

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

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

Name of Management Organisation : Betung Factory – PT Laguna Mandiri, Sime Darby Plantation Sdn Bhd
 Plantation Name : Sekayu Estate and Betung Estate
 Location : Village of Betung, Sub District of Pamukan Utara, District of Kotabaru, Province of Kalimantan Selatan, Indonesia
 Certificate Code : **MUTU-RSPO/035**
 Date of Certificate Issue : 01 April 2014 Date of License Issue : 01 April 2018
 Date of Certificate Expiry : 31 March 2019 Date of License Expiry : 31 March 2019

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
ASA-4	05 to 09 February 2018	Sandra Purba (Lead Auditor Witnessing), Andi Pratama Pasaribu (Lead Auditor Witnessed), Brigitta Prita, Yudhi Yuniarto Tallutondok	Octo HPN Nainggolan	Ardiansyah

Assessment	Approved by MUTUAGUNG LESTARI on:
ASA-4	18 April 2018

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Figure 1. Location Map of PT Laguna Mandiri

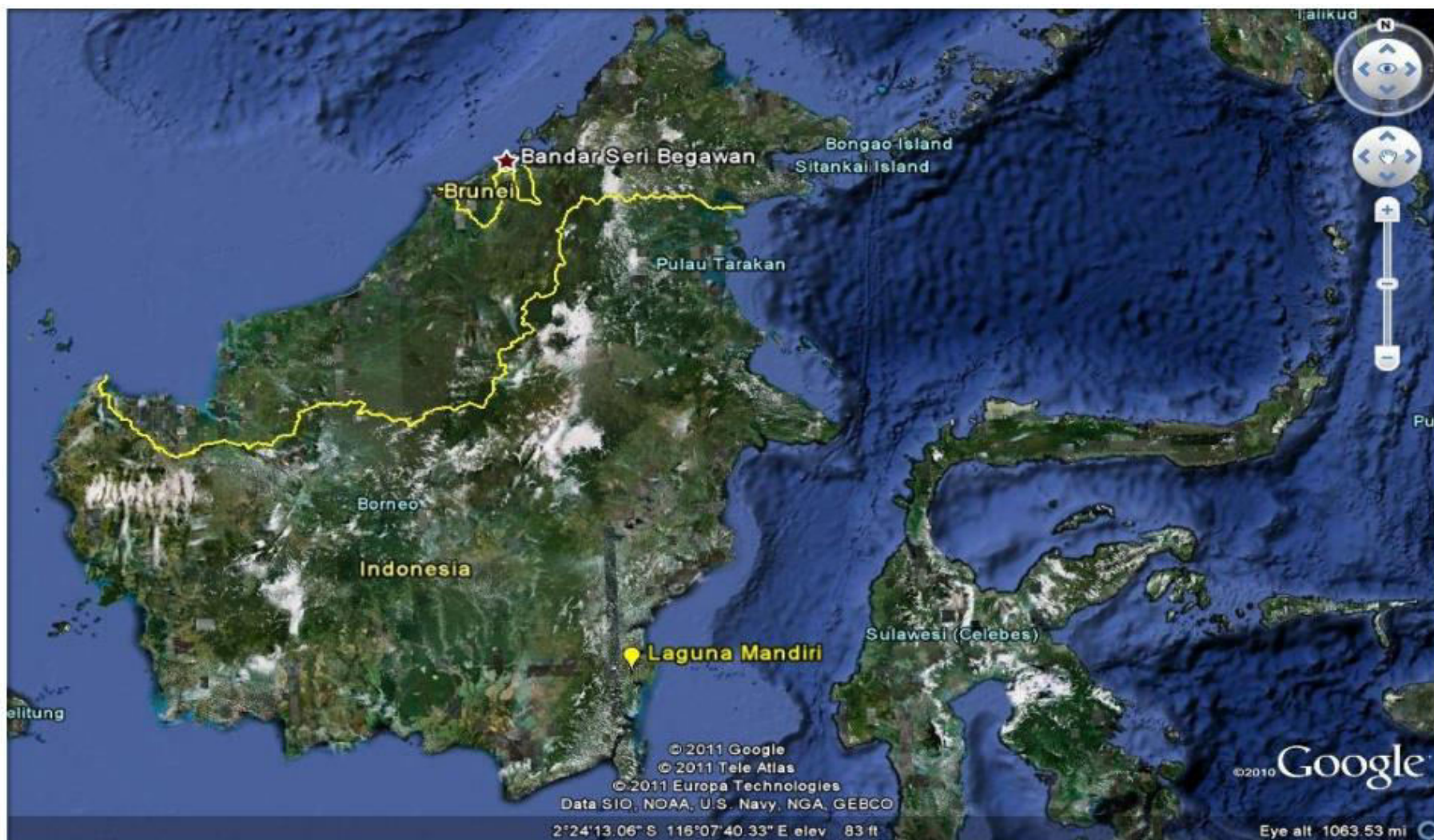
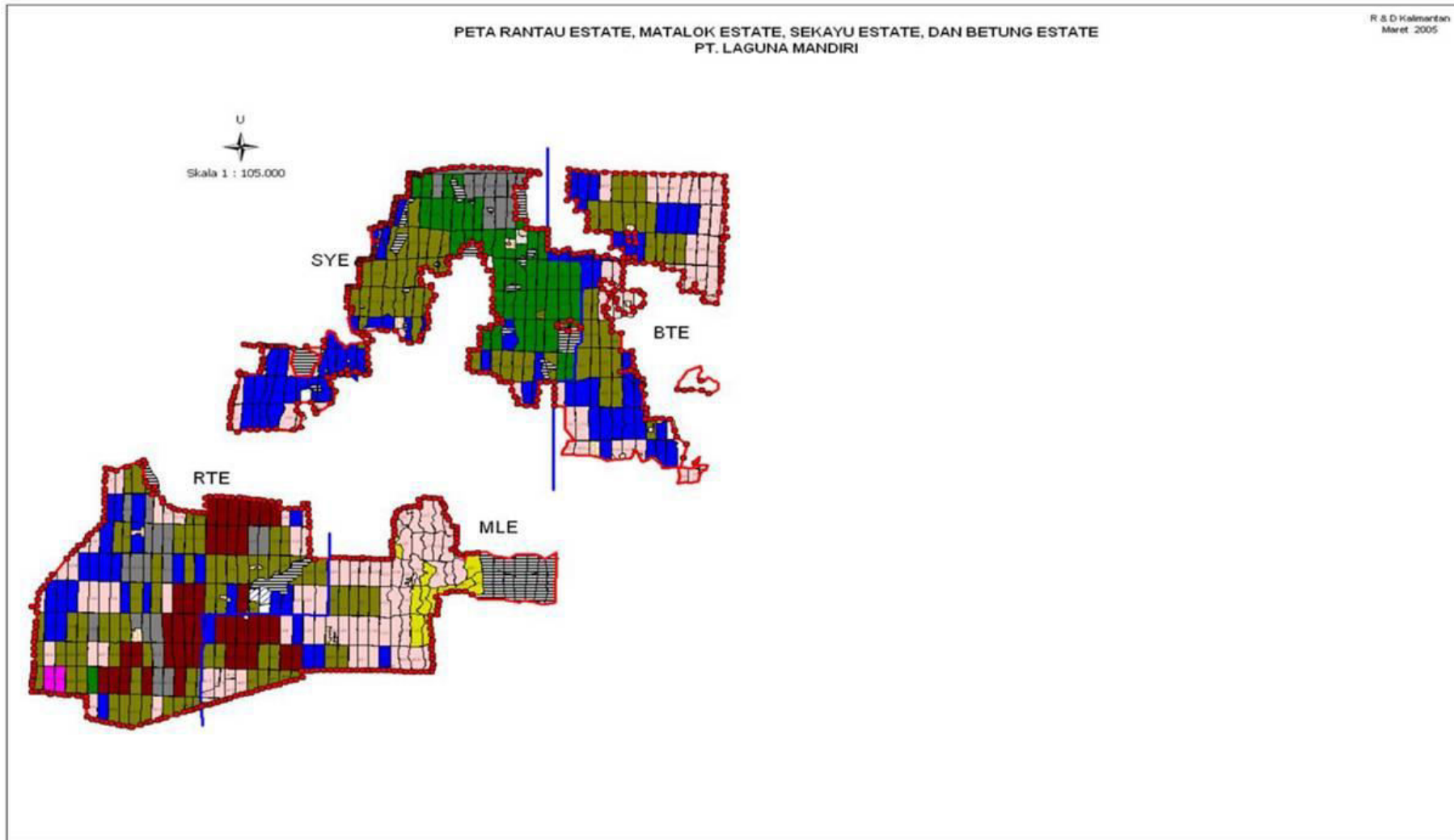


