) that there is no request currently for the documents that can be access publicly.

Status: Comply

1.3

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

1.3.1

The company has Good Corporate Governance document which was authorized by by the President Director of Indo Agri on January 20th 2005. The document describes how business practices are fair to self, fellow workers, to customers, to shareholders, business partners to government and society. In addition, the document also explains that workers are prohibited from offering and engaging in bribery and corruption practices and abiding by all applicable laws and regulations.

Documentation and information are available in language that can be understood by the workers of the company. In interviews with the workers' representatives in the First Aid Post, chemical warehouse of Turangie POM, WTP, Water Pump Operators Division IV of Bungara Estate, Representatives of Labor Unions and Gender Committee, it is known that workers have already known the policy of business ethic.

Based on public consultation to company's stakeholders such as government institution and villager around the company known that the socialization related to code ethic and integrity has been done.

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 ; 2.1.2

List of relevant regulation sighted on document of EMS IA-C5 – Evaluation of SPO Regulation, issue no.: 7, latest update on Sept 2017. The document informs : title, no legislation & other requirement, key requirement, evaluation of implementation. Has been identified as many as 224 types of regulations relevant to the percentage of fulfillment average of 99.76% for each unit. Based on the document review there are some regulations that have not been updated in the list for example: government regulation No 44/2015; government regulation no. 45/2015; government regulation No. 46/2015; Regulation of Agrarian Minister No. 7/2017 and government regulation No 37/2012. In this case the company has not been able to show the documentation system which includes written information on the requirements for all regulations

relevant to its operational activities. **It raised as Nonconformity No 2017.1**

Copies of applicable legal requirements are stored in soft copy in EMS databases that are accessible from time to time by all staff. The company has applied the regulations, the auditor has recorded the evidence of compliance with the regulations on all aspects, for example:

- Compliance with Agrarian Law No. 5/1960 and Law No. 39/2014 on plantations, evidenced by the existence of land ownership documents for all areas managed as much as 9032.40 Ha, consisting of 4 certificates of HGU and already have a plantation permit for oil palm plantation activities of 9,032.402 Ha and one processing unit with a capacity of 60 tons of FFB per hour.
- Compliance with OHS Act No. 1/1970 is demonstrated through the provision of PPE to employees, the implementation of safe working practices to all employees especially high risk employees, and conducting the health checks to employees who exposed to noise, exposed to chemicals and exposed to dust. In addition, the company has also conducted training to employees to obtain competence certificates and license for operators.
- CH has had land use title and business permit.
- CH has land application permit.
- CH has sent monitoring of POME quality every three month to Environmental Agency of Langkat District.
- CH has sent RKL-RPL implementation report every six month to Environmental Agency of Langkat District.
- The company has applied wages referring to the agreement with the BKS-PPS where the wages applied are higher than the minimum wage of Langkat.
- The Company has conducted hazardous waste management in accordance with the applicable regulations, has licensed scheduled waste storage and has an environmental license and reports its implementation regularly every semester.
- The company has been able to demonstrate compliance with regulations on Best Management Practices such as :
 - Using a registered pesticide was allowed and the validity period is still recognized by the pesticide commission. Can be verified through the site Pestisida.id Directorate-General Infrastructure Ministry of Agriculture Indonesia
 - Conducted training of limited pesticide use known and approved by pesticide commission. At the time of audit the company no longer use paraquat

2.1.3, 2.1.4

The Company has SOP Legal Requirements (EMS-P02 dated April 10, 2014) that describes the person responsible for managing the legal documents is the Company Secretary / Legal Department.

Monitored of compliance with applicable regulations is done through internal audit and external audit of RSPO, ISPO and OHS management system. Based on the last evaluation there are 244 regulations that are considered relevant, 233 comply and 1 regulation is not applicable.

Mentioned in the clause 3.3 and clause 3.10 of the EMS-P02 that the new regulation updated through mass media/electronic media (national department website, internet discussion group and publications at national / provincial / regional level), through communication with relevant agencies, external audit results of RSPO / ISPO / OHS management system, seminars / meetings and through communication with GAPKI.

2.1.2	Status: Nonconformity No.2017.01 with minor category
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2.2

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

2.2.1

PT. PP London Sumatra Indonesia Tbk Turangi Group has been managed of 9,032. 402 ha. The company has been accepted the land right (HGU) extended for 25 years, since December 31, 1998 and will expired on December 30, 2023 based on head of National Land Agency ref no. 56/HGU/BPN/1997 dated June 30, 1997 for:

- Namotongan plantation with covered area are 1,136 ha
- Pulau Rambung plantation with covered area are 1,673.6 Ha
- Turangie plantation with covered area are 3,445.322 ha
- Bungara plantation with covered area are 2,777.48 Ha

There is area statement with total area 9,032.402 ha in place. The area management is divided into 3 (three) estate, i.e. P. Rambung Estate, Bungara Estate and Turangie Estate (included Turangie Mill).

2.2.2

The company has been installed borderline marks as a legal requirement. All mark has been managed based on internal procedure ref. no. OP 2.1 The HGU - Preparation, Survey and Mapping that issued on September 2016 (clause: 4.8).

Based on record keeping, each estate has been monitored marks, as evidence for examples:

- P. Rambung Estate has 62 borderline marks. Based on the monitoring result keeping records done by each division in May 2017 and re-verified in June 2017 indicates there are 3 units of the marks, no. 26, 27 and 39 in the damaged condition and mark no. 18 has missed. The monitoring result has been evaluated by management and has been taking the action plan. Until this audit conducted, progress improvements are being made. Based in field visits to mark no. 28, 29, 35, 37, 60 and 61, there is 2 mark, no. 29 and 37, in less maintained, like the color has faded. *Opportunity for companies to evaluate the timelines of borderline marks monitoring programs conducted annually once set out in OP 2.1 The HGU-Preparation, Survey and Mapping Clause 4.1. This is related to maintenance and care of the marks (OFI).*
- Bungara Estate has 34 borderline marks. Based on the monitoring result keeping records done by each division in June 2017 indicate that all marks are in good condition and well maintained. Based on field visit result to several samples such as marks no. NA 11, NA 12, NA 13, BAE 13, BAE 15 and NA 16 found marks in good condition and maintained.

2.2.3; 2.2.4; 2.2.5 & 2.2.6

PT. PP Sumatra Sumatra Tbk, Turangie Group, has been established code of conduct as stated in the code of business conduct of PT. PP London Sumatra Tbk issued January 20, 2005 that the company comply and adhere to any laws and regulations related to employment and respect to the human rights of its employees, directors and commissioners. Therefore, the company will not employing children and forced labor. The company is not permitted physical punishment or torture. The company respect to the right of every employee to obtain his legal rights to associate and assemble as well as respect the rights of employees to be union members or not.

Based on public consultations result, communities consultations around the estate, interviews with sustainability managers and record keeping review shows there has been no land dispute and/or social conflict between PT. PP Sumatra Sumatra Tbk Turangi Group with the surrounding communities. PT. PP Sumatra Sumatra Tbk Turangi Group has had the procedure ref. no. OP. 2.2 Land Acquisition and Compensation, dated Dec 2012. This procedure describes the stage of land acquisition and compensation such as: the preparation, FPIC, socialization, payment and land tenure.

The company also has had the procedure ref no. SOPP 004/S&P/LSIP/SOPP/04/2016 dated 15 April 2016 about internal conflict handling, i.e.:

1. Social conflicts
2. Land dispute
3. Pollution
4. Communities access
5. Formal legality

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 & 2.3.4

According to the result of public consultation with the surrounding communities and local government (Agriculture and Food Security Agency, Labor Agency, Suka Rakyat village, Simpang Rambong Village and Bandar Telu Village), there is no customary rights nor customary land within the area of PT PP London Sumatra Indonesia. Until this surveillance assessment, the company did not conduct acquisition for new land or expanded land.

Status: Comply

PRINCIPLE #3 Commitment to long-term economic and financial viability
3.1
There is an implemented management plan that aims to achieve long term economic and financial viability.
3.1.1

The Company has a Long Term Plan document (forward study) in the period 2016-2022 which describes the production of FFB, CPO Production, Production Kernel, OER, KER, operating costs, nursery costing, the financial indicators (income vs. costs), etc. Achievement of the planned long-term work is done each year in the form of documents Forward Study, as demonstrated for the period until 2022.

The area statement information is updated monthly and included in the Monthly Operational Review created by the Estate Manager. Up to ASA-3 there was no partnership plan with small holders. The plan also states for replanting activities using seeds from BLRS which is one division within the LONSUM business unit.

The long-term plan is evaluated annually as a reference in the annual budgeting. The Department of Research and Technology Development updates developments assisted by sustainability officers to disseminate information updates to all levels.

3.1.2

The company has set a plan of re-planting during the next 5 years (2017-2021), is described in the following table:

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

Based on the field observation, it is known that when the company does not undertake replanting activities. Replanting activities in accordance with the company's program will be made in 2018. For replanting in 2021 the planning will be made after evaluating the replanting results of 2018 - 2020. One of the major considerations in setting the replanting is the achievement of production per block and per year of planting.

An annual review of the replanting program can be seen in the MOR document made by Estate Manager. The MOR of 2017 has not been reviewed on replanting activities since the new activities will be implemented in 2018.

Status: Comply
PRINCIPLE #4 Use of appropriate best practices by growers and millers
4.1
Operating procedures are appropriately documented and consistently implemented and monitored.
4.1.1

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

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

The workers has had good understanding on the SOP and has been implemented properly. For instance According to the field visit and interview with the harvesters of (block 87, Division 2, BAE; and block 9611004 PRE) the harvesters have known harvesting procedures such as FFB criteria, PPE usage, payments, labour union, etc. All harvester can demonstrated harvesting procedure as good and safe. Interview with the spraying team in BAE and PRE both of them known how to work safely with pesticide. Worker says each estate has a special house for PPE storage, mixing pesticide, and cleaning up after work.

4.1.2

The company has conducted monitoring of operational activity to ensure implementation of procedures. It activity conducted Daily by Supervise team (Foreman, Assistant Afdeling, Head Assistant, and Estate Manager). There is also an internal audit conducted routinely at least once a year. The results of the internal audit dated March 30, 2017 among others:

- **Turangie Palm Oil Mill** : OER targets are not reached and FFA is always more than 3.00 above the standard. Corrective action taken with establish an integrated grading team that has previously been given skills on grading standard. The deadline to make improvements is April, 30 2017
- **Bungara and Pulau Rambung Estate** : There are ripe fruit that is not harvested and unrecorded loose fruits on the field. Corrective action taken with Improve supervision from the foreman, assistant, and manager; Periodic evaluation of the performance of the foreman; Providing sanctions on harvester harvesters and foremen who violate discipline constantly. The deadline to make improvements is May, 31 2017

All non conformity has been followed up. Progress improvements are required to be consistently implemented not only limited to completion time. The audit findings will be an assessment of job performance.