Figure 2. Operational Map of PT Laguna Mandiri



Abbreviations Used

AKAD	: Antar Kota Antar Daerah (inter-area worker)
AMDAL	: Analisis Mengenai Dampak Lingkungan (Social and Environmental Impact Assessment)
ASA	: Annual Surveillance Assessment
BPJS	: Badan Penyelenggara Jaminan Sosial (Social Assurance of Labor)
BPN	: Badan Pertanahan Nasional (National Land Agency)
BOD	: Biological Oxygen Demand
CBD	: Convention Biodiversity on Diversity
CH	: Certificate Holder
CPO	: Crude Palm Oil
CSR	: Corporate Social Responsibility
EFB	: Empty Fruit Bunch
FIFO	: First in First Out
FFB	: Fresh Fruit Bunch
FPIC	: Free Prior Informed and Consent
GHG	: Greenhouse Gas
HCV	: High Conservation Value
HGB	: Hak Guna Bangunan (Land Use Building)
HGU	: Hak Guna Usaha (Land Use Title)
HIRAC	: Hazard Identification, Risk Assessment and Control
HRM	: Human Resources Management
IPM	: Integrated Pest Management
ISCC	: International Sustainability & Carbon Certification
ISO	: International Standarization Organization
ISPO	: Indonesian Sustainable Palm Oil
K3	: Keselamatan dan Kesehatan Kerja
KER	: Kernel Extraction Rate
LMI	: Laguna Mandiri (PT)
LUCA	: Land Use Change Analysis
LSU	: Leaf Sampling Unit
MS	: Management System
MSDS	: Material Safety Data Sheets
NGO	: Non Government Organization
OER	: Oil Extraction Rate
OHSAS	: Occupational Health and Safety Assessment Series
P2K3	: Panitia Pelaksana Kesehatan dan Keselamatan Kerja (OHS Guiding Committee)
P3K	: Pertolongan Pertama Pada Kecelakaan
P&D	: Pest and Disease
PIC	: Person In Charge
PK	: Palm Kernel
POM	: Palm Oil Mill
POME	: Palm Oil Mill Effluent
PPE	: Personal protective equipment
R&D	: Research & Development
RaCP	: Remediation and Compensation Procedure
RKL/RPL	: Rencana Pengelolaan Lingkungan / Rencana Pemantauan Lingkungan (Environment Management and Monitoring Plan)
RSPO	: Roundtable Sustainable Palm Oil
RTE	: Rare, Threatened or Endangered
SCCS	: Supply Chain Certification Standard
SIA	: Social Impact Assessment

SHE	:	Safety Health and Environment
SOP	:	Standart Operating System
SOU	:	Strategic Operational Unit
TPA	:	<i>Tempat Penitipan Anak</i>
TPAS	:	<i>Tempat Pembuangan Akhir Sampah</i>
UPDKS	:	<i>Ulat Pemakan Daun Kelapa Sawit</i>
WTP	:	Water Treatment Plant
WWTP	:	Waste Water Treatment Plant
YASBI	:	Yayasan Kelapa Sawit Berkelanjutan Indonesia

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 by INA-NITF, July 2016 (Endorsed by the RSPO Board of Governors meeting on 30th September 2016)</i> • <i>RSPO Supply Chain Certification Standard For organization seeking or holding certification, Adopted by the RSPO Board of Governors on 21 November 2014 (Revised on 14 June 2017)</i>
1.2	Organisation Information		
1.2.1	Organisation name listed in the certificate	PT Laguna Mandiri, subsidiary of Sime Darby Plantation Sdn Bhd.	
1.2.2	Contact person	Mohamad Pirabaharan.	
1.2.3	Organisation address and site address	RSPO Registered Company : No 2, Plantation Tower Jalan PJU 1A/7 Petaling Jaya, Malaysia 47301. Liaison Office : The Plaza Office Tower, 36 th Floor. Jl. MH Thamrin kav. 28 – 30, Jakarta – 10350.	
1.2.4	Telephone	+62-21-29926000	
1.2.5	Fax	+62-21-29922686	
1.2.6	E-mail	mohamad.pirabaharan@simedarby.com	
1.2.7	Web page address	www.simedarby.com	
1.2.8	Management Representative who completed the application for certification	Mohamad Pirabaharan (Head of PSQM Plantation Minamas Indonesia)	
1.2.9	Registered as RSPO member	1-0008-04-000-00 – 8 September 2004	
1.3	Type of Assessment		
1.3.1	Scope of Assessment and Number of Management Unit	Palm Oil Mill and supply base: Betung Factory, Sekayu Estate and Betung 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
	Betung	Village of Betung, Sub-District of Pamukan Utara, District of Kotabaru, Province of Kalimantan Selatan	S 2° 22' 43" E 116°12' 18"
1.4.2	Location of Certification Scope of Supply Base		
	Name of Supply Base	Location	Coordinate

		Latitude	Longitude
Sekayu Estate	Village of Sekayu Baru, Sub-District of Pamukan Utara, District of Kotabaru, Province of Kalimantan Selatan	S 2°23'19" – 2°18'23"	E 116°06'31" – 116°11'55"
Betung Estate	Village of Betung, Sub-District of Pamukan Utara, District of Kotabaru, Province of Kalimantan Selatan	S 2°24'16" – 2°18'25"	E 116°10'51" – 116°14'10"

1.5	Description of Area Statement		
1.5.1	Tenure		
	• State	15,300.00	Ha
	• Community	-	Ha
1.5.2	Area Statement		
	• Total area	7,580.00	Ha
	• Mature area	4,455.71	Ha
	• Immature area	1,423.44	Ha
	• LC for replanting	41.95	Ha
	• Mill	18.07	Ha
	• Building and Emplishment	104.54	Ha
	• Infrastructure (road and bridge)	331.20	Ha
	• Unplanted area (Slope area, water body)	22.21	Ha
	• Conservation area (HCV)	89.10	Ha
	• Occupation	1,076.60	Ha
	• Others	17.18	Ha
Source:			
- Hectar statement data period 2018.			
- 7,580 Ha is part of HGU.			
1.6	Planting Year and Cycles		
	Age profile of planting year		
	Planting Year	Hectarage (Ha)	
		Betung Estate	Sekayu Estate
			Total
	1995	-	1,194.99
	1996	420.07	722.72
	1997	717.00	467.46
	1998	696.69	49.38
	2007	133.20	-
	2009	54.20	-
	2016	385.86	404.74
	2017	242.32	390.52
	TOTAL	2,649.34	3,229.81
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		Palm Kernel	
				Out put (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)
	Betung Factory	45	48,509.66	10,502.34	21.65	2,449.74	5.05
	<i>*Production data source from February 2017 until January 2018.</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)	%
	Betung Estate	3,314.00	2,649.34	22,941.90	11.35	19,881.74	86.66
	Sekayu Estate	4,266.00	3,229.81	32,281.49	13.26	28,385.92	87.93
	TOTAL	7,580	5,879.15	55,223.39	12.39	48,267.66	87.40
	<i>*Production data source from February 2017 until January 2018</i> <i>FFB 6,955.73 ton supply to Rantau POM – PT LMI subsidiary of Sime Darby Plantation Sdn Bhd</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)		
	KKPA Sungai Cengal (RSPO Certified)	PT Langgeng Muara Makmur	1,382	2,756.91	242		
	TOTAL				242		
	<i>*Production data source from February 2017 until January 2018.</i>						
1.7.4	Product categories			FFB, CPO, PK			
1.8.	Tonnage of Product						
1.8.1	Past Annual Claim Certified Product		Previous Certificate Claim April 1 st , 2017 to March 31 st , 2018 (tonnes/year)		Actual certified product April 1 st , 2017 to February 3 rd , 2018 (tonnes/year)		
	• FFB Production		56,686		42,010		
	• CPO Production		14,725		9,066		
	• Palm Kernel (PK) Production		3,180		2,195		
1.8.2	Product selling						
	Tonnage of selling product		Actual selling product period April 1 st , 2017until February 3 rd , 2018				
	• CSPO		9,066				
	• CSPK		2,195				
	• 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)		-				

1.8.3	Estimate of Certified FFB Claim							
	Name of Estate(s)		Total Area (Ha)	Planted Area (Ha)		FFB (tonnes/year)		Yield (tonnes/ha/year)
	Betung Estate		3,314.00	2,649.34		34,413		17.02
	Sekayu Estate		4,266.00	3,229.81		48,422		19.88
	TOTAL		7,580.00	5,879.15		82,835		18.58
<i>*Projected FFB production for April 1st, 2018 until February 3rd, 2019</i>								
1.8.4	Estimate of Certified Palm Product Claim							
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel		Supply Chain Module
				Out put (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)	
	Betung Factory	45	82,835	19,052	23.0	4,142	5.0	IP
<i>*Projected CSPO and CSPK production for April 1st, 2018 until February 3rd, 2019</i>								
1.9	Other Certifications							
	ISO 9001:2008			-				
	ISO 14001: 2004			-				
	OHSAS 18001:2007			-				
	ISCC			-				
	ISPO			The company has obtained Indonesian Sustainability of Palm Oil (ISPO) Certificate since September 9 th 2014 (Certificate Number MUTU-ISPO/026).				
Time Bound Plan of Sime Darby Plantation Sdn Bhd								
1.10.1	Time Bound Plan for Other Management Units							
	Management Unit		HGU on Process		Supply Base	Time Bound Plan	Location	Status
	Mill	Time Bound Plan	Ha	Time Bound Plan				
	INDONESIA							
	Sekunzir. PT. Indotruba Tengah	2010			Sekunzir	2010	Seruyan and West Kotawaringin District – Central Kalimantan	Certified
					Seruyan	2010		Certified
	Manggala. PT. Tunggal Mitra Plantations	2010			Manggala 1	2010	Rokan Hilir District – Riau	Certified
					Manggala 2	2010		Certified
					Manggala 3	2010		Certified
	Bukit Ajong PT. Sime Indo Agro	2010	1,652	2019	West	2010	Sanggau District –West Kalimantan	Certified
					East	2010		Certified
					Sei Mawang	2018		-
					East Plasma	2010		Certified
					West Plasma	2010		Certified
	Teluk Siak. PT Aneka Inti	2011	421.31	2020	Teluk Siak	2011	Pekanbaru, Siak District – Riau	Certified
					Pinang	2011		Certified