4.1.3

The company has documented all activity in estate or mill monthly on MOR. For example, MOR on September 2017 described hectare statement, supplying, stacing, planting and LCC, organization structure, manpower turnover, working facility, rainfall, nursery, manuring, intergrated pest management and financial report.

4.1.4

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

Status: Comply

4.2

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

4.2.1 & 4.2.2

The company has a Standard Operating Procedure Agronomy to manage soil fertility contained on Procedure of Fertilizer Management OP 5.5.1 – OP 5.5.5 published on 2006. Implementation of the SOP proven by manuring realization Rock Phosphate and Muriate of Potash on PRE and BAE amount 228.583 ton and 335.23 ton (To date September 2017).

Results of manuring is monitored by the supervise team (Manuring Foreman, Agronomy Assistant, Head Assistant, Estate Manager) and the monitoring results are made in Manager monthly report. For example, manuring application quality performance report in September 2017 for Bungara Estate with quality 88% and good category. Monitoring of manuring performances is also conducted by the Internal Auditor team and the result of audit is made annually.

At the time of ASA-3 there is no manuring activity because of in September 2017 just applied dolomite so that further manuring with urea can be applied 2 month after dolomite application. based on the interview majority of workers understand well how to manuring application. Workers explained sowing manuring application using a special bowl so that the appropriate dose of fertilizer applied. Urea application instance with a dose of 1kg / tree. One cup servings calibrated fertilizer can contain as much as 250gr. So workers sow 4 times. Fertilizers are sown circular outer the circle. Manuring program refer to manuring recommendation year 2017 which published by Bah Lias Research Station. Its recomendation refer to the results of soil and leaf analysis in late 2016

4.2.3

Soil and leaf sampling procedure arranged in SOP Operation – Technology Transfer TT 3.2 Leaf sampling and collection procedure issued on October 2005. The procedure stated leaf sampling is carried out once a year. SOP Soil sampling on August 2015 Rev 1 stated soil sampling is carried out once every 2 years. SSU point is 30 dots/block at 0 – 20 and 20 – 40 cm depth.

Leaf sampling unit inform the content of elements P, K, Mg, Ca, and N. While the soil analysis informs about soil type, saturation bases, C-Organic contents, N, P, K, and Mg elements.

4.2.4

The company has a strategy of recycling of nutrients such as by the use of an EFB. Based on the monitoring of EFB application in Pulau Rambung known from 30,263,600 Kg of EFB which planned applied, until September 2017 has been realized as much as 23,804,650 Kg. Based on field visit to block 912002 known the application of empty bunch with dosage 250 Kg for each palm tree. EFB compiled one layer and applied to inter row. The company has the opportunity to apply the empty bunch that has been scattered on the roadside in a timely manner in accordance with the SOP owned.

Field visit to the POME application in block 113001 division 3 show evidence that the implementation has been in accordance with the SOP.

Status: Comply

4.3

Practices minimize and control erosion and degradation of soils.

4.3.1

The company has several types of maps which include:

- Soil Map Bungara Estate and Pulau Rambung Estate with scale 1: 50.000 made by research and technology development department in 2006 and 2008
- Topographic Map and Slope Map of Bungara Estate and Pulau Rambung Estate with scale of 1: 50.000 which is strengthened by GIS team

From the information contained on the map, there is no identifiable marginal area and critical land in the company area. Identified soil types are minerals.

4.3.2

Procedures that explain about planting on the slopes among others :

- SOP OP 5.10 High Conservation Value. This includes discussing border management and erosion prone areas
- SOP OP 5.4.3 Frond Placement on Slope and Terrace.
- Management / conservation of soil in replanting. Making of sediment trap at slope area > 15% and > 45%

The company has a policy non planting in area with slope > 40%. Based on slope Map known in Bungara Estate and Pulau Rambung Estate maximal slope is 30%. Based on field visit known one of strategic do by the company as a part of water and soil conservation by making water cathment, planting vertiver grass, and frond stacking.

4.3.3

The company developed a work plan outlined in the road maintenance upkeep. In each estate planned road maintenance collection frond pruning, manual road upkeep, and heavy equipment (graders and compactor) road upkeep every year for each field. Based on observations in the field both of Main Road, Collection Road and access road has been well maintained even in boundary area

4.3.4; 4.3.5

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

4.3.6

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

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

- SOP OP 5.10 *High Conservation Value* - Program of management and monitoring of HCV including riparian management and the potentially high erosion area.
- SOP OP 543 *Frond Placement on Slope and Terrace* - Procedure of placement of frond residues in sloping block.

Status: Comply

4.4

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

4.4.1 & 4.4.2

CH has a management plan to maintain ground and surface water management plan, such as POME managed on WWTP before applied to the estate (land Application), conservation on riparian area, not using chemical on the riparian area, ground and surface water test routinely. CH also has procedure for riparian area management which explain that not spraying with chemicals in riparian area by marking red or white paint on the oil palm tree as a sign of chemical border.

The results of field visits, interviews and document review found that the management unit has conducted water management in accordance with the plan which is manage the POME on WWTP before it is applied to the estate, rehabilitate the riparian area by not using chemical and planting trees or bamboo. Water quality monitoring in river and deep-well conducted every 6 month. Based on the last monitoring on May 2017 it is known that all parameter of water quality in accordance with regulation.

4.4.3

Mill has had license for land application in accordance with Decree of Langkat Regent on 2013. The management has monitor POME regularly every month. Based on monitoring result period January to September 2017, the quality of POME is accordance with regulation. Here the monitoring result of POME for six month ago:

Parameter	Unit	Standart	Result for 2017					
			Apr	May	Jun	Jul	August	Sept
BOD	mg/l	<5000	3.520	1.760	2.540	2.560	2.930	2,680
pH	-	6 – 9	7,84	7,75	7,72	7,09	7,56	8,01

4.4.4

CH has been monitoring water consumption for processing FFB. According to the average water usage of FFB, it is known that, water use on January – September 2017 is meet with budget for water consumption which is maximum 1.25 M³/ Ton FFB. Based on field visit in WTP show that flow meter to gauge the water consumption is well function.

Follow-up of the permission of surface water utilization to the Directorate General of Water Resources of the Ministry of Public Works in Jakarta will be observed on next assessment.

Status: Comply

4.5

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

4.5.1 & 4.5.2

The Company has had an integrated pest management program that is listed in the annual budget. Budget in accordance with the procedures set in the SOP of integrated pest management. The Company has demonstrated result of pest census that has been conducted regularly in recapitulation documents of the plants census in each planting block. Based on the SOP identification, potential pest in palm tree is Palm Leaf Eating Caterpillar, Rat, *Oryctes*, and *Tirathaba*. Based on the results of the detection and census recording of 2016 and 2017 (until September) identified pests that could potentially cause damage are Palm-Leaf Eating Caterpillar especially bag worm.

Pest control measures taken is to combine biological, mechanical, chemical, and physical control. Pest and disease control SOP describes one type of biological control is to planting benefecial plant, such as *Turnera Subulata*, *Antigonon Leptosus*, and *Casia Tora*. As we know, benefecial plant can be host plant for *Sycanus Sp* (Predator of palm leaf-eating caterpillars) and host plant for other parasitoid of Palm-Leaf Eating Caterpillar too. For rodent control, especially for rat,

biological control with barn owl (*Tyto alba*). Biological control carried out by the company is expected to reduce the use of pesticides. During the period of January - September 2017 there is no use of insecticide or rodenticide because of the detection and census of pest attack, especially from Palm-Leaf Eating Caterpillar and Rat, the level of attack is still below the threshold of control. Pesticides are only applied if the census showed levels above the threshold control attacks.

Reports of detection result on September 2017 in Bungara Estate average attack of *Darna Trima* was 0.4%. Estate Manager and Head Assistant provide instructions to perform re-detection three months ahead that is in December 2017. As for the Pulau Rambung Estate there is an attack of Palm-Leaf Eating Caterpillar in April amounted to 0.064%. During May – September there is no Palm-Leaf Eating Caterpillar attack reported.

Based on the interviews with IPM Coordinator of Bungara Estate, officers have been able to explain about the pest observation stage from detection, followed by census and evaluation of census result. If the results of the census show numbers above the threshold, then control with chemicals will be done. However, if the census results are still below the threshold of control, routine observations will be made.

Status: Comply

4.6

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

4.6.1

Standard Operating Procedure OP 5.1.3 regulating the company's policy on safety in the use of pesticides. The procedure describes preference of pesticide, the use of pesticide, and safekeeping of the pesticide. Guidance to the use of pesticides on target listed in table Classification of pesticides based on targets such as :

- Herbicides: To Weed Control (*Fluroksipir*, *Glyphosate* and *Sulfosat*)
- Insecticides: For pest control (*Deltamethrin*, *Cypermethrin* and *Cyhalothrin*.)

The procedure explained to avoid resistance carried out by way of application of pesticides as prescribed, application of pesticides in accordance with the target pest, application of pesticides performed only if the results of the census pest exceeded threshold control, control programs that combine physical control, chemical, and biological, Application of pesticides by using the active ingredient rotation. CH use pesticides that have an active ingredients such as *Glifosat*, *Metil Metsulfuron*, and *Fluroxypir*.

Verification of the implementation of the SOP in the field by interview with spraying worker. Both in Bungara and Pulau Rambung Estate can explain it well that circle spraying activities use micron herbi with glyphosate pesticides. Meanwhile for wooden weed control use pesticides with active ingredients *Trikoplr*. Pesticide used by the company is registered according to the regulation.

4.6.2

The programs of pesticide application listed in Mature and Immature Upkeep Annual Work Plan and which is at the breakdown into monthly plans and daily work plans. In 2017 the company plans to conduct maintenance path and circle, row, Imperata cylindrical, and pruning. In the document recording the use of pesticides PRE known the use of *glyphosate* herbicides until September a number of 373.99 litres the application area of 1,496 Ha. While the use of *methy metsulfuron* in BAE is 33.90 Kg with 1,695 ha area application.

Record of the use of pesticide inform active ingredient, amount of use, and the application area. Information about LD50 listed on MSDS.

4.6.3

The company has a documented IPM plan in its Annual Work Plan BAE and PRE. The plan is detailed in the Monthly Work Plan which will be included in the Manager Monthly Report. During the year 2017 there is no pest control with pesticide. The used of pesticide is only applied in weed control. IPM plans that have been implemented include the construction of BOB for introduction of *Tyto alba* as a natural predator of rats. In addition the company has also carried out detection and census of the pest routinely listed in the monthly report of Early Warning System and map of pest distribution.

The use of pesticides for pests has been minimized because the application will only be done if the census results have been above the threshold of control so there is no prophylactic use

4.6.4

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

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

Based on the recap of pesticide use in year 2017 there is no use of class 1A and 1B pesticides. Based on the history of pesticide usage known paraquat last used in 2014. The Spraying Operators interviewed during field visit in block 95112003 division II Bungara Estate claimed that they had never used herbicide with active ingredients paraquat in 2017. Field visit in chemical store of Bungara Estate and Pulau Rambung Estate show that CH did not use pesticide categorized as World Health Organisation (WHO) Class 1A or 1B, nor stated in Convention of Stockholm or Rotterdam and paraquat.

4.6.5 & 4.6.7

Procedure in pesticides handling listed in OP 5.2.2 *Guide to the Safe Use of Agro Chemical* dan OP 5.1.1 *Spraying Convention and Calibration of Equipment*. In addition, the company also has an explanation of procedures for the use of pesticides that are more specific for pest, disease and weeds control, for example:

- OP 5.1 *Weed Control in Oil Palm*.
- OP 5.1.2 *Mature Weeding Management*.
- OP 5.1.3 *Herbicides for Weeds Control in Oil Palm*.
- OP 5.1.4 *Herbicides for Control of Noxious Weed*.
- OP 5.2.3 *Pesticides Used to Control Pest in Oil Palm*.
- OP 5.2.4 *Oil Palm Leaf Eater Control*.
- OP 5.3.1 *Fungicides Used to Control Disease in Oil Palm*.

Based on document review, interviews, and field visits both on Pulau Rambung Estate and Bungara Estate using a spray team system. This means that the spray officer is a special person who has been given understanding and training related to safe working, handling of toxic materials, and a good work in accordance with procedures owned by the company. Based on interview with spraying team of pulau Rambung and Bungara Estate worker able to explain about safe working practices for themselves and for the environment. For example, the obligations to use PPE, border of spraying area, the way to handling pesticides toxicity, mixing pesticides in special house, and self cleaning after applying pesticides before returning home.

The pesticides used are in accordance with the recommended dosage e.g during path and circle spraying work on blocks 95111002 and 95111006 using 3.2 liters of glyphosate and 2.3 liters of 2.4 D Methyl Amine. Dose per micron herbi is 80 cc. The tool used for spraying has been in accordance with its designation such as Micron-Herbicide for spraying the path and circle. While knapsack sprayer is used to spray interrow and woody growth. Each applicator has been equipped with a supportive PPE which corresponds to risk assesment for example Apron, Mask, Helmet, Face-shield, Boot, and Wear pack. The company already has a special room for storing and washing tools including PPE. Workers are required to cleaning up themselves in a bath room on its room after work with pesticides. Mixing of pure pesticide material is done in the room. The mixed material is brought into the field and fed into the knapsack sprayer using a calibrated dose.

4.6.6

CH has provided special place for storage of pesticides in each estates. Field visit in Bungara Estate and Pulau Rambung Estate shows those chemicals storages has met standard requirement according to procedure such as separated from other materials including fertilizer, provided first aid kit and emergency shower, MSDS, PPE, structuring materials on palette and include spill trap, permanently ventilated. Interview with workers in pesticide storage is known have been trained in chemical material handling.

CH has managed the pesticide containers in accordance with hazardous waste procedure. The pesticide container are store at hazardous waste warehouse maximum 1 year and every six month transported to licensed third party which is PT Amindy Barokah. Based on field observation in housing complex of Bungara Estate and Pulau Rambung Estate, nothing found pesticide containers carelessly and used for other purpose.

4.6.8

The management explained that the company has never done aerial spraying. The Spraying Foreman and Spraying Operators interviewed in Block 95 division II Bungara Estate claimed that the company has never performed pesticide application from air (aerial spraying).

4.6.9

At the time in assessment, company hasn't yet made partnership with farmers. Information on pesticide handling to employees is preferred to pesticide applicators. Socialization is done both formally and informally for example in morning briefing. Awareness raising on safe work is always delivered routinely by the supervisors ranging from the foreman to the Manager. The results of interviews with 8 spraying officers of Bungara Estate and 4 officers of Pulau Rambung Estate, workers have understood and are able to explain safe working practices for both themselves and the surrounding environment.

4.6.10

Interview with worker and manager, used pesticide container are washed before kept to hazardous waste warehouse. The wastewater from pesticide container washing activities is reused for mixing the pesticide. Field visits in pesticide warehouses show that there is a special place for mixing (see picture), this place is also used as a place to wash pesticide containers before it is stored in hazardous waste warehouse.



4.6.11, 4.6.12

Medical check are conducted annually, type of check is *cholinesterase* test (employee who exposed to chemical), *spirometry* (employee who exposed to dust) and physical check. For period of 2017 medical check is performed by clinic of Anugerah Ibu on 2 Oct 2017 for number of participant 20 operators of BAE and 32 operators of PRE, result showed that the CHE is in the range of normal value.

The company policy is prohibit the female workers who are pregnant and breast-feeding to involve in the chemical activities, it was observed during the field visit to pesticide spraying activity in PRE block 931004 Div 1 and BAE block 90112004 Div 2 that the policy has been well-implemented. No found any operators who are indicated exposure to chemicals such as irritation, skin diseases/itches. There is no complaint and grievance of such matter.

Status: Comply

4.7

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

4.7.1

The Company's commitment to OHS is contained in the Decree of Directors No. 001 / DIR / IX / 2014 issued by President Director of PT PP Lonsum Indonesia Tbk dated 12 Sept 2014 on sustainable management policy guidelines, which has

been socialized to employees continually during morning roll-call. In addition OHS documents including policy are displayed in the worksite such as division office, storage, station of process, workshop and estate' notice board. Interview with random workers showed that they has been familiar with the policy.

OHS program are sighted in all sampled unit (PRE, TOM and BAE) which prepared annually, for example period of 2017 the main activity such as : monthly meeting, risk and hazard identification, health check, OHS trainings, occupational accident monitoring, internal audit (work-place inspection) and management review. Yearly internal audit are conducted by OHS Medan to monitored the implementation of policy and such program, for e.g. for period of 2017 reported 2 NCs in PRE, BAE and TOM which has been followed up by the management unit.

4.7.2, 4.7.3

The latest risk assessments for all plantation estates and mill operations conducted in 14 Feb 2017 for BAE and PRE and 4 Jan 2017 for TOM, the results of risk assessments are reported in "*identifikasi sumber bahaya, penilaian dan pengendalian risiko (ISBPPR)*" documents. Which describes including plan of control measures such as administrative control (training, provision of WI / SOP, scheduling preventive maintenance) and the provision of appropriate PPE according the risk of work.

Sighted the evidence of its implementation such as medical test for employee who are work in high risk on Oct 2017 (sholinesterase, spirometry and audiometry), training of safe working continually as well as PPE provision and PPE use monitoring. OHS training realization based on programs can be shown, among others:

- Training of lift and transport operators to obtain the license as much as 5 participant conducted on 10 – 12 Oct 2017
- Best practice agrochemical application and safety use training to spraying foreman, pesticide operators and chemical store keeper (all PT Lonsum - Langkat) as many as 38 participant with the aim to increase knowledge on agrochemical materials and work practices to avoid chemicals negative impact of use
- Training of boiler operators on 10 Oct 2017 for increasing competence and training of safe working.

Observations to the spraying activity in PRE block 931004 Div 1 and BAE block 90112004 Div 2 show that all workers have used the PPE according to the company policy (rubber boot, face shield, chemical goggles, cotton glove, latex multi purposes glove, respirator mask and operators uniform). Similar to result of observation to POM all employees have used the appropriate PPE including ear plug / ear muff for operators who are exposure to noise. The provision of PPE has considered material MSDS and precaution attached on packaging.

The damaged PPE replacement mechanism has been set in document P-02, clause 6.5, but there are some employees who lack understanding of its mechanism so that it is note as **OFI** by the auditor.

4.7.4

P2K3 is the committee which responsible to OHS implementation, verified in all sampled unit that all the P2K3 structural chart has been legalized by the Disnakertrans of Langkat District, as well as the secretary has been owned the general OHS certificate. Decree No.: IX No.: KEP.31-7/WIL-IX/DTK/SU/2017 on 28 Aug 2017 for PRE, secretary certificate No.: 08.842/AK3-UDJPPK-P2K/IX/2008; decree No.: 566-1354.4/DISNAKERTRANS/2016 on 17 Oct 2016 for BAE and secretary certificate No.: 08.577/AK3-U/DJPPK-P2K/VIII/2008; decree No.: 1132.4/Disnakertrans/2016 for Turangie POM issued on 12 Aug 2016, secretary certificate No.: SER.12.1525/PK3/U/V/2012.

Regular meetings are held in monthly to discuss OSH issues, and OSH activities are reported to relevant agencies every 3 months. Can be shown OSH meeting reports in all sampling units, the latest meeting report in September 2017.

4.7.5, 4.7.6, 4.7.7

No changes regarding to the occupational accident and emergency procedures, namely describes on SOP P-12 (occupational accident and nearmiss handling) and SOP P-10 (emergency preparedness). All SOP are written in Bahasa. First aid kit are provided in worksite referring to Permenaker 15/2008, random checks are done for e.g. in Block 931004 and block 87112003 Div 1 BAE. Field foreman as assigned first aider in worksite has been trained and able to demonstrate the steps of first aid. First aid training has been done regularly every year, for e.g. training of mill on 6 Oct 2017, first aider of PRE on 8 March 2017 and BAE on 8 June 2017. In addition, the company provide first aid post in each division which is served by paramedics, based on visit to first aid post in BAE found that the stock for antiseptics has been

exhausted and currently is in the purchase process, it is an **OFI** for the unit to improve monitoring keeping stock available. All employees has been registered in BPJS which one of its program is accident insurance, dues payment are done in monthly to keep it still active. Sighted the payment evidence example for Sept 2017 paid through bank account transfer, namely:

- DRP, MRP and specified time contract worker for sampled unit paid on 13 Oct 2017, number of 876 workers.
- Daily freelance workers/piece workers are paid simultaneously for all of PT PP Lonsum North Sumatra, paid on October 17, 2017, number of 196 persons (for the region of Langkat).

Monitoring of accidents has been done regularly every month using LTI metric and recapitulated in one year, based on the form of recapitulation of work accident 2017 for PT PP Lonsum - Langkat region there are 8 cases of accidents. Total of lost time is 74 mandays. Investigation and reporting to the relevant institution as well as to social security and insurance body has been done in 2x24 hours. For e.g.the accident that occurred on May 10, 2017 at mill has been investigated to analyze the root cause and to establish the corrective action plan. Medical assistance is done in collaboration with Trauma Center Hospital (registered as referral hospital of BPJS). There is no charge to the employee for the accident.