Persada				Sebatang			
				Aneka Persada	2011		Certified
Sungai Pinang. PT. Bina Sains Cemerlang	2012	308.25	2020	Sungai Pinang	2012	Musi Rawas District – South Sumatera	Certified
				Bukit Pinang	2012		Certified
Pematang. PT. Teguh Sempurna	2011			Pematang	2011	Seruyan and East Kotawaringin District – Central Kalimantan	Certified
				Kawan Batu	2011		Certified
				Hatan Tiring	2011		Certified
				Batang Garing	2011		Certified
Alur Dumai. PT Lahan Tani Sakti	2011			Alur Dumai	2011	Rokan Hilir District – Riau	Certified
Teluk Bakau. PT. Bhumireksa Nusa Sejati	2011			Teluk Bakau	2011	Indra Giri Hilir District – Riau	Certified
				Nusa Perkasa	2011		Certified
				Nusa Lestari	2011		Certified
Mandah. PT. Bhumireksa Nusa Sejati	2014			Mandah	2011	Indra Giri Hilir District – Riau	Certified
				Rotan Semelur	2011		Certified
Angsana Mini. PT Sajang Heulang	2011			KKPA-1 PT.SHE	2013	Tanah Bumbu District – South Kalimantan	Certified
				Pantai Bonati	2011		Certified
Angsana. PT Ladangrumpu n Suburabadi	2011			Angsana	2011	Tanah Bumbu District – South Kalimantan	Certified
				Gunung Sari	2011		Certified
				KKPA-4 PT.SHE	2013		Certified
Mustika. PT Sajang Heulang	2013			Mustika		Tanah Bumbu District – South Kalimantan	Certified
				KKPA-2 PT.SHE	2013		Certified
				KKPA-3 PT.SHE	2013		Certified
				KKPA-5 PT.SHE	2013		Certified
				SAP 1	2020		ST-2
Gunung Aru. PT Bersama Sejahtera Sakti	2011	765	2020	Gunung Aru	2011	Kotabaru District – South Kalimantan	Certified
				Gunung Kemas	2011		Certified
				Laut Timur	2011		Certified
				Pantai Timur	2011		Certified
				KKPA BSS	2020		-
Bebunga. PT. Langgeng Muaramakmur	2011	1,162	2020	Sungai Cengal	2011	Kotabaru District – South Kalimantan	Certified
				Bebunga	2011		Certified
				KKPA Sungai Cengal	2014		Certified
Sukamandang PT Kridatama Lancar	2011			Sukamandang	2011	Seruyan and East Kotawaringin District – Central Kalimantan	Certified
				Sapiri	2011		Certified
				Barasdanum	2011		Certified
				Kuala Kuayan	2011		Certified
Pondok Labu.	2012	1,120	2020	Binturung	2012	Kotabaru District – South	Certified

PT Paripurna Swakarsa				Pondok Labu	2012	Kalimantan	Certified
				Rampa	2012		Certified
				Sesulung	2012		Certified
Selabak. PT Swadaya Andhika	2012	63	2020	Selabak	2012	Kotabaru District – South Kalimantan	Certified
				Randi	2012		Certified
				Sangkoh	2012		Certified
				Lanting	2012		Certified
Rantau. PT Laguna Mandiri	2012			Rantau	2012	Kotabaru District – South Kalimantan	Certified
				Matalok	2012		Certified
Betung. PT Laguna Mandiri	2014			Betung	2012	Kotabaru District – South Kalimantan	Certified
				Sekayu	2012		Certified
Ungkaya. PT Tamaco Graha Krida	2012			Ungkaya	2012	Morowali District – Sulawesi Tengah	Certified
				Plasma TGK	2015		Certified
Ladang Panjang. PT Bahari Gembira Ria	2012	1,639	2020	Ladang Panjang	2012	Muaro Jambi District - Jambi	Certified
				Plasma BGR	2020		-
Rantau Panjang. PT Guthrie Pecconina Indonesia	2012	4,133	2020	Rantau Panjang	2012	Musi Banyuasin District – South Sumatera	Certified
				Bumi Ayu	2012		Certified
				Karang Ringin	2012		Certified
				Napal	2012		Certified
				Mangun Jaya	2012		Certified
				Sungai Jernih Estate and GPI KKPA	2017		-
Blang Simpo. PT Perkasa Subur Sakti	2013	1,286	2020	Tamiang (PT PPP)	2013	Aceh Tamiang and East Aceh District – Nanggroe Aceh Darussalam	Certified
				Batang Ara (PT PSK)	2013		Certified
				Blang Simpo-01	2013		Certified
				Blang Simpo-02	2013		Certified
MAS. PT Mitra Austral Sejahtera	2020			MAS 1	2018	Sanggau District – West Kalimantan	-
				MAS 1	2018		-
				MAS 1	2018		-
				Plasma MAS	2020		-
Lembiru. PT Sandika Nata Palma	2014			Lembiru	2014	Ketapang District – West Kalimantan	Certified
				Awatan	2014		Certified
				Karya Palma	2018		-
				KKPA SNP	2020		-
				Pelanjau (PT BAL)	2018		-
				Sungai Putih (PT BAL)	2018		-
				Baturus (PT BAL)	2018		-
				KKPA BAL	2020		-

MALAYSIA

Sg Dingin SOU 1	2010			Bukit Hijau	2010	Kerangan, Kedah	Certified
				Padang Buluh	2010		Certified
				Bukit Selangor	2010		Certified
				Sg Dingin	2010		Certified
				Jentayu	2010		Certified
				Anak Kuli	2010		Certified
				Somme	2010		Certified
Chersonese SOU 2	2011			Chersonese	2011	Kuala Kurau, Perak	Certified
				Holyrood	2011		Certified
				Kalumpang	2011		Certified
				Tali Ayer	2011		Certified
Elphil SOU 3	2011			Kinta Kellas	2011	Sg Siput, Perak	Certified
				Elphil	2011		Certified
				Kamuning	2011		Certified
Flemington SOU 4	2011			Flemington	2011	Teluk Intan, Perak	Certified
				Bagan Datoh	2011		Certified
				Sabak Bernam	2011		Certified
				Sg Samak	2011		Certified
Seri Intan SOU 5	2011			Seri Intan (Main Division)	2011	Teluk Intan, Perak	Certified
				Sabrang	2011		Certified
				Sg Wangi	2011		Certified
				Sogomana (Main Division)	2011		Certified
Selaba SOU 5	2011			Seri Intan (Selaba Division)	2011	Teluk Intan, Perak	Certified
				Sogomana (Cashwood & Sg Beruas Division)	2011		Certified
				Bikam	2011		Certified
				Clumy	2011		Certified
Tennamaram SOU 6	2011			Tennamaram	2011	Bestari Jaya, Selangor	Certified
				Sungei Buloh	2011		Certified
				Bkt Talang	2011		Certified
Bkt Kerayong SOU 7	2011			Bkt Kerayong	2011	Kapar, Selangor	Certified
				Bkt Cherakah	2011		Certified
				Bkt Rajah	2011		Certified
				Bkt Lagong	2011		Certified
				Elmina	2011		Certified
East SOU 8	2010			East	2010	Carey Island, Selangor	Certified
				Dusun Durian	2010		Certified
				Sepang	2010		Certified
West - SOU 9	2010			West	2010	Carey Island, Selangor	Certified
Bukit Putri - SOU 10	2011			Bukit Putri	2011	Raub, Pahang	Certified

Kerdau SOU 11	2011			Kerdau	2011	Temerloh, Pahang	Certified
				Jentar	2011		Certified
				Mentakab	2011		Certified
				Sg Mai	2011		Certified
				Chenor	2011		Certified
Jabor - SOU 12	2011			Jabor	2011	Kuantan, Pahang	Certified
Labu SOU 13	2011			Labu	2011	Nilai, Negeri Sembilan	Certified
				New Labu	2011		Certified
				Bradwall	2011		Certified
Tanah Merah SOU 14	2010			Tanah Merah	2010	Port Dickson, Negeri Sembilan	Certified
				Sua Betong	2010		Certified
				Bukit Pelandok	2010		Certified
Sua Betong SOU 15	2014			Salak	2014	Port Dickson, Negeri Sembilan	Certified
				Sengkang	2014		Certified
				Siliau	2014		Certified
				PD Lukut	2014		Certified
				Sungai Baru	2014		Certified
				Tampin Linggi	2014		Certified
Kok Foh SOU 16	2011			Bukit Pilah	2011	Bahau, Negeri Sembilan	Certified
				Kok Foh	2011		Certified
				Muar River	2011		Certified
				St. Helier	2011		Certified
				Pertang	2011		Certified
				Sg Gemas	2011		Certified
				Sg Sebalang	2011		Certified
				Sg Senarut	2011		Certified
Kempas SOU 17	2010			Kempas	2010	Jasin, Melaka	Certified
				Kemuning	2010		Certified
				Tangkah	2010		Certified
Diamond Jubilee SOU 18	2011			Bukit Asahan	2011	Jasin, Melaka	Certified
				Diamond Jubilee	2011		Certified
				Serkam	2011		Certified
Pagoh SOU 19	2014			Pagoh	2014	Muar, Johor	Certified
				Lanadron	2014		Certified
				Pengkalan Bukit	2014		Certified
				Welch	2014		Certified
Chaah SOU 20	2010			North Labis	2010	Chaah, Johor	Certified
				Cha'ah	2010		Certified
				Sg Simpang Kiri	2010		Certified
Gunung Mas SOU 21	2010			Gunung Mas	2010	Kluang, Johor	Certified
				Kempas Klebang	2010		Certified
				Bukit Paloh	2010		Certified
				Yong Peng	2010		Certified
Bukit Benut SOU 22	2011			Bukit Benut	2011	Kluang, Johor	Certified
				CEP Niyor	2011		Certified