Status: Comply

4.8

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

4.8.1

The company has a list of employees of September 2017. The employees list is available to each management unit. For the employees, the company has made a training program of 2017. The training program has been done consisting of refreshing course *Ganoderma*, refreshing course of control of leaf-eating pests, use of pesticides training, RSPO Supply Chain and eTrace training and others.

4.8.2

The company has had employees training record, the record is available in the form of minutes, training attendance, and documentation in the form of photographs. In interview with the management, it is know that the training activity has been annually programmed for the employees that is done to maintain and improve employee's competency in accordance with their work.

Based on interviews with the workers' representatives in the First Aid Post, chemical warehouse of Turangie POM, WTP, Water Pump Operators Division IV of Bungara Estate, Representatives of Labor Unions and Gender Committee, it is known that spray team members have understood the procedures for the use of pesticides in their work. The workers have been able to explain and demonstrate how to use pesticides properly and safely.

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

CH has Environmental Impact Assessment (EIA) in accordance with regulation which has been approve on 1994. Beside that CH also has had environmental impact assessment on 2017 in accordance with ISO 14001. Those document has describes the impact of each activities in certification scope.

Based on information in ASA-3, there is revision process of EIA since 2015. Interview with Environmental Agency staff of Langkat Regency at the time of public consultation stated that there was a discourse of the addition of company activity which has been communicated with Environmental Agency, but until now the company has not made an application for environmental document addendum attaching the draft document. However, based on the explanation of previous audit (ASA-3), it is known that the company has sent a letter in December 2015 to Environmental Agency of Langkat Regency regarding the request for discussion and recommendation/ Endorsement of EIA (DELH) PT PP London Sumatera

Indonesia Tbk, Turangie POM. In this letter it is stated that the company has submits the EIA (DELH) which has been prepared by the consultant.

5.1.2 & 5.1.3

Environmental management and environmental monitoring is carried out in accordance with the environmental document. Based on RKL-RPL implementation report semester 1 of 2017 is known the environmental management consist of solid waste, POME, erosion, conservation area, protected species, riparian, pest and disease, GHG, hazardous waste and CSR. Field visit in CH operation area shows that environmental management is conducted in accordance with RKL-RPL report such as EFB is used for composting, leachate water from composting area is sent to WWTP, not use chemical in riparian area, etc.

Environmental monitoring in RKL-RPL implementation report semester 1 of 2017 shows that all environmental parameter is accordance with regulation such as emission quality of generator, emission quality of boiler, water quality in 21 river and POME quality for land application. Interview with Environmental Agency of Langkat District and communities inform that there is no negative issue related to pollution caused by CH operation.

Status: Comply

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 & 5.2.2

CH has conduct identification of HCV on 2014 based on the Toolkit Identification of High Conservation Values in Indonesia. Identified types of HCV are HCV 4 and HCV 6, no identified RTE species in accordance with IUCN, 3 species is protected by Indonesian law and 2 species is Appendix II of CITES. Field visit in Bungara Estate and Pulau Rambung Estate shows that the area of HCV 4 is planted by oil plam tree and the management in that area is no chemical application and rehabitated the riparian area by planting trees or bamboo.

Interview with workers in Bungara Estate and Pulau Rambung Estate is known that they already understood about the ban of chemical application in riparian area, ban of hunting protected species and cutting trees.

5.2.3 ;5.2.4

To provide protection against species, management unit has made the signboard of hunting prohibition and protected species posters. Socialization of protected species also conducted in each estate such as in Pulau Rambung Estate conducted on 15 September 2017 and Bungara Estate conducted on 25 March 2017. Interview with workers and communities is known that they already know about that protected species in CH operation area asuch as *monyet* and *biawak*. Field visit to housing complex found that there is no indication of protected species are captured, harmed and collected. CH also conducted monitoring of HCV periodically. Based on the result of monitoring in 2017 show that there is no interference with HCV area and protected species.

Management review of HCV management for PT PP LONSUM was held in 7 September 2017. Based on the review, there some issue that has been discussed consist of damaged or lost the HCV signboard and the competence of HCV officer for monitoring is inadequate. To follow up the issue, CH is plan to training the HCV officer and standardize the HCV signboard and also socialization to communities with government cooperation.

5.2.5

Results of the verification documents, field visits and interviews with communities obtained information there is no set-aside areas of HCV.

Status: Comply

5.3

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

5.3.1 & 5.3.3

CH has identified source of waste and pollution such as: used oil, used filter, rags, used batteries, pesticide container, plastic, organic waste, inorganic waste, fiber, shell, EFB, POME, etc. Based on field observation, interview and document review is known that waste is managed in accordance with procedure such as:

- Domestic waste is collect in housing complex and sent to landfill area every 2 times a week.
- Shell and fiber is used for boiler fuel
- EFB is collect in mill area and used as material for compost

Interview with Simpang Pulau Rambung Village and Bandar Telu Village is known that there is no issue of waste management of PT PP LONSUM.

5.3.2

CH has provided licensed storage for hazardous waste in each management unit of estate and mill. There are four licensed storage of hazardous waste in CH operation area. Field visit in mill and estates shows that all chemical waste and empty containers is stored in hazardous waste storage. Document review shows that stock of chemical containers in hazardous waste warehouse of Turangie Mill for September 2017 is 0.159 Ton, 0.019 Ton in Bungara Estate and 0.017 in Pulau Rambung Estate. The last handover to licensed third party is July 2017 and December 2016. This hazardous waste is maximum store for a year.

Status: Comply	
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5.4

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

5.4.1

The use of renewable energy to reduce fossil fuels has been programmed within the standards for waste management of the plan that is by utilizing all fiber and shells as fuel for the boiler. Renewable energy comes from the turbine, which is generated from the boiler and the fuel for boiler is shell and fiber. Field visit in mill shows that shell and fiber has used as boiler fuel.

The use of renewable energy has been regularly monitored by the mill in form of FFB processed; shell and fiber used; kWh of generator and turbine; kWh per ton FFB. Records of recent renewable energy usage and efficiency analysis shows that average conversion of energy produced per ton processed FFB is 17.32 Kwh.

Status: Comply	
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5.5

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

5.5.1, 5.5.2

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

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

Status: Comply	
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5.6

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

5.6.1 and 5.6.2

CH has list of activities that produce Greenhouse Gases (GHG) in mill consists of chemicals use, fossil fuels, electricity and effluent. List of activities that produce GHG in estate consists of, the use of fertilizers, the use of pesticides, electricity and fossil fuels. To minimize the GHG, management unit conduct:

1. The use of chemicals: chemical use sufficiently correspond to the dose required.
2. The use of fossil fuels:
 - Subtracting the use of diesel fuel
 - Generators and heavy equipment were functioning properly be able to consume diesel fuel efficiently
 - Turn off the engine when the vehicle queue loading and weighing FFB.
 - Ensure the maintenance of transport equipment, generators and heavy equipment.
 - Monitoring of Kwh / ton production coming from renewable energy (fiber and shell).
3. The use of electricity: using an efficient lamps and socialization in saving electricity
4. Domestic waste: waste separation an organic and organic; socialization in prohibition of garbage incineration
5. Effluent is greenhouse gas emissions from liquid waste into the air / atmosphere.
6. The use of Pesticides: Optimizing control of IPM and use pesticides that have been registered and also appropriate and precise dose.

Mill is monitor the quality of emission from generator and boiler every six month, beside that mill also monitor the noise level in workplace. Based on the result of monitoring for period semester 1 of 2017 is known that all parameters of generator emission and boiler emission is accordance with regulation. Interview with operator in engine room and boiler station stated that generator and boiler treated regularly. Workers who work at that station also provide with ear muff and mask.

5.6.3

CH has conducted emission calculations period 2016 with PalmGHG calculator Version 3.0.1. Result of GHG emission as follows:

Summary of Net GHG Emissions

Emissions per product	tCO ₂ e/tProduct	Extraction	%	Production	ton/year
CPO	0.5	OER	22.98	FFB Processed	170,380.08
PK	0.5	KER	6.84	CPO Produced	39,160.44

Land Use	ha
OP planted area	8,055.96
OP Planted on peat	0
Conservation	194.9

Summary of Field Emissions and Sinks

	Own Crop		Group		3 rd Party		Total	
	tCO ₂ e	tCO ₂ e/ha	tCO ₂ e	tCO ₂ e/ha	tCO ₂ e	tCO ₂ e/ha	tCO ₂ e	tCO ₂ e/ha
Emissions								
Land conversion	54,400.64	6.75		-	-	-	-	-
*CO ₂ emissions from fertilizer	3,718.38	0.46		-	-	-	-	-
**N ₂ O emissions	7,457.39	0.93		-	-	-	-	-
Fuel consumption	1,619.08	0.2		-	-	-	-	-
Peat Oxidation	0	0		-	-	-	-	-
Sinks								
Crop sequestration	-51,572.39	-6.4		-	-	-	-	-
Conservation Sequestration	-517.55	-0.06		-	-	-	-	-
Total	15,105.55	1.88		-	-	-	-	-

Summary of Mill Emissions and Credits

	tCO ₂ e	tCO ₂ e/tFFB
Emissions		
POME	10,130.95	0.06

Fuel consumption	514.21	0
Grid Electricity Utilization	0	0
Credits		
Export of Grid Electricity	-3.22	0
Sales of PKS	-356.25	0
Sales of EFB	0	0
Total	10,285.7	0.06

Palm oil Mill Effluent (POME) Treatment

Divert to compost	66 %
Divert to anaerobic digestion	34 %

POME Diverted to Anaerobic Digestion:

Divert to anaerobic pond	100.00 %
Divert to methane capture (flaring)	0.00 %
Divert to methane capture (electricity generation)	0.00 %

Status: Comply
PRINCIPLE #6 Responsible consideration of employees and of individuals and communities affected by growers and mills
6.1

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

6.1.1 & 6.1.2

As previous surveillance, there is document of Social Environment Impact Assessment (SEIA) in place. The assessment process has been conducted on October 2016. There was showed also the minutes meeting of consultation process with community surround. The evidence was consist of Attendant List of village member on Focus Group Discussion as phase of data gathering for Social Impact Assessment Report. There is 16 program that has been raised in SEIA document.

6.1.3; 6.1.4 & 6.1.5

Based on document review, records keeping, field visit and public consultation, that the SEIA program has been being implemented right now, such as:

1. An identification of company's workforce is available. There is an official letter from each estate head to the village official about the job vacancy i.e. maintenance and harvesting.
2. There is list of stakeholders in place.
3. An identification of health facilities surrounding estate and/or mill.
4. Built smart house (rumpin) and its activities that has been undertaken during the period 2016-2017.
5. Empowerment of communities' economic
6. Improving the quality of public education
7. Management of infrastructure

The management of company has planned to evaluate the implementation of SEIA program in 2018. Until this surveillance assessment, management not yet has scheme /associated smallholder.