				Lambak / Elaeis	2011		Certified
Ulu Remis SOU 23	2011			Pekan	2011	Layang-layang, Johor	Certified
				Sembrong	2011		Certified
				Tun Dr. Ismail	2011		Certified
				Ulu Remis	2011		Certified
				Bukit Badak	2011		Certified
				Cenas	2011		Certified
Hadapan SOU 24	2011			CEP Rengam	2011	Layang-layang, Johor	Certified
				Kulai	2011		Certified
				Layang	2011		Certified
				Seri Pulai	2011		Certified
Sandakan Bay SOU 26	2008			Tun Tan Siew Sin	2008	Sandakan, Sabah	Certified
				Tunku	2008		Certified
				Tigowis	2008		Certified
				Sentosa	2008		Certified
				Saguliud	2008		Certified
Melalap SOU 27	2011			Melalap	2011	Tenom, Sabah	Certified
				Sapong	2011		Certified
Binuang SOU 28	2009			Tingkeyu	2009	Kunak, Sabah	Certified
				Sungang	2009		Certified
				Jelata Bumi	2009		Certified
				Binuang	2009		Certified
Giram SOU 29	2009			Mostyn	2009	Kunak, Sabah	Certified
				Giram	2009		Certified
Merotai SOU 30	2009			Imam	2009	Tawau, Sabah	Certified
				Merotai	2009		Certified
				Table	2009		Certified
				Tiger	2009		Certified
Lavang SOU 31	2011			Belian	2011	Bintulu, Serawak	Certified
				Kelida	2011		Certified
				Lavang	2011		Certified
				Lavang (SE)	2011		Certified
				Rasan	2011		Certified
Rajawali SOU 32	2011			Rajawali	2011	Bintulu, Serawak	Certified
				Samudera	2011		Certified
				Semarak	2011		Certified
				Bayu	2011		Certified
Derawan SOU 33	2011			Takau	2011	Bintulu, Serawak	Certified
				Damai	2011		Certified
				Derawan	2011		Certified
				Sahua	2011		Certified
Pekaka SOU 34	2011			Chartquest	2011	Bintulu, Serawak	Certified
				Dulang	2011		Certified
				Peroh	2011		Certified
				Pekaka	2011		Certified

			Ruai	2011	Certified
<p>Sime Darby has achieved 34 management units in Malaysia and 24 Management Units in Indonesia that RSPO certified. Total management unit in Sime Darby Plantation Sdn Bhd are 34 in Malaysia, 25 in Indonesia and 1 in Liberia.</p> <p>A new mill will be set up in Liberia and planned for commissioning in February 2016. Preparation to undergo the RSPO Certification process is in progress and Sime Darby Plantation Sdn Bhd targets to undergo RSPO Certification by end 2017. RSPO NPP process has been completed in 2011. Internal assessment against the draft Liberia NI has been completed and closing of gaps is in progress.</p> <p>There was change of the Time Bound Plan under Sime Darby on 15 April 2016 cause the Sime Darby postpone the others certification process. Change of the Time Bound Plan explanation: PT Mitra Austral Sejahtera. There are social issue still unresolved from the Serikat Petani Kelapa Sawit (SPKS) Sanggau, however the improvement are in progress. Sime Darby has informed the Time Bound Plan progress, MUTU has consider that Sime Darby still comply with the RSPO requirement for partial certification.</p>					

2.0	ASSESSMENT PROCESS
2.1	Assessment Team
ASA-4	<p>1. Sandra Purba (Lead Auditor Witnessing). 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. During this audit, she verify social and GHG.</p> <p>2. Andi Pratama Pasaribu (Lead Auditor Witnessed). Indonesian citizen. Bachelor degree, majoring social economy. He has several of work experiences (more than 5 years) as the operational staff since 2008. He has been followed the Training of Lead Auditor Indonesian Sustainable Palm Oil (ISPO) which was held by ISPO Commission in 2013 and Training of Lead Auditor Roundtable on Sustainable Palm Oil (RSPO) by Proforest and Daemeter in 2016. He has been attended several kinds of training, such as High Conservation Value (HCV) Training, Lead Auditor ISO 9001:2008, Lead Auditor ISO 14001:2005, auditor OHSAS etc. He has some experiences of ISPO audit in Indonesian palm oil in best management practices, land legality, environmental, social and worker welfare aspect. During this audit, he verify land legality, social aspect and supply chain.</p> <p>3. Brigitta Prita (Auditor). Citizen of Indonesia. Bachelor of Forestry, Department of Forest Resources Conservation and Ecotourism. She had attended Training ISPO by Commission ISPO on June 2013, Training ISO 9001:2008 Quality Management System on January 2014, In House Training 17021 and 17065 management system and Product Quality, Training High Conservation Value by IPB on September 2015, In House Training HCV on August 2016, In House Training Roundtable Sustainable Palm Oil on January 2014; In House Training ISO 14000:2004 Environmental Management System; Training Lead Auditor RSPO by Daemeter & Proforest. She has been audit experience ISPO & RSPO since April 2013 in the environmental, conservation, waste management and worker welfare aspects. During this audit, she verify environment aspect, workers welfare and HCV.</p> <p>4. Yudhi Yuniarto Tallutondok (Auditor). Indonesian citizen, Bachelor of Fisheries, Padjadjaran University. Have experience of working over three years since 2013 as plantation operations staff in private palm oil plantation companies in Indonesia. Training have been followed including Indonesian Sustainable Palm Oil Auditor, Lead Auditor ISO 9001:2015, ISO 14001:2015, ISO 22000:2009, ISO 19011:2011, Basic Management Development Program Agronomy, Fire Anticipation on Land and Forest, Potential Mapping and Conflict Resolution in Production Forests, Awareness RSPO, ISO 17021 and ISO 17065. In this audit activity performs the assessment of best practical management and transparency.</p>
2.2	Assessment Methodology, Assessment Process and Locations of Assessment
2.2.1	Figure of person days to implement assessment
ASA-4	<p>Number of auditors : 3 auditor.</p> <p>Number of days for ASA-4 at site : 4 days.</p> <p>Number of working days for ASA-4 at site : 12 Working days.</p>
2.2.2	Assessment Process
ASA-4	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT LMI to the requirements of Indonesian National Interpretation of RSPO Principles and Criteria 2013, 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 D for CPO Mill)</p> <p>The assessment was conducted in three methods: (1) document review, aiming to observe the sufficiency of types or substances from required documents; (2) interview, aiming to obtain more detailed information and cross check the</p>

information; and (3) field observation, aiming to observe directly the sufficiency of implementation on site. Some opportunities for improvement of the results ASA-4 delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase (Recertification).

Improvement of findings from surveillance assesment findings were observed by auditors at this ASA-4 assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of ASA-4.

The assessment program please find Appendix 2

2.2.3	Locations of Assessment
ASA-4	<p>The number of management units of this activity consists of two estates that supply material FFB to the Betung Factory. In conducting the assessment, auditor team using formula $0.8 \sqrt{y}$ to determine the sample of and consider the issue of problems arising from the stakeholders (stakeholdes) as fundamental and critical. Based on this formula, the team of auditors determine the location of sample is 1 unit mill and 2 estates (Sekayu Estate and Betung Estate).</p> <p>Betung Factory</p> <ol style="list-style-type: none"> Loading Ramp. Observation and interview with sortation personnel related to personnel understanding over sortation procedure, the implementation of sortation, fruit criteria, fruit separation with ripeness and rawness criteria. Sterilizer Station. Observation and interview with personnel related to FFB's processing into CPO, capacity each station, personnel understanding over the applicable SOP, fire emergency response facilities and infrastructure in mill, liquid waste management, first aid kits, the implementation of occupational health and safety, company's facilities, trainings from company and worker welfare. Grading Station. Observation and interview with sortation personnel related to personnel understanding over sortation procedure, the implementation of sortation, fruit criteria, fruit separation with ripeness criteria. Engine room. Observation and interview with the worker related to implementation of OHS, understanding of safe working, administration of fossil fuels use. Hydrant No 1. Observation on OHS condition and it management. Workshop. Observation and interviews with employees related to management of hazardous waste and hazardous material, training, provision of PPE, training, emergency response facilities Security gate. Observation and interview with security officer regarding to FFB receiving procedure, emergency response, payments and complain mechanism. Weight bridges. Observation and interview with weight bridges operator regarding to supply chain procedure, FFB supplier code, separation of certified and noncertified product, including it calculation WWTP. Observation related management of liquid waste. Water Treatment Plant. Observation related management of process and domestic water. Temporary storage of hazardous waste. Observation and interview related management of hazardous waste. Chemical storage. Observation and interview on environmental aspect, OHS implementation, management of chemical and understanding of working procedure. Oil storage. Observation related management of oil. Empty Fruit Bunch Area. Observation related management of EFB <p>Betung Estate</p> <ol style="list-style-type: none"> Block I37 Division 3. Observation and interview with harvester (monthly worker and contract worker/PKWT) discussing about worker receiving, worker status, worker rights and implementation on company policy. Blok C39/C40, Division 1. Observation and interview with worker applied pesticide spraying, discussing about OHSAS implementation, worker status, basic salary, women worker rights, etc. Block B34/B35, Division 1. Observation and interview with fertilizer applicator about worker recruitment, promotion, mutation, worker status, salary, OHSAS implementation, and socialization of company policy. Boundary pole No. 40, Block D32 Division 2. Observation of availability and maintenance of boundary poles. Boundary pole No. 45 and 46, Block D30 Division 2. Observation of availability and maintenance of boundary poles. Replanting Activity, Block C38/40 and B53/34 Division 1. Observation and interview with field supervisor and contractor regarding to land preparation method, environmental aspect, payments etc Land Application Block H35 Division 2. Observation related management of liquid waste.