Status: Comply
6.2

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

6.2.1

PT. PP London Sumatra Tbk Turangie Group has had the procedure ref. no. EMS-P05 Communication dated 25 August 2016. This procedure explains the communication arrangements with the parties including internal parties related to

various environmental issues or related to sustainable palm oil. The management of each estate has conducted socialization to the stakeholders.

6.2.2

Management of PT PP London Sumatera has a PIC which is appointed to communicate with stakeholders. PIC which is appointed to respond the stakeholders is Public relations staff. The position of that PIC is made officially to communicate with stakeholders, such as Mr. Sopanul Hidayat as person in charge of communication and consultation for Turangie POM as Mill Manager letter ref. no. 004/TOM/KARY/I/2015 dated 5 January 2015.

6.2.3

Stakeholders list of CH are available. Stakeholders consist of district officials, village officials, surrounding communities, workers' organization and local NGOs. Based on interviews with officials of Simpang P. Rambung village, Bandar Telu village and Suka Rakyat village, they already know the communication and consultation mechanisms set by the management of CH. They also know who the public relations staff should contact at each estate. All communication notes, consultations and responses are recorded in the communication logbook and outgoing email folders.

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 & 6.3.2

CH already has procedures to handle complaints in accordance as internal memorandum on 2011. In addition, the company also has a grievance mechanism as contained in the SEIA document. Procedures for dealing with complaints and grievance mechanisms have been socialized to workers and surrounding communities. Based on consultations with workers' organizations and surrounding communities, they have been aware of complaints and / or complaints settlement procedures.

Based on records keeping, interview with village officials and interview with management of Pulau Rambung Estate and Bungara Estate, there is complaints to PT. PP. London Sumatra Tbk.

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; 6.4.2 & 6.4.3

Based on document review, records keeping, public consultation and interview with estate management, there is no extended land and/or conducted new planting since previous surveillance audit. CH has had the procedure No. OP.2.2 about Land Acquisition and Compensation, dated December 2012 which contains land acquisition stages.

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

Employee remuneration refers to the agreement of members of BKS-PPS with FSP-PP-SPSI number 26 / BKS-PPS / 2017 issued on 28 Feb 2017, which set the lowest daily wage is higher than minimum wage according to North Sumatra Governor Decree No. 188.44 / 779 / KPTS / Year 2016 concerning the minimum wage of Langkat Regency for 2017. Sighted the HRD decree No.: 001/HRD/C-SAL/III/2017 on 17 March 2017 on provision of DRP and MRP wages based on class of employees (the lowest class has earned more than BKS-PPS decree.

Employee wages are paid by the account transfer method, such as the Sept 2017 wage payment reported in the "Monthly end salary document Sept 2017" for mill, Pulau Rambung Estate and Bungara Estate informing: NIK, employee name,

class, number of dependents, income (wages and premiums), overtime, fix allowance, rice allowance, gross salary, deduction (insurance), net salary. During the interview and cross-check through payment document verification, there is no wages violation especially regarding to the working hours of harvesters. Wages payment are done based on productivity basic which has been converted from minimum wage. The excess of production are paid by premium wages which has been converted from overtime payment. No grievance raised during the interview.

Piece workers wages payment report in document of “*salary crediting PHL report*”, informs total mandays, premium and wages paid. Document review and confirmed during interview with workers stated that the wages has been paid in accordance with applicable regulation.

6.5.2

In the PKB document period 2015-2017 between BKS-PPS and PP.FSP.PP-SPSI explained regarding to the conditions of employment arranged referring to Law No. 13 Year 2003. The document has been approved by Dirjen PHIJSK No. : KEP.88 / PHIJSK-PKKAD / PKB / VI / 2015. The condition governed are: working hours in article IV, wages (Article V), overtime wages, provisions on premiums, religious mean day allowance, social security and social assistance, work equipment and OHS, pension insurance, type of work and industrial relations settlement.

The employment conditions of contract workers specified time arranged in the direct employment contract, for example contract number 24 / PKWT-AMA-S / XI / 2016 dated 1 December 2016 valid one year until 30 November 2017. Contracts have been signed by both parties, based on interviews with contract workers on FFB loading activities in Pulau Rambung Estate mentioning that copies of contracts are available to employees.

6.5.3, 6.5.4

The Company is committed to providing adequate facilities for its employees, during field observations in Pulau Rambung Estate and Bungara indicate that the housing provided is feasible, the electricity supply is obtained from PLN (which some of the fee is subsidized by the company) and there is a source of clean water in the form of WTP in each division. Confirmed during a random interview with the employee mentioned that there were no complaints related to existing facilities. Also mentioned that access to viable and affordable food sources is readily available. Distance of employee housing to the village market location can be reached within 15-30 minutes.

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

In the PKB period 2015-2017 between BKS PPS with PP.FSP.PP-SPSI which has been approved by the Director General of industrial relations and labor social security No Kep. 88 / PHIJSK-PKKAS / PKB / VI / 2015 on the registration of labor agreements dated June 18, 2015, article II concerning organizational recognition has been mentioned that the company recognizes the existence of labor unions (FSP.PP-SPSI), also mentioned that employers and labor unions cooperate in maintaining order.

In addition there is also Internal Memo No 006 / HRD / CIR / I / 2014 dated 7 January 2014 on freedom of association policy and worker age. It is mentioned that pursuant to section 04 of the Manpower Law, freedom of association is granted to workers and in accordance with article 68 that the company requires a minimum age of workers is 18 years

6.6.2

Union labor of company documented every meeting with the management to discuss employment issues, for example a meeting on October 23, 2017 which discusses the procedure of Complaints, extension of labor agreement and socialization of COC on human rights attended by 47 workers and there is documentation in the form of photographs.

Status: Comply

6.7
Children are not employed or exploited.
6.7.1

CH already has a policy on the age requirements of workers and maintains the morals contained in the ongoing management policies set forth in the Decree No. 001 / DIR / IX / 2014 of the Board of Directors on sustainable management policy guidelines which include ensuring and protecting employee reproductive rights and not employing minors and protect employees from sexual harassment.

Based on the document review of the September 2017 employee list of Turangie Oil Mill, Bungara Estate and Pulau Rambung Estate, in which there is information about the place, date of birth and date of joining the company. In the document there are no workers under the age of 18 years.

Interviews with the workers' representatives in the First Aid Post, chemical warehouse of Turangie Oil Mill, WTP, Water Pump Operators Division IV of Bungara Estate, Representatives of Labor Unions and Gender Committee, it is known that workers are aware of the policy of applying the age of workers. Workers also stated that the company does not employ children under 18 years of age.

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; 6.8.2 & 6.8.3

CH has had a the sustainable management policies set forth in the Board of Directors' Decree on 2014 on sustainable management policy guidelines which include equality of opportunity for all employees to organize, union and develop careers.

Based on the results of the document review on the September 2017 employee list of Turangie Oil Mill, Bungara Estate and Pulau Rambung Estate, is known that workers come from different areas such as, Sumatera Selatan, Jawa, Kalimantan, Riau, and others. Workers also consist of several different religions, such as Islam and Christianity. The company also does not distinguish between the rights of female and male workers. The rights granted as workers are equal. For the recruitment and appointment process, the company conducts an assessment of the worker, so that the assessment is objective and there are no discriminatory practices.

Document record of employees recruitment stored in each unit of the mill and estate. Its record contain of application files, recruitment process document (test result) and medical examination record. Interviews with workers' representatives in the First Aid Post, chemical warehouse of Turangie Oil Mill, WTP, Water Pump Operators Division IV of Bungara Estate, Representatives of Labor Unions and Gender Committee it is known that workers are aware of anti-discrimination policies. Workers also state that the company does not practice discriminatory practices, recruit and promote workers through stages of performance appraisal such as ability, attendance, and medical examination.

Status: Comply

6.9
There is no harassment or abuse in the work place, and reproductive rights are protected.
6.9.1; 6.9.2 & 6.9.3

CH has a policy on the age requirements of workers contained in the sustainable management policies set out in the Decree of the Board of Directors on 2014 on the guidelines of sustainable management policies which include ensuring and protecting the reproductive rights of employees and not employing minors and protect employees from sexual harassment.

CH also has Internal Memo on 2011 from Human Resources Director to All Estate Managers and All Mill Managers dated 1 April 2011 on Procedures for Handling Complaints Handling in which the mechanism of handling complaints in stages. These complaints include sexual harassment and various forms of violence against women and to protect their reproductive rights.

Interviews with workers' representatives in the First Aid Post, chemical warehouse of Turangie Oil Mill, WTP, Water Pump Operators Division IV of Bungara Estate, Representatives of Labor Unions and Gender Committee it is known that pregnant and lactating female workers that working on chemicals, will be transferred to light work and not related to chemicals. Gender Committee of Bungara Estate and Pulau Rambung Estate said they known the mechanism of handling specific complaints but Gender Committee on Turangie Oil Mill and Estate said they did not known. CH has the opportunity to conduct a thorough socialization of the specific grievance mechanisms associated with the gender committee. The understanding of Gender Committee about mechanism of handling specific complaints will be observed in next assessment (OFI).

Based on interviews with gender committee in Turangie POM, Bungara Estate and Pulau Rambung Estate, it is known that there has never been any complaint related to sexual immorality, sexual harassment and domestic violence. So that the activities of gender committees have only recently ranged from immunization activities, education about policies relating to the protection of reproductive rights, gender equality, health and safety and religious activities.

Status: Comply

6.10

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

6.10.1; 6.10.2; 6.10.3 & 6.10.4

There are no smallholder scheme partnerships and CH do not buy FFB from outside parties. There was no contracting with other parties since previous surveillance audit.

Status: Comply

6.11

Growers and millers contribute to local sustainable development wherever appropriate.

6.11.1

CH has formulated CSR 2017 program in the Socialization and Discussion of Stakeholders on 21 September 2016 with Empus Village, Namujawi Hamlet, Sematar Village, Simpang Rambung Village and others. In these activities there are several inputs such as requests for recruitment of preferred for local village communities, requests for heavy equipment for road repairs, funding for road repairs, and others. It has been listed in 2017 CSR programs and has been done.

The results of the public consultation with representatives of government agencies, representatives of Simpang Pulau Rambung village, Perkebunan Bandar Telu village and Suka Rakyat village, it was known that the company has a good contribution to the surrounding community. Assistance for the construction of roads and religious facilities have been done. Communication between the company and community feels quite good.

6.11.2

There are no smallholder schemes and companies do not buy FFB from other source. Based on the information from the management staff that at the time of ASA-3 there was no work with an outside contractor.