22. **Monitoring Well Number 2 Block H35.** Observation related management of groundwater.
23. **Central Housing Complex.** Observation and interview related facilities & infrastructure, domestic waste, and others.
24. **Health post.** Observation and interview related medical waste and others.
25. **Daycare.** Observation and interview related facilities daycare and others.
26. **Fertilizer storage.** Observation and interview on environmental aspect, OHS implementation, management of fertilizer and understanding of working procedure.
27. **Chemical storage.** Observation and interview on environmental aspect, OHS implementation, management of chemical and understanding of working procedure.
28. **Diesel Fuel tank.** Observation related management of oil.
29. **Best Spraying System (BSS).** Field observations on the condition and management of chemicals.
30. **Workshop.** Observation related activity in workshop and Worker welfare aspect.
31. **Block E34/35 Division 2, BTE.** Observation to riparian area of Sekayu river.
32. **Block J30 Division 3, BTE.** Observation to riparian area of Pinang river

Sekayu Estate

33. **Block D18 Division 1.** Observation and interview with harvester (monthly worker and contract worker/PKWT) discussing about worker receiving, worker status, worker rights and implementation on company policy.
34. **Block F31 Division 2.** Observation the Barn Owl Box is in active conditions.
35. **Block F30, Division 2.** Observation and interview with fertilizer applicator about worker recruitment, promotion, mutation, worker status, salary, OHSAS implementation, and socialization of company policy.
36. **Block E28 Division 2.** Observation of activities of manual maintenance, discussing about worker receiving, worker status, worker rights and implementation on company policy.
37. **Replanting Activity, Block C18 Division 1.** Observation and interview with field supervisor and contractor regarding to land preparation method, environmental aspect, payments etc.
38. **Landfill Block F37.** Observation related management of domestic waste.
39. **Housing Division 1.** Observation and interview related facilities & infrastructure, domestic waste, and others
40. **Block C19 Division 1.** Observation to riparian area of Kulum river.
41. **Block G29 Division 2.** Observation to riparian area of Enken river.

2.3	Stakeholder Consultation and Stakeholders Contacted
2.3.1	Summary of stakeholder consultation process.
ASA-4	<p>Consultation of stakeholders for PT Laguna Mandiri held by:</p> <ol style="list-style-type: none"> 1. Public announcement at web www.mutucertification.com on 30 January 2018. 2. Consultation via telephone with government agencies in Kotabaru District (Environmental agency and Manpower agency) on Februari 6, 2018. 3. Consultation meeting and interview with locals of the nearby village (Betung and Sekayu Baru) and contractor on Februari 6, 2018. 4. Consultation meeting and interview with Internal Stakeholder labour union and gender committee on Februari 6, 2018. <p>Numbers of input from stakeholders were clarified by PT Laguna Mandiri.</p>
2.3.2	Stakeholder contacted
	Please find appendix 1
2.4	Determining Next Assessment
	The next visit (Recertification) will be determined at least 12 months after this ASA-4 (Feb 2019).

3.0. ASSESSMENT FINDINGS

3.1. Summary of Assessment Report of the RSPO Certification

Mutuagung Lestari has conducted an assessment of Betung Factory – PT Laguna Mandiri operation consisting of one mill and two estates.

During the assessment, there are nine (9) Non conformities were assigned against Major Compliance Indicators, Three (3) Nonconformities were assigned against Minor Compliance Indicators and three (3) opportunities for improvement were identified.

Further explanation of the non-conformities raised and corrective actions taken by the company are provided in section 3.5. The company has already prepared and implemented the corrective actions that had been reviewed and accepted by Auditors in form of documentation evidence(s) e.g. (document record/photographic/etc...). Those corrective actions taken that consist of *nine (9)* Major non-conformities and *three (3)* Minor non-conformities had been closed out.

MUTUAGUNG LESTARI found that Betung Factory – PT LMI, subsidiary of Sime Darby Plantation Sdn Bhd complied with the requirements of **RSPO P & C Indonesian National Interpretation 2013, endorsed September 2016, RSPO Supply Chain Requirement for CPO Mill, 2014 (revised June 14, 2017) and RSPO Certification System June 2007, revised March 2011**

Therefore MUTUAGUNG LESTARI Recommends RSPO Certification of compliance is *Issued/Continued/suspended**).

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, 1.2	<p>The latest of stakeholder list (updated on Dec 2017) sighted during audit, informs type/group, name, institution, address and contact number, as much as 107 parties was listed consist of : goverment institution, supplier/contractor, NGO and communities leader / village leader.</p> <p>List of publicly accessible document describes in SOP of request of information and response issued on 20 Jan 2015, consist of 29 documents which has been covering the documents listed in IND1.2's requirement.</p> <p>According to the company's SOP, information can be accessed through verbal (by phone), direct visit and writing (email and letter). Adm Head in the respective unit is responsible to verify the request and forward to the intended person (EM/DEPT/DIV). The requests of information that requiring head of department approval will be responded to a maximum of 1 month, otherwise approval will be required for a maximum of 1 week. Confirmed during public consultation to communities, local contractor and relevant institution, the SOP and mechanism has been understood well.</p> <p>The entire request of information (verbal and written) is recorded and kept in the logbook which is available in all units both of estates and mill, there was no request for information, but recorded several incoming letters which were entirely the proposals of aid that has been responded by the company. In addition, sighted the evidence of report delivery to relevant agencies, among others : report of environmental management and monitoring, report of employment, waste management and plantation report.</p>	
	Status: Comply	

1.2

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

List of publicly accessible document describes in SOP of request of information and response issued on 20 Jan 2015, consist of 29 documents which has been covering the documents listed in IND1.2's requirement. SOPs and accessible list of documents are informed through notice boards in the mill and estates office.

All such documents and information are available in the respective offices of each unit, however the environmental documents kept in the Mill office and permit documents are kept in the PSD office.

Status: Comply

1.3

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

Code of conduct describes in document no.: 440/HRM-COC/07 written in Bahasa, including integrity code and ethical code in all operations and transactions including business ethics, work ethics and firm commitment in particular matters (conflict of interests, political activities, gifts / souvenirs, commissions and bribery prohibitions. These commitment has been listed in the contract letter of supplier/contractor and has been informed to workers during morning roll-call. Based on interviews with local contractors (road maintenance contractors) told that the job offer was fair and there was no indication of bribery and other conflicting practices

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.

Land Legality:

- PT. Laguna Mandiri has own land use title and land building title for their entire area since 1997 and 2004.
- PT. Laguna Mandiri has own plantation business permit since 2000.
- Based on the overlay with spatial plan of South Kalimantan Province, their operational area in accordance with the land usage.

2.1.1

The evaluation of regulatory compliance was conducted by PSQM (Plantation Sustainable and Quality Management) in 2018 with a total of 245 regulations, among others: Law Number 5 of 1960, Law No.12 of 1992, South Kalimantan Governor's Decree No.188.44 / 0537 / KUM / 2017, Regulation Number 78 of 2015 concerning remuneration, South Kalimantan Regulation No.2 Year 2013 regarding sustainable plantation development, regulation of environment minister Number 5 Year 2014 on the quality standard of waste water, and others. Compilation and master copy (hard and soft) of laws and regulations from all Department was stored in Plantation Service Department, where located in Banjarmasin, Province of South Borneo

- Based on the result of field observation at Sekayu Estate Workshop, it is known that there are employees doing welding activity, but the result of interview and document verification is known that the employee has not followed the welder training in accordance with Permenakertrans No. 02 Year 1982 on Qualification of Laser at workplace.
- The certificate holder has not been able to show proof of land use reporting to BPN as required in Agrarian Ministry Regulation Number 7/2017

Based on the above, it is known that the certificate holder has not been consistent in complying with the applicable legal requirements thoroughly so that the auditor determines **this is a non-conformance No.2018.01 with Major category**

2.1.2, 2.1.3 and 2.1.4.

Procedure of laws and regulations pursuance was presented in document procedure No. 724/TQEM-SPMS/09 about guideline of sustainable plantation management and No. 701/TQEM-ESH/10 dated March 6th 2012 about legal requirements of PT LMI. The former procedure in Chapter 12 has mentioned that pursuance of government laws and regulations shall be monitored while the latter has mentioned that laws and regulations pursuance should be identified by Department of PSQM-ESH. Moreover, procedure No. 031/LMI-2011.PUUP-021/2011 dated March 2012 mentioned that all laws and regulations

should be evaluate and update quarterly by Legal team, in coordination with PSD and PSQM Department. The regulatory type information is updated annually by PSQM officers and authorized by the Estate Manager.