Status: Comply

6.12

No forms of forced or trafficked labour are used.

6.12.1; 6.12.2 & 6.12.3

CH can show the work agreement signed by both parties to prove that the workers are employed in accordance with the agreement of both parties. Each worker has a copy of the employment agreement. In the work agreement there is no statement that the worker will be charged when an employee resigns before the contract ended. CH has also prohibited workers from bringing family members who are not employees of CH at workplace. Field visit in estate show that workers have applied prohibition of bringing family members and they understand about the prohibition.

The result of public consultation with Social and Labour Agency of Langkat District, there is no migrant workers and forced labor identified in CH operation area. Based on the result of a worker's statement, it is known that the workers are hired based on their ability and selection results. On the field practice, there are no issues of discrimination, forced labor and illegal workers. The workers are not forced to worked outside of the work hours and theres no limit of the communication

between the workers and others party.

New recruitment is known that the recruitment system according to the needs of the company. Applicants will be selected in advance through a medical examination at the Clinic and file selection (Identity Card and Family Card). Stages recruitment activities include: planning, publication, selection and administration, interviews, medical tests, signing of agreements, as well as placement. Based on the research document on the list of employees in September 2017 and an explanation of Manager Units, it is known that there are no migrant workers. All the workers come from within the country, apart from the villages around the plantation area, they also came from other provinces, among others: Sumatera Selatan, Jawa, Kalimantan, Riau and others.

Status: Comply

6.13

Growers and millers respect human rights

6.13.1

CH has a policy of respect for human rights which has been stated in the Decree of the Board of Directors on 2014 on the guidelines of sustainable management policy, stating that the company respects all human rights and impose sanctions on the offenders human rights.

CH has socialized the policy of addressing human rights at the morning briefing before work. In addition, the socialization is also in the form of pamphlets in display at the estate and mill office and at the meeting. For example on October 23, 2017 there was a meeting of the news that discussed the Human Rights and Business Ethics Policy to 47 workers.

Interviews with workers' representatives in the First Aid Post, chemical warehouse of Turangie Oil Mill, WTP, Water Pump Operators Division IV of Bungara Estate, Representatives of Labor Unions and Gender Committee it is known that the workers are aware of policies to respect human rights.

Status: Comply

PRINCIPLE #7 Responsible development of new plantings

The results of document review, field visits and interviews found that Turangie Oil Mill and supply base (Turangie Estate, Bungara Estate and Pulau Rambung Estate) did not convert or conduct new planting since ASA-2.

The document review and interview with management showed that CH is not performed land clearing after 1 November 2005. HCV identification in CH operation area was conducted on 2014. PT PP London Sumatra Indonesia Tbk has conducted disclouser of liability in accordance with email on 19 September 2014 which explained all units under PT PP London Sumatra Indonesia Tbk in Sumatera Utara Province, Sumatera Selatan Province dan Kalimantan Timur Province of Indonesia.

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 October 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).
- PT PP London Sumatra Indonesia Tbk, Turangie has built a smart home, called *Rumah Pintar (RUMPIN)*, that is the center of activities, coaching and partnerships. The company has empowered and developed skills for the

surrounding community.

Status: Comply

3.2 Summary of Assessment Report of Supply Chain Requirements

Clause	(Module D) CPO Mills – Identity Preserved Requirements																																																						
D1	Definition																																																						
D.1.1																																																							
A mill is deemed to be Identity Preserved (IP) if the FFB used by the mill are sourced from its own supply base certified to the RSPO Principles and Criteria (RSPO P&C). Certification for CPO mills is necessary to verify the volumes and sources of certified FFB entering the mill, the implementation of any processing controls (for example, if physical separation is used), and volume sales of RSPO certified products. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. If a mill processes certified and uncertified FFB without physically separating the material then only Module E is applicable.																																																							
Turangie Oil Mill is used RSPO supply chain of Identity Preserved module because only received FFB from the estate which has been certified with RSPO.																																																							
	Status: Comply																																																						
D.2	Explanation																																																						
D.2.1																																																							
The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the CB in the public summary of the P&C certification report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced should then be recorded in each subsequent annual surveillance report.																																																							
Estimates of CPO and PK produced by Turangie Oil Mill obtained from the data of 12 months before the audit activities and have been described in this ASA-3 report.																																																							
	Status: Comply																																																						
D.2.2																																																							
The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).																																																							
<ul style="list-style-type: none">RSPO IT Platform member registration number: RSPO_PO1000002367Certified CPO sold to each buyer period of 9 Jan 2017 to 17 Oct 2017: Credit																																																							
	<table><tr><th>Date</th><th>Buyer</th><th>Volume</th></tr><tr><td>6-Jun-17</td><td>Lamb Weston Holdings, Inc.</td><td>1,850</td></tr><tr><td>12-Jun-17</td><td>Lamb Weston Holdings, Inc.</td><td>2,300</td></tr><tr><td>12-Jun-17</td><td>Orkla Confectionary & Snacks Finland Ab</td><td>75</td></tr><tr><td>14-Jun-17</td><td>Oleon N.V.</td><td>3,720</td></tr><tr><td>15-Jun-17</td><td>Global Cosmetics (Hong Kong) Company Limited</td><td>45</td></tr><tr><td>19-Jun-17</td><td>Frito Lay (A Division of Pepsico)</td><td>2,010</td></tr><tr><td>27-Jun-17</td><td>The J.M. Smucker Company</td><td>860</td></tr><tr><td>29-Jun-17</td><td>Frito Lay (A Division of Pepsico)</td><td>768</td></tr><tr><td>30-Jun-17</td><td>CLP Chemicals Inc.</td><td>60</td></tr><tr><td>30-Jun-17</td><td>CLP Chemicals Inc.</td><td>100</td></tr><tr><td>30-Jun-17</td><td>Bunge Oils North America</td><td>48</td></tr><tr><td>3-Jul-17</td><td>Quaker Chemical Corporation</td><td>2,405</td></tr><tr><td>7-Jul-17</td><td>Frito Lay (A Division of Pepsico)</td><td>647</td></tr><tr><td>7-Jul-17</td><td>Frito Lay (A Division of Pepsico)</td><td>3,787</td></tr><tr><td>31-Jul-17</td><td>Frito Lay (A Division of Pepsico)</td><td>2,865</td></tr><tr><td>28-Sep-17</td><td>AB Agri</td><td>949</td></tr><tr><td>28-Sep-17</td><td>AB Agri</td><td>1,334</td></tr></table>	Date	Buyer	Volume	6-Jun-17	Lamb Weston Holdings, Inc.	1,850	12-Jun-17	Lamb Weston Holdings, Inc.	2,300	12-Jun-17	Orkla Confectionary & Snacks Finland Ab	75	14-Jun-17	Oleon N.V.	3,720	15-Jun-17	Global Cosmetics (Hong Kong) Company Limited	45	19-Jun-17	Frito Lay (A Division of Pepsico)	2,010	27-Jun-17	The J.M. Smucker Company	860	29-Jun-17	Frito Lay (A Division of Pepsico)	768	30-Jun-17	CLP Chemicals Inc.	60	30-Jun-17	CLP Chemicals Inc.	100	30-Jun-17	Bunge Oils North America	48	3-Jul-17	Quaker Chemical Corporation	2,405	7-Jul-17	Frito Lay (A Division of Pepsico)	647	7-Jul-17	Frito Lay (A Division of Pepsico)	3,787	31-Jul-17	Frito Lay (A Division of Pepsico)	2,865	28-Sep-17	AB Agri	949	28-Sep-17	AB Agri	1,334
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Total		23,823
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• **Certified Palm Kernel sold to each buyer period of 9 Jan 2017 to 17 Oct 2017: pyshical**

Date	Buyer	Volume
10-Jan-17	Musimas	400
17-Jan-17	Musimas	400
25-Jan-17	Musimas	400
1-Feb-17	Musimas	200
7-Feb-17	Musimas	400
1-Mar-17	Musimas	300
7-Mar-17	Musimas	400
13-Mar-17	Musimas	400
21-Mar-17	Musimas	400
29-Mar-17	Musimas	200
6-Apr-17	Musimas	300
27-Apr-17	Musimas	300
4-May-17	Musimas	400
9-May-17	Wilmar	300
15-May-17	Musimas	200
17-May-17	Musimas	400
6-Jun-17	Musimas	400
19-Jun-17	Musimas	200
21-Jun-17	Musimas	300
4-Jul-17	Musimas	200
10-Jul-17	Musimas	500
19-Jul-17	Musimas	200
25-Jul-17	Musimas	200
31-Jul-17	Musimas	300
14-Aug-17	Musimas	200
22-Aug-17	Musimas	300
28-Aug-17	Musimas	300
6-Sep-17	Musimas	200
13-Sep-17	Musimas	300
Total		9,000

	Status: Comply
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D.3	Documented procedures
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D.3.1
The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following: a. Complete and up to date procedures covering the implementation of all the elements in these requirements; b. The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site procedures for the implementation of this standard.
Turangie Oill Mill has had SOP of CSPO Supply Chain which described the duties and responsibilities of each part; the identification of raw materials and products; and performs supply chain system. The results of interviews with security and weighbridge operator showed that they understand about inspection of vehicles for delivery document. They also explained also dispatch certified products on the DO there will be special information that is RSPO.

	Status: Comply
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D.3.2
The site shall have documented procedures for receiving and processing certified and non-certified FFBs.

Turangie Oil Mill has had SOP of CSPO Supply Chain, among others, described about the process of FFB reception from the supply base. Field visits and document review showed that all FFB that received by the mill is only from certified estate which are Pulau Rambung, Bungara and Turangie. .

Status: Comply

D.4 Purchasing and goods in

D.4.1

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

- **Certified and non-certified FFB received period of 9 Jan 2017 to 23 October 2017**

Month	FFB (Kg)		
	RSPO Certified	Non Certified	Total
9 – 31 Jan 2017	3,189,740	-	3,189,740
Feb 2017	14,214,170	-	14,214,170
Mar 2017	18,034,160	-	18,034,160
Apr 2017	15,112,230	-	15,112,230
May 2017	14,126,650	-	14,126,650
June 2017	13,677,920	-	13,677,920
July 2017	14,777,450	-	14,777,450
August 2017	12,111,470	-	12,111,470
Sept 2017	14,156,270	-	14,156,270
1 – 23 Oct 2017	8,368,180	-	8,368,180
Total	127,768,240	-	127,768,240

Status: Comply

D.4.2

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

Turangie Oil Mill has had SCCS guidelines that describes the provision of information to CB if there is excess production of RSPO-certified products. Based on the attachment of RSPO ASA-2 certificate, it is known that the projected production of CSPO was 44,615 Ton and CSPK was 12,827 Ton. Meanwhile CSPO and CSPK production from 9 January 2016 to 17 October 2016 was not excess the projected production of certified product which are 32,146.59 Ton CSPO and 9,753.12 Ton CSPK.