Major 2.1.1 | **Status: Non conformance NC.2018.01 with major category.**

2.2

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

2.2.1

The company has had the land rights in the form of Land Use Title (HGU) for an area of 15,300 hectares which consist of 10 certificate. Based in document review and field visit known that management unit has manage a area of 7,580 Ha consist of 5,433.06 Ha planted area; 488.04 Ha land clearing area for replanting, 1,076.60 Ha occupation area (not controlled and managed by company), 582.30.7 Ha supporting facilities. Interview with village head of Betung and Sekayu Baru Village on February 6th 2018 was known that the company did not conduct expansion the operation area.

2.2.2

Management unit has had list and map of HGU poles from National Land Agency of Kalimantan Selatan Province. Based on the data, there are 328 poles (34 main poles and 294 subsidiary poles) in Sekayu Estate and 175 poles (39 main poles and 136 subsidiary poles) in Betung Estate.

The company has had boundary poles maintain procedure that approved since August 1st 2014. According to it procedure, boundary pole shall observed each semester. Based on document verification, each estate has conducted regularly monitoring of boundary poles on July 2017 (Sekayu Estate) and August 2017 (Betung Estate). According to the monitoring report, 68 poles in Betung Estate was not founded. For example, boundary poles no. 40, 45 and 46 in Division 2. Based on field observation, there is no corrective action to completing the boundary poles so far. **Non Conformity No. 2018.02.**

2.2.3; 2.2.4 and 2.2.5

The consultation results with communities (Sekayu Baru Village and Betung Village) known that there was no dispute / conflict of land between the companies and communities. Field visit and document review also shows that there was no dispute / land conflict in operation area of CH, but there are an area in HGU of PT LMI which not owned and manage by the company because the land owners are not willing to be compensated. The company has had procedure for conflict resolution which stated that the resolution involve the stakeholder.

2.2.6

CH has had policy of the prohibition to hire mercenary on the company operational which was legalized on 1 September 2015. Consultation with the stakeholders (Sekayu Baru Village and Betung Village), there is no indicate that the company use the mercenary/paramiliter in operation area.

Minor 2.2.2 | **Status: Non conformance NC.2018.02 with minor category.**

2.3

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

2.3.1; 2.3.2; 2.3.3 and 2.3.4

Document's verification and field visit show that land utilization by CH does not destruct local communities' traditional and legal right. Land ownership is entirely belong to individual or belong to state. The evidence of communities' land release have been well documented and well stored by company's legal department (PSD).

Company can present a complete document over land compensation in a form of: minutes of land compensation with previous occupant, which is known by head of village and head of sub-district, land release letter, acknowledgement letter and invoice. The latest land compensation has been conducted in 1999.

Document review, field visit and interview shows that since the ASA-3 until ASA-4, the company does not perform land expansion.

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

The certificate holder shows the documents related to PT LMI's bisnins plan as follows :

No	Item	BY	PY-2	PY-3
		2017/2018	2018/2019	2019/2020
1	Planting material	158.067	200.065	172.062
2	FFB Production (MT)	132.685	130.151	141.038
3	OER (%)	23,00	23,25	23,50
4	Production Cost (CPO/MT)	5.887.272	5.347.056	5.417.387
5	Price CPO (IDR/MT)	7.384.615	7.384.615	7.384.615
6	Revenue (IDR)	696.571.789	717.709.171	781.010.745
7	Replanting Program (ha)	798	1.010	869
8	CPO Production (MT)	30.517	30.260	33.144
9	KER (%)	5,00	5,00	5,00
10	Kernel Production (MT)	6.634,23	6.507,57	7.051,91
11	Price Kernel (IDR/MT)	6.500.000	6.400.000	6.450.000
12	Revenue (IDR.000)	43.122.476	41.648.429	45.484.827
13	Total Revenue (IDR.000)	739.694.265	759.357.600	826.495.572

The certificate holder shows the document of manager report created monthly, in which the document describes the evaluation of the difference in budget and the realization of both production and operational costs. For example achievement of yield per hectare Betung Estate in December 2017 is still below the budget 55% but for the end of 2017 achievement is only under 4%.

3.1.2

The certificate holder has an annual replanting program by showing the Replanting Program Plan document for 2015 - 2027 as follows :

Years of Replanting	Area (ha)	
	Betung Estate	Sekayu Estate
2015/2016	424,76	404,74
2016/2017	242,32	390,52
2017/2018	221,70	261,77
2018/2019	239,80	228,17
2019/2020	242,14	111,73
2020/2021	159,36	366,58
2021/2022	227,80	209,08
2022/2023	213,79	260,35
2023/2024	294,87	228,43
2024/2025	184,90	246,08
2025/2026	187,40	306,16
2026/2027	-	173,90
Total	2.638,84	3.187,51

The certificate holder shows the monitoring of replanting work for the period July 2016 - June 2017 as follows:

No	Type of Work	Unit	Contract Volume	Realization	% Complete
1	Mineral area - tumbled, stacked, chopped <12 meters	Palm	5.367	5.367	100

2	Mineral area - tumbled, stacked, chopped >12 meters - <14 meters	Palm	4.981	4.981	100
3	Terrace area - tumbled, stacks, chopped <12 meters	Palm	31.054	31.054	100
4	Terrace area - tumbled, stacked, chopped > 12 meters - <14 meters	Palm	11.623	11.623	100
5	Making drain field 1 x 0.6 x 0.75 meters	meter	12.637	32.862,60	260,05
6	Making a new terrace 4.3 - 5 meters	meter	328.037	289.578,79	88,28
7	Making a mechanical planting hole 40 x 60 cm	Holes	58.947	49.320	83,67

The certificate holder represents documents related to the progress of planting for the period of July 2016 - June 2017 as follows:

Division	Years of Planted	Area (Ha)	Total Palm	Palm / Ha
I	2017	315,25	49.546	151
III	2017	75,27	11.378	157
Total		390,52	60.924	156

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 certificate holder has a plantation procedure ranging from land preparation to harvest in reference manual of agronomy of Palm Oil Planting 110/EST-ARM/13 dated 01 September 2013 signed by Head, Plantation Upstream Indonesia Minamas. The procedure document has been distributed on 16 September 2013 to all Division Head / Head Departments and all other manager units and factories. The certificate holder also has procedures for receiving FFB to dispatch CPO and kernel, in the technical guidelines of the palm oil mills Part I and II, Minamas Plantation dated April 30, 2007

Based on field observation and interview with harvest employees in Block I37 Division 3 Betung Estate, known that employees already know the duties and responsibilities of harvester such as: FFB harvested only ripe fruit (harvester can explain fruit maturity standard), system of preparation of midrib pruning and fruit preparation system.

4.1.2; 4.1.3

The certificate holder is known to have a procedure related to the monitoring of the internal procedures / supervision procedures described in the Sustainable Plantations Management Manual with the number 724 / TQEM-SPMS / 09 passed on 27 August 2010. In the procedure Chapter VII Implementation and Monitoring describes the implementation of internal audit, external, management evaluation, evaluation level, evaluation response and revision of procedures. Officers performing the audit and evaluation have competencies as expected by the company.

The certificate holder shows the documents related to the internal audit result of second semester of 2016/2017 stated in the Working Paper of Inspection Conclusion. Internal audit was conducted on March 23, 2017 covering the following:

- Cash and bank including payroll.
- Stores and purchases.
- Upkeep and manuring.
- Crop and produce.
- Environmental, safety and health.

One example of the findings for the environmental, safety and health sections is as follows:

- The application of safety observation card (Sime Card) has not been effective yet. Management unit explains the root of the problem that is not consistent implementation of Sime Card with poor control. in the case of remedial actions performed by the management unit, routine monthly control will be performed. Improvements have been made on April 3, 2017.
- Fire extinguisher in Central Housing Complex (CHC) and Division III housing are not all installed. The management unit explains the root of the problem that has not done the replacement of non-pressurized fire extinguisher while there is still a stock of 7 tubes in the warehouse. in the case of remedial actions made by the management unit then the monthly routine control will be carried out along with the demand of goods to the warehouse. Improvements have been made on May 27, 2017.

4.1.4

The certificate holder in this case Betung Factory - PT LMI does not receive FFB from third parties or small holder, the factory only receives FFB from its own estate which has been certified RSPO and other estate that are still in one group and also has got RSPO certificate so it is stated corresponding.

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 certificate holder has a procedure related to fertilization activities contained in Agricultural Reference Manual (ARM) no. Policy 110 / EST-ARM / 13 in section 8 concerning the fertilization of oil palm crops including: technical fertilization, empty elongation applications and composting applications on immature upkeep (TBM) and mature upkeep (TM), fertilizer placement and focal fertilizer applications feeding 'on land in land marginally.

At the time of the audit activity took place the certificate holder shows the documents related to the fertilization progress of Betung Estate in 2017-2018 as follows:

Type of fertilizer	Period of Juli 2017 – Juni 2018	
	Program (Kg)	Realization (Kg)
NK-Blend	1.507.222	910.000
RP	398.684	398.684
Kieserite	212.487	-
HGFB	19.779	19.779
Total	2.138.172	1.328.463

At the time of the audit activity took place the certificate holder shows the documents related to the fertilization progress of Sekayu Estate in 2017-2018 as follows:

Type of fertilizer	Period of Juli 2017 – Juni 2018	
	Program (Kg)	Realization (Kg)
NK-Blend	1.778.999	923.050
RP	338.922	315.400
Kieserite	234.340	-
HGFB	26.235	12.375
Total	2.378.495	1.250.825

From both tables above, known that for Kieserite type of fertilizer has not done any application at all, the results of interviews with the management known that the fertilization schedule for Kieserite in February and March 2018.

The certificate holder shows the data related to the use of fertilizer per ton of FFB production in the table as follows:

No.	Type of fertilizer	Usage (Ton)	Production of FFB (Ton)	Kg Fertilizer/Ton FFB
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1	Kieserite	0,25	24.631,43	0,00001015
2	Rock Phosphate	275,85	24.631,43	0,01119911
3	NK Blend	802,2	24.631,43	0,03256815
4	NPK CCM 12:6:22:3	89,4	24.631,43	0,00362951
5	NPK CCM 12:12:17:2+TE	65,6	24.631,43	0,00266326
6	MOP	52	24.631,43	0,00211112
Total		1.285,3	24.631,43	0,05218130

4.2.3

Soil fertility management procedures are presented in policy document No. 110/EST-ARM/13 in Section 8 on fertilization. The procedure states that fertilizer recommendations should be based on analysis of leaf and soil sampling. Leaf samples and soil sampling analysis should be done every five years. No leaf and soil samples were taken in the projected replanting area (about 2 years before replanting).

Soil Analysis Activities

The certificate holder performs a soil analysis through a semi-detailed soil survey issued by the Minamas Plantation Research Department. A semi-detailed soil survey was conducted in 2005 (Survey of Soil Trees at Sekayu and Betung in 2005). Detailed survey for Sekayu. Detailed survey conducted in February - June 2010. Survey area for Sekayu Estate is 3,273 (excluding utility), Topographic condition is dominated by choppy and hilly area. There is no area with a slope above 40%. Soil class II, S2 (59%), Class of land III S3, 41%. Ultisol Land area of 3.188 ha, Alfisol Land 64 ha, and Incepticol Land 21 ha while for Survey detail for Betung. Detailed survey conducted in July - November 2010. Excludes occupation area and utility. Survey area for Sekayu is 2,737 ha. Total Ultisol 1,456 ha, Land alfisol 1,258 ha and Land Incepticol 23 ha. Dominated by choppy area (55.2%) to hilly (39.2%). No area above 40%. Grade of ground S2 (30%) Soil class S3 (70%).

Leaf Analysis Activities

The certificate holder conducts leaf sampling annually for the fertilization recommendation of the next period. The results of leaf sampling were analyzed by MRC (Minamas Research Center) Riau Province. Measurement of Nitrogen content element, Phospore, Potassium, Magnesium and Boron. The research team analyzed plant nutrient content (Nitrogen, Potfat, Potassium, Magnesium, Boron and Carbon) for fertilizer recommendation next year. Company can show recording result of leaf analysis activity year of 2014, for example: Sekayu Estate: Block D18 years of 1996 ASH content: 7.27%; N: 2.72%; P 0.137%; Mg; 0.259% and B: 17.40 ppm and Betung Estate: Block I37 years of 1996 1996 ASH content: 9.18%; N: 2.64%; P: 0.159%; Mg; 0.310% and B: 17.27 ppm

Visual Analysis Activities

Visually observed after the leaf analysis results. Visually observation is a consideration in determining fertilizer recommendation, nutrient deficiency and analyzing the potential of disease attack which is likely to be endemic of certain diseases.

4.2.4

Empty Fruit Bunch (EFB) Application for the period 2017/2018 is as follows:

- Sekayu Estate: an application program of 9.763 tons for 390.52 Ha while for realization up to the audit activity is 545.48 tons.
- Betung Estate: application realization of 162.83 tons for Division 3 and 12.8 tons for Division 2.

Based on field visit of Block B24 of Division 1 of Sekayu Estate, it was found that empty fruit bunch were used for additional nutrients for the plants by means of preparation the empty fruit bunches between the tree evenly.

Palm Oil Mill Effluent for the period 2017/2018 is as follows:

Block	Juli (M ³)	Agustus (M ³)	September (M ³)	Oktober (M ³)	November (M ³)	Desember (M ³)
H34	1.130	-	-	-	-	5.685
H35	1.247	610	-	-	2.273	5.421
H36	314	-	1.808	907	701	-
I34	-	1.090	-	-	-	-

I35	252	1.546	1.192	1.416	613	-
I36	1.977	-	471	867	289	109
I37	310	-	-	425	-	-
J35	-	-	-	-	-	3.555
J36	-	-	-	-	1.435	-
Total	5.230	3.246	3.471	3.615	5.311	14.770

Total Palm Oil Mill Effluent 35,643 m3 with average application per day as much as 237,62 m3, application done on Block H34-H36 and I34 up to I37 and Block J35 and J36.

Based on field visit at replanting area 2017 at Block B24 of Division 1 of Sekayu Estate, known that palm oil stalks are stacked on inter row and left to decompose.

Status: Comply

4.3

Practices minimize and control erosion and degradation of soils.

4.3.1

The company shows a map of marginal land, a land class map and a land slope map of 1: 50,000 scale. The Company shows the Marginal Land Map with details as follows:

Sekayu Estate

- SPT 1: Order of ultisol series MM-02 Typic Hapludults 1,446 Ha
- SPT 2: Order of ultisol series MM-04 Plinthic Kandudults 171 Ha
- SPT 3: Order of ultisol series MM-08 Typic Plinthudults 1,574 Ha
- SPT 4: Order of alphisol series MM-09 Lithic Haplaudults 62 Ha
- SPT 5: Order Inceptisol series MM-34 Typic Endoaquepts 21 Ha

Betung Estate

- SPT 1: Order of ultisol series MM-02 Typic Hapludults 188 Ha
- SPT 2: Order of ultisol series MM-04 Plinthic Kandudults 60 Ha
- SPT 3: Order of ultisol series MM-07 Typic Hapludults 1,138 Ha
- SPT 3: Order of Ultisol series MM-08 Typic Plinthudults 1,204 Ha
- SPT 4: Order of alphisol series MM-09 Lithic Haplaudults 120 Ha
- SPT 4: Order of Ultisol series MM-10 Lithic Haplaudults 4 Ha
- SPT 5: Order Inceptisol series MM-34 Typic Endoaquepts 23 Ha

The certificate holder shows the Land Class Map with details as follows:

Divided into 4 grades:

- Dry S2 grade and erosion
- S3 grade dry and erosion
- Dry S3 grade, shallow solum and erosion
- Dry S2 grade and flooding

The certificate holder shows the Land Slope Map with details as follows:

Sekayu Estate

- Slope 0 - 3% (flat / plate) of 21 Ha
- Slope 3 - 8% (undulating) 1,714 Ha
- Slope 8 - 15% (wavy / rolling) 275 Ha
- Slope 15 - 30% (hilly / hilly) 1,263 Ha

Betung Estate

- Slope 0 - 3% (flat / plate) of 23 Ha
- Slope 3 - 8% (undulating) 1,512 Ha
- Slope 8 - 15% (wavy / rolling) 121 Ha
- Slope 15 - 30% (hilly / hilly) 1.082 Ha

4.3.2

- The certificate holder has a management strategy for planting in the slope areas listed in Minamas Plantation Agricultural Reference in Chapter 4 of the land preparation section. In the terrace-making instruction is delivered a slope of land that can be planted is a slope of 0°-25°, while for land that has a slope of more than 25° is not allowed to be planted in order to maintain biodiversitas.

Slope (degree)	Terraces Wide (Legs)	Back Tilt / Backslop (Level)
<2	straight planting Planting straight	-
2 – 6	Water conservation terrace at 32 m distance	-
6 – 12	4,9 (16)	10
12 – 18	4,3 (14)	15
18 - 25	3,7 (12)	15
>25°	not planted	

- The certificate holder also has a protection policy on the slope and river buffer area with no SOP 724/TQEM-SPMS/09 dated August 27, 2010 authorized by the CEO. this procedure contains the following slope protection procedures:
 - Soil in the plantation area with a slope angle of > 40% is reserved for cultivated or non-cultivated reserves, if in that area there is already plant and vegetation it must be maintained and recommended for planting forest plant species.
 - For flat areas up to a <40% slope in the early stages to prevent erosion and surface flow is to plant nuts.

4.3.3

the certificate holder shows the road maintenance record document period July 2017 - June 2018 in the table as follows:

Sekayu Estate

Division	Program Maintenance		Realization of Maintenance	
	Main Road (m)	Collection Road (m)	Main Road (m)	Collection Road (m)
I	1.881	2.778	135	876
II	170	6.640	65	2.402
III	2.585	6.550	6	118,37
IV	815	1.352	94	1.438
Total	5.451	17.320	300	6.272

Note: Road maintenance using white stone type material.

Based on the above table, it is known that the realization of road improvements in Sekayu Estate (SYE) for main road (MR) reaches only 9.17% while for road road (CR) reaches 36.21%. The results of interviews with the management is known that the road conditions in the SYE is still in the category maintained and can be traversed so that for road repairs only focused on roads with heavy damage categories to be passed in all seasons (all weather road).

Betung Estate

Years of Planted	Program Maintenance		Realization of Maintenance	
	Main Road (m)	Collection Road (m)	Main Road (m)	Collection Road (m)
1996	4.909	11.456	6.114	24.260
1997	5.952	17.673	12.716	14.207
1998	5.804	14.668	6.212	7.286
2007	1.228	1.788	988	1.575
2009	423	740	-	-
Total	18.316	46.324	26.030	47.328

Note: Road maintenance using white stone type material.