Status: Comply

D.5 Record keeping

D.5.1

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

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

No	Period	Produksi CPO (Kg)			despatch CPO (Kg)		Stock (Kg)	
		Cert	Non-Cert	Total	RSPO	Non-Certified	RSPO	Non-Certified
Opening Stock		-	-	-	-	-	884,600	-
1	Jan – Mar 17	10,296,270	-	10,296,270	-	10,523,220	657,650	-
2	Apr – Jun 17	9,952,660	-	9,952,660	-	9,817,750	792,560	-
3	Jul – Sept 17	9,292,200	-	9,292,200	-	9,338,420	746,340	-

No	Period	Produksi PK (Kg)			despatch PK (Kg)		Stock (Kg)	
		Cert	Non-Cert	Total	RSPO	Non-Certified	RSPO	Non-Certified
Opening Stock		-	-	-	-	-	301,730	-
1	Jan – Mar 17	3,123,540	-	3,123,540	2,487,230	600,000	338,040	-
2	Apr – Jun 17	2,994,580	-	2,994,580	300,000	2,653,190	379,430	-
3	Jul – Sept 17	2,841,170	-	2,841,170	3,076,030	-	144,570	-

Status: Comply

D.6 Processing

D.6.1	The site shall assure and verify through documented procedures and record keeping that the RSPO certified oil palm product is kept segregated from non-certified material including during transport and storage
	Turangie Oil Mill only processes FFB from RSPO certified estate, subsequently, the entire product is CSPO and CSPK.
	Status: Comply
D.6.2	The objective is for 100 % segregated material to be reached
	Turangie Oil Mill only processes FFB from RSPO certified estate.
	Status: Comply

3.3 Conformity Checklist of Certificate and Logo Use

1.	Evidence of permission or approval certificate and logo from Certification Body which submitted by Client	X or √
ASA-3	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-3	The company does not use RSPO logo.	√
3.	Implementation of Certificate and Logo is not used on product	X or √
ASA-3	The company does not use RSPO logo.	√
4.	Controlling of Certificate and Logo, including withdrawing inappropriate logo.	X or √
ASA-3	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 London Sumatra 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-2** Assessment

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

- Manifest and transfer record of hazardous waste in Turangie POM on December 13, 2016 which consist of used oil (Manifest No. AVT 0000020), used oil filter (Manifest No. AVT 0000021), used rags (Manifest No. AVT 0000022), used dry battery (Manifest No. AVT 0000056), used wet battery (Manifest No. AVT 0000023), used catridge(Manifest No. AVT 0000024), used lamp (Manifest No. AVT 0000025), medical waste (Manifest No. AVT 0000027) , ex pesticide container (Manifest No. AVT 0000026).
- Manifest and transfer record of hazardous waste in Bungara Estate on December 13, 2016 which consist of used oil filter (Manifest No. AVT 0000035), used dry battery and wet battery (Manifest No. AVT 0000037), medical waste (Manifest No. AVT 0000041), ex pesticide container (Manifest No. AVT 0000040), used catridge and toner (Manifest No. AVT 0000038) and used lamp (Manifest No. AVT 0000039).
- Manifest and transfer record of hazardous waste in Turangie estate on December 13, 2016 which consist of used dry battery and wet battery(Manifest No. AVT 0000030), used oil filter (Manifest No. AVT 0000029),ex pesticide container ex(Manifest No. AVT 0000033), medical waste (Manifest No. AVT 0000034), used lamp (Manifest No. AVT 0000032), used oil (Manifest No. AVT 0000028) and used toner (Manifest No. AVT 0000031).
- Manifest and transfer record of hazardous waste in Pulau Rambung estate on December 13, 2016 which consist of used dry battery and wet battery(Manifest No. AVT 0000044), used oil filter (Manifest No. AVT 0000043),ex pesticide container (Manifest No. AVT 0000047), medical waste (Manifest No. AVT 0000048), used lamp (Manifest No. AVT 0000046), used oil (Manifest No. AVT 0000042) and used toner (Manifest No. AVT 0000045).

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

Verified by	: Radytio Puspanjana
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3.5.2 Identification of Findings, Corrective Actions and Observations at ASA-3 Assessment

NCR No.	:	2017.01	Issued by	:	Sandra Purba
Date Issued	:	27 October 2017	Time Limit	:	ASA-4
NC Grade	:	Minor	Date of Closing	:	
Standard Ref. & Requirement	:	2.1.2 A documented system, which includes written information on legal requirements, shall be maintained			
Non-Conformance Description & Evidence observed (filled by auditor): List of relevant regulation sighted on document of EMS IA-C5 – Evaluation of SPO Regulation, issue no.: 7, latest update on Sept 2017. The document informs : title, no legislation & other requirement, key requirement, evaluation of implementation. Has been identified as many as 224 types of regulations relevant to the percentage of fulfillment average of 99.76% for each unit. Based on the document review there are some regulations that have not been updated in the list for example: PP No 44/2015; PP no. 45/2015; PP No. 46/2015; Regulation of Agrarian Minister No. 7/2017 and PP No 37/2012. In this case the company has not been able to show the documentation system which includes written information on the requirements for all regulations relevant to its operational activities.					
Root Cause Analysis (filled by organization audited):					
Correction (filled by organization audited):					
Corrective Action (filled by organization audited):					
Assessor Evaluation and Conclusion (filled by auditor):					
Verified by	:				

3.5.3 Opportunity for Improvement

No	Ref Std	Descriptions
1	1.1.1	CH have the opportunity to socialization thoroughly to external stakeholders related to communication channels and PIC designated for communication.
2	2.2.2.	CH have the opportunity to evaluate the timelines of border monitoring programs conducted annually as set out in OP 2.1 The HGU Preparation, Survey and mapping clause 4.1. This is related to the maintenance and maintenance of boundary stone.
3	4.2.4	Ensure the EFB that already sent in the field was applied on time
4	4.7.3	Evaluation on the socialization of the PPE replacement mechanism that has been done to the employees
5	4.7.5	Evaluation of the availability of first aid equipment at first aid post Evaluation of emergency preparedness equipment available in the estate
6	6.5.2	Ensure PKB renewal has been done
7	6.9.1	CH have the opportunity to disseminate thoroughly to the specific grievance mechanisms associated with gender committees
8	-	CH have the opportunity to be disciplined administration: <ul style="list-style-type: none"> Completing each document with identity such as creation date, unit name and others. Record any meeting activities conducted such as meeting of gender committee, labor union and employee cooperative.

3.5.4 Noteworthy Positive Components

No	Ref Std	Descriptions
1	-	The commitment of the company to implement the principles of sustainable palm oil management
2	-	Have earned Gold Flag for OHS Management System
3	-	Received ISPO certificate
4	-	Received ISO 14001 certificate

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

Public Issues (Institution/ NGO/Community)	Auditor Responses
Simpang Pulau Rambung Village <ul style="list-style-type: none"> • Not using fire • Not conduct land clearing or develop new plantation • Communities know the boundaries of plantations because they have clear boundaries with trench as plantation boundaries • Communities know protected areas such as watersheds and know the prohibition of hunting protected animals. • The company employs villagers and provides job vacancy information • assistance provided by the company among others clean water if there is event, heavy equipment for road maintenance and Assistance for infrastructure improvements. • Communities who work as fixed-term contract complain that not receiving bonuses. • Communities expect reactivate health assistance, scholarship aid for poor children and assistance of oil palm seedlings. 	<p>There is no negative issues cause by CH operation activities. CH has comply with RSPO standard criteria 2.2; 5.2; 5.5; 6.11 and principal 7.</p> <p>Based on contract of fixed-term contract workers it is known that on the contract the stated that workers did not receive bonuses.</p>
Perkebunan Bandar Telu Village <ul style="list-style-type: none"> • The company lends facilities to the village office • There is no issue of water pollution • There is no land clearing activity • There is no conflict and no grievance related to land rights, environmental, social and labour • Communities know the boundaries of plantations because they have clear boundaries with trench as plantation boundaries • Communities know protected areas such as watersheds and know the prohibition of hunting protected animals. • Assistance provided by the company among others clean water if there is event and heavy equipment for road maintenance. • Communities expect assist the construction of village facilities, such as village halls, mosques and others and also open opportunities for buying FFB from communities. 	<p>There is no negative issues cause by CH operation activities. CH has comply with RSPO standard criteria 2.2; 4.4; 5.2; 5.5; 6.11 and principal 7.</p>
Suka Rakyat Village <ul style="list-style-type: none"> • There is no issue of using fire in operation activities of CH • There is no land clearing activity • Communities know protected areas such as watersheds and know the prohibition of hunting protected animals. • There is no conflict and no grievance related to land rights, environmental, social and labour • The company employs villagers and provides job vacancy information • Community and CH have good relation. • Assistance provided by the company among others clean water if there is event, heavy equipment for road maintenance and staple food for the poor people. • Communities expect assist the construction of village facilities, such as village halls, mosques and others and help the road watering in dry season. 	<p>There is no negative issues cause by CH operation activities. CH has comply with RSPO standard criteria 2.2; 5.2; 5.5; 6.11 and principal 7.</p>

Public Issues (Institution/ NGO/Community)	Auditor Responses
Environmental Agency of Langkat District <ul style="list-style-type: none"> Regular reporting is done related to environmental management and monitoring Have good relation with CH and communication also good. CH has response every information request by agency. There is no information or complaints related to environmental management conducted by CH either from the community or from NGOs If the company produces medical waste, then its reporting is sufficiently submitted in the RKL / RPL semester report (not in the hazardous waste report report) and there must be a MoU with the incinerator owner. There is a discourse for the addition of CH activities that have been communicated with Environmental Agency, but until now CH has not made an environmental document addendum. There is no information as to whether the actual addition activities have been implemented or only the program. Environmental Agency mentioned that if the activity (addition) has been done in the field, then the environmental document should have been revised. CH is not proactive in communicating the environmental document changes and the addition of the new activities. 	<p>There is no negative issues cause by CH operation activities. CH has comply with RSPO standard criteria 1.1; 2.1; 5.1 and 5.3.</p> <p>Based on the explanation of previous audit (ASA-3), it is known that the company has sent a letter in December 2015 to Environmental Agency of Langkat Regency regarding the request for discussion and recommendation/ Endorsement of EIA (DELH) PT PP London Sumatera Indonesia Tbk, Turangie POM. In this letter it is stated that the company has submits the EIA (DELH) which has been prepared by the consultant.</p>
Agriculture Agency of Langkat District <ul style="list-style-type: none"> Communications and reporting have been conducted with compliance by CH, the report on plantation business activities for semester 1 of 2017 has been sent. Reporting is done by each unit. CH need to make report on plantation business activities more informative, especially new things about CH, such as organization structure of the unit, CH shareholders and changes in PIC to communicate. There are no land disputes or conflict, but there are complaints from the public related to mill does not receive the FFB of the community. 	<p>There is no negative issues cause by CH operation activities. CH has comply with RSPO standard criteria 2.1 and 2.2.</p>
Manpower Agency of Langkat District. <ul style="list-style-type: none"> CH has applied wages above the district minimum wage because CH is the members of BKS PPS (using BKS PPS standard wage). Workers regulation is follow the CLA that approved by BKS PPS. CH is expected to have its own CLA and copies of documents are provided to the Disnakertrans. CH has established Bipartite cooperation body in each unit There are work termination in Pulau Rambung Estate, currently through mediation process and process of applying for payment (from unit to head office in jakarta) CLA which has expired can still be used within 1 year (preferably drafting newly done 3 months before expiration). There is no negative issue of workforce and there is no fatal accident in CH operation area. CH has established good communication with the agency, the PIC that can be contacted is administration head of each unit. 	<p>There is no negative issues cause by CH operation activities. CH has comply with RSPO standard criteria 2.1; 6.2 and 6.5.</p>

Public Issues (Institution/ NGO/Community)	Auditor Responses
Worker Cooperative (Koperasi Karyawan Perkasa) <ul style="list-style-type: none"> Established since 1984 Annual meeting is conducted every year The activity is savings and loan There is no negative issue related to workforce 	<p>There is no negative issues cause by CH operation activities. CH has comply with RSPO standard criteria 6.6.</p>
Labor Union of Turangie Oil Mill and Turangie Estate <ul style="list-style-type: none"> Every year participate discuss and socialize about wage increase All member of labor union is pay membership dues Rp 14,000 each month. The amount of dues is a mutual agreement Meeting and socialization is routine conducted every two weeks. The content of socialization such as PPE use. No discrimination issues related to employment opportunities. There is no negative issue of worforce for period 2016 – 2017, including child labor issue and wages. 	<p>There is no negative issues cause by CH operation activities. CH has comply with RSPO standard criteria 2.1; 6.6; 6.7 and 6.8.</p>
Labor Union of Bungara Estate <ul style="list-style-type: none"> Meeting and socialization is routine conducted every three month. There is no negative issue of worforce for period 2016 – 2017, including child labor issue and wages. Wages is paid in accordance with BKS PPS Health facilities and medical care are provided by CH for both workers and family members. There is no problem related to the difference workers status such as fixed-term contract worker, DRP / MRP and PW. The rights in BKS-PPS have been explain by CH and labor union to workers such as leave, holiday allowance/THR, etc. 	<p>There is no negative issues cause by CH operation activities. CH has comply with RSPO standard criteria 2.1; 4.7; 6.5; 6.6; 6.7 and 6.8.</p>
Labor Union of Pulau Rambung Estate <ul style="list-style-type: none"> socialization is routine conducted every week There is no negative issue of worforce for period 2016 – 2017, including child labor issue and wages. Wages is paid in accordance with BKS PPS Health facilities and medical care are provided by CH for both workers and family members. There is no problem related to the difference workers status such as fixed-term contract worker, DRP / MRP and PW. Membership of labor union is voluntary All member of labor union is pay membership dues Rp 14,000 each month. The amount of dues is a mutual agreement. There is no issue of sexual harassment 	<p>There is no negative issues cause by CH operation activities. CH has comply with RSPO standard criteria 2.1; 4.7; 6.5; 6.6; 6.7; 6.8 and 6.9.</p>
Committee Gender of Bungara Estate; Pulau Rambung Estate; Turangie Estate and Turangie Oil Mill <ul style="list-style-type: none"> There is no issue of sexual harassment and domestic violence. 	<p>There is no negative issues cause by CH</p>


Public Issues (Institution/ NGO/Community)	Auditor Responses
<ul style="list-style-type: none"> • Reproductive rights have been given by company such as breastfeeding and pregnancy and also menstrual leave. • There is no discrimination between female and male workers. 	<p>operation activities. CH has comply with RSPO standard criteria 4.7; 4.8 & 6.9</p>

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

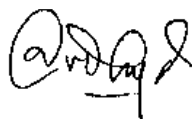
Hereunder sign by management representative from inspected company and audit team to acknowledge a field assessment and agree for all content explained in this assessment report, included of nonconformities issues.

Signed on behalf of:

PT. PP London Sumatra Indonesia
Management Representative


Muhammad Waras
27 November 2017

Mutuagung Lestari
Lead Auditor


Ardiansyah
27 November 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 Agency	District of Langkat, Province of Sumatera Utara.	-	Interview	24 October 2017	✓	
2	Manpower Agency	District of Langkat, Province of Sumatera Utara.	-	Interview	24 October 2017	✓	
3	Agriculture Agency (Plantation Department)	District of Langkat, Province of Sumatera Utara.	-	Interview	24 October 2017	✓	
4	Simpang Pulau Rambung Village	District of Langkat, Province of Sumatera Utara.	-	Interview	24 October 2017	✓	
5	Bandar Telu Village	District of Langkat, Province of Sumatera Utara.	-	Interview	24 October 2017	✓	
6	Suka Rakyat Village	District of Langkat, Province of Sumatera Utara.	-	Interview	24 October 2017	✓	
7	Labor Union of Pulau Rambung Estate, Bungara Estate, Turangie Estate and Turangie Oil Mill	District of Langkat, Province of Sumatera Utara.	-	Interview	24 & 25 October 2017	✓	
8	Gender Committee of Pulau Rambung Estate, Bungara Estate, Turangie Estate and Turangie Oil Mill	District of Langkat, Province of Sumatera Utara.	-	Interview	24 & 25 October 2017	✓	
9	Worker Cooperative (Koperasi Karyawan Perkasa)	District of Langkat, Province of Sumatera Utara.	-	Interview	24 & 25 October 2017	✓	
10	Wahana Lingkungan Hidup Indonesia (Walhi)	Jakarta, Indonesia	informasi@walhi.or.id	Email	17 October 2017		✓
11	Aliansi Masyarakat Adat Nusantara (AMAN)	Jakarta, Indonesia	rumahaman@cbn.net.id	Email	17 October 2017		✓
12	Sawit watch	Jakarta, Indonesia	info@sawitwatch.or.id	Email	17 October 2017		✓
13	Internal Stakeholder: • 2 security • 1 weighbridge operators • 4 sorter • 1 boilerman • 1 sterilization • 1 engine room operator • 1 technician • 2 Operator WTP • 1 Operator WWTP • 1 store keeper • 1 paramedic	Turangie Oil Mill	-	Interview	24 October 2017	✓	
14	Internal Stakeholder: • 1 paramedic • 1 harvesting workers • 1 harvesting foreman • 1 spraying foreman • 6 spraying workers • 4 EFB application workers • 4 Transporter • 1 store keeper	Pulau Rambung Estate	-	Interview	25 October 2017	✓	

	• 1 Land application operator						
15	Internal Stakeholder: • 1 paramedic • 1 spraying foreman • 7 spraying workers • 2 harvester • 4 transporter • 1 store keeper • 1 Mechanic.	Bungara Estate	-	Interview	26 October 2017	✓	

Appendix 2. Assessment Program

DATE	23 – 28 October 2017	
PLANNED TIME	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
Monday, 23 October 2017		
06.00 - 09.00	Jakarta → Medan (Kualanamu)	• SP/ ARD/ HR/ SL/ FL
09.00 – 12.30	Medan (Kualanamu) → Site (Turangie POM)	• SP/ ARD/ HR/ SL/ FL
12.00 – 14.00	LUNCH BREAK	• SP/ ARD/ HR/ SL/ FL
14.00 – 14.30	Opening Meeting (Brief Introduction, Audit scope confirmation, Standards Use, Audit Objectives and Audit Agenda Explanation)	• SP/ ARD/ HR/ SL/ FL
14.30 – 17.00	Document Review a. Review of Previous Visit Non-conformance b. Collect Basic Information (Mill and Estates) c. Time bound plan and partial certification	• SP/ ARD/ HR/ SL/ FL
Tuesday, 24 October 2017		
08.00 – 12.00	Public Consultation: • Related Government Institution & Local NGO (Kab. Langkat) • Communities • Workers Cooperative, Labor Union, Gender Committee	• SP • SL • ARD/ HR/ FL
12.00 – 14.00	LUNCH BREAK	
14.00 – 16.00	Field Observation TURANGIE POM • WWTP (IPAL), Solid Waste, Drainage, Chemical Storage, Hazardous Waste Storage, Water Treatment Plant (WTP), Process Station, FFB receipt (security, WB, loading ramp) • Supply Chain	• ARD/ HR/ FL
15.00 – 17.00	Clarification of Public Consultation and Field Observation	• SP/ ARD/ HR/ SL/ FL
Wednesday, 25 October 2017		
08.00 - 12.00	Field Observation PULAU RAMBUNG Estate • Legal Operational (Boundary stone, land use), Conservation (HCV Area) • Best Agricultural Practices (Spraying, Harvesting, Integrated Pest Management, Slope area, transporter) • Worker Facilities (housing, health facility, water, electrical, etc) and domestic waste management • Workshop, Chemical Storage, Hazardous Waste storage, Land Fire facility	• ARD • HR • FL/ SL • SP
12.00 – 14.00	LUNCH BREAK	
14.00 – 17.00	Continue Field Observation and outstanding issue, Document Review and basic info verification	• SP/ ARD/ HR/ SL/ FL
Thursday, 26 October 2017		
08.00 - 12.00	Field Observation BUNGARA Estate • Legal Operational (Boundary stone, land use), Conservation (HCV Area) • Best Agricultural Practices (Spraying, Harvesting, Integrated Pest Management, Slope area, transporter) • Worker Facilities (housing, health facility, water, electrical, etc) and domestic waste management • Workshop, Chemical Storage, Hazardous Waste storage, Land Fire facility	• ARD • HR/ SL • FL • SP

DATE	23 – 28 October 2017	
PLANNED TIME	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
12.00 – 14.00 14.00 – 17.00	BREAK Continue Field Observation, outstanding issue and Completion of checklist	• SP/ ARD/ HR/ SL/ FL
Friday, 27 October 2017		
08.00 - 10.00	• Audit finding discussion and preparation	• SP/ ARD/ HR/ SL/ FL
10.00 – 11.30	• Closing Meeting	• SP/ ARD/ HR/ SL/ FL
12.00 – 17.00	• Site (Turangie POM) → Medan	• SP/ ARD/ HR/ SL/ FL
19.00 –	• Medan (Kualanamu) → JAKARTA	• SP/ ARD/ HR/ SL/ FL