Based on the above table, it is known that the realization of road improvements in Betung Estate (BTE) for main road (MR) has reached 142.11% while for collection road reach 102.16%. The results of interviews with the management is known that the condition of roads in BTE is dominantly damaged and difficult to pass so that the cost of road repair up over 42.11%. Some of the causes are high rainfall, poor laterite material and heavy equipment that is often damaged (not operating).

Based on the field observation, along the location of samples in Betung Estate found several points in the state of damaged / inundated but in the stage of maintenance. The company in this case is committed to always perform maintenance either manually or mechanically.

4.3.4; 4.3.5

Based on a detailed land survey document owned by the certificate holder, no peat soil type was found in the operational area of PT Laguna Mandiri so it was declared as appropriate.

4.3.6

The certificate holder already has erosion stakes monitored and recorded each month. The following is a brief monthly report of erosion monitoring in 2017. The certificate holder also conducts erosion monitoring by installing erosion marks at several locations in the field. This was evidenced during the field visit at Sekayu Estate block F13. Based on erosion erosion monitoring in 2017 at Kebun Sekayu there is 1 point of erosion stakes and from those observations is known during the year 2017 no erosion occurs. Meanwhile, based on observation of erosion stakes in Kebun Betung during 2017 there is erosion in three points erosion stakes with an average of 0.10 mm, 0.20 mm.

The results of interviews with the management are known to several matters related to the management of marginal land as follows:

1. For rocky ground is managed with an empty fruit bunch (EFB) application with a dose of 40 tons/ha, so that the organic material is bound.
2. For the management of sloping land with a slope above 8% is done making the terrace while for the undulating ground done preparation of midrib by cutting the contour line / u-shape.
3. Keeping Nephrolepis.
4. Spraying selectively.

	Status: Comply	
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4.4

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

4.4.1.

Water management and implementation plans are contained in the RKL / RPL document of the second half of 2017 and the HCV Documents include:

- Planting trees in buffer zone area (riparian area and HCV area).
- Making the drainage channel.
- Controlling the water level every month for flood prevention.
- Making road side drain as drainage channel and water storage point
- Efficiency of water use for Mill and domestic process to Housing area.
- Test surface water every 6 months.
- The manufacture of silt pit 2,567.03 ha located in Sekayu & Betung Estate

4.4.2.

The company has shows water source map (scale 1:50,000) which used as basic of surface and ground water management. Identification of watercourse and wetland was also derived from final report of HCV assessment, conducted by YASBI in December 2009.

The company has procedure of land protection on slope and riparian zone area which presented in document policy No. 006/LMI-PBZ/2010 about manual of sustainable plantation management which mentioned protection on slopes (especially hilly) and buffer zore on riparian areas.

Based on field visit in Sekayu River Block DE3 / 4 Division 2 Betung Estate, it is known that there is a mark of spraying in the riparian area. This is not in accordance with the Buffer zone Management SOP No. 006 / LMI-PBZ / 2010 on points (d) stating that there is no chemist treatment activity around the riparian area. **This is a non-conformance No.2018.03 with Major category**

4.4.3.

Betung Factory have 12 ponds to process the waste water to fulfil the standard required by Minister of Environment Decree (KepmenLH) No. 28 year 2003 (pH 5-9 and BOD <5,000 mg/l). Permit of waste water utilization was presented in document Regent of Kotabaru District No. 188.45/884/KUM/2014 dated December 5th2014 which valid for five years. Land application has only allowed in Block J35, J36, I34, I35, I36, I37, H33, H34, H35, H36 and H37. Total area for land application was 180.30 ha.

Based on field visit on land application Block H35 Division 2, Betung Estate. There are no run off and maintenance of flatbed routinely. The Block is accordance with the permit.

The Company has a liquid waste quality testing document that contains the results of wastewater quality measurements in pond-12 (outlet before flows to LA). Results of laboratory testing by PT. Sucofindo that has been accredited KAN LP-242-ID. The results are as follows:

Parameter	unit	Results (2017)						Quality standards
		July	August	Sep	Oct	Nov	Dec	
pH	-	8.19	7.74	7.24	7.96	-	-	6-9
BOD	mg/l	180	330	210	210	-	-	5.000
COD	mg/l	494	653	656	580	-	-	-

Quality standard based on Minister of Environment Decree number 28 year 2003.

Based on the results, the quality of waste water for July to October 2017 does not exceed the quality standard stipulated by the Ministerial Decree No. 28 Year 2003

4.4.4.

The average water use for the boiler is 3,233.22 m³; for process is 3,566.89 m³, and domestic is 14,604.17 m³. Boiler efficiency of 0.532 m³ / ton FFB; process efficiency is 0.599 m³ / ton FFB and domestic efficiency is 2,795 m³ / ton FFB.

Related to the permit for the use of surface water, the company has licensed the recommendation of water resources utilization by the Head of Bina Marga and Water Resources of Kotabaru Regency with the number: 611/42 / SET.DBM & SDA / 2016 issued on December 29th, 2016. The permit explains that the company can using water for Oil Palm Processing Plant (Industry) and for daily employees.

Major 4.4.2 | **Status: Non conformance NC.2018.03 with major category.**

4.5

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

4.5.1

The certificate holder shows the pest monitoring records conducted during the period of 2017 as follows:

- Sekayu Estate (SYE)
 - The rat census of Division 4 dated August 1, 2017 shows the percentage of attacks above the economic threshold of 1.34% where the principal strikes 12 points from 895 sample subjects.
 - The UPDKS census in Block D20 with an area of 22.63 Ha on September 25, 2017 indicates the absence of a significant caterpillar attack. The level of attack is still carried the economic threshold.
- Betung Estate (BTE)
 - The rat census of Division 1 of BTE in October 2017 showed no significant attack, based on the census recap showing only 0.68% attack percentage where the principal attack was only 34 subjects from 4,974 sample subjects.

- The leaf eater caterpillar census in Block B18 with an area of 34.18 Ha on March 4, 2017 indicates the absence of a significant caterpillar attack. The level of attack is still carried the economic threshold

The certificate holder prioritises the observation and control of Pests and Diseases with preventive measures through census and biological control. The Company has several procedures for controlling pests and diseases of palm oil plants, among others:

- Control of the rhino beetle (110 / EST-ARM / 08 section 16.1)
- General chemical pest control (110 / EST-ARM / 08 section 16.1.1)
- Control of leaf eater caterpillar (110 / EST-ARM / 08 section 16.2)
- Utilization of beneficial plant to control leaf pest through cultivation control (110 / EST-ARM / 08 section 16.2.1)
- Utilization of barn owl for pest control of Rats on Palm Crops (110 / EST-ARM / 08 section 16.3.1)
- Base rot and stem rot control (110 / EST-ARM / 08 section 16.4)

Owl

To control the rat pest, the holder of the certificate using owl (*Tyto alba*) by installing gupon in each estate for example for Betung Estate has done 14 gupon installation while for Sekayu Estate there are 20 gupon in good condition but active only 10 gupon only. The result of interview with research assistant is known that routine observation is done to find out the existence of owl, some parameters observed are the former vomit and feather that fall out. The result of field visit in Block F31 of Division 2 of Sekayu Estate is known that the condition of gupon in active state, there are broodstock in gupon and former vomit and feather that fall out.

Beneficial Plants

The certificate holder plants and upkeep for the beneficial plant of the *Casia cobanensis* type, *Turnera subulata*, and *Antigonon leptosus* as the predator host of leaf caterpillar. The result of field observation on the audit sample blocks has been embedded the beneficial plant on the production road and the main road in well-maintained condition. Result of field visit in block D18 Division 3, block F31 Division 2 and block B24 of Division 1 SYE note that the certificate holder has done plant *Antigonon leptosus* and *Turnera subulata* evenly.

4.5.2

The certificate holder represents documents related to the Integrated Pest Management training as follows:

- Training of OHS spray conducted in Unit Betung Estate on April 28, 2017 which was attended by employees with 10 people. Documentation and attendance list available. Training materials include potential agrochemical hazards, safe application methods, and PPE that must be used.
- Training of OHS spray conducted in Sekayu Estate on May 1, 2017 which was attended by employees with 10 people. Documentation and attendance list available. Training materials include potential agrochemical hazards, safe application methods, and PPE that must be used.
- IPM training conducted in unit Betung Estate on October 10, 2017 which was attended by employees with 10 people. Documentation and attendance list available. Training materials include potential chemical hazards, potential drilling hazards, safe agrochemical mixing methods, and mandatory PPE.
- IPM training conducted in unit Sekayu Estate on October 11, 2017 which was attended by employees with 10 people. Documentation and attendance list available. Training materials include potential chemical hazards, potential drilling hazards, safe agrochemical mixing methods, and mandatory PPE.

Status: Comply

4.6

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

4.6.1; 4.6.2

In the control of pest and disease the application of pesticides should be selective (on target) and based on the recommendations given. The identification of pests and pesticides used for its control program is contained in the Minamas Plantation Agricultural References document with No.Policy: 110/EST-ARM/13 authorized by Mohd.Ghozali Yahya (Head Plantation Upstream Indonesia) on September 16, 2013 and is effectively used since October 1, 2013

The certificate holder shows the list of pesticides used described in the table as follows:

Pesticides	Active Ingredients	Registration No	Validity Period
Basta 150 SL	Amonium glufosinat	RI. 01030119921113	December 12, 2018
Kenlon 480 EC	Triklopir butoksi etilester	RI. 01030120062433	December 12, 2021
Metaprima	Metil metsufuron	RI. 01030120031897	September 9, 2018
Audit 486 SL	Isopropilamina glifusinat	RI. 01030120031863	December 12, 2018
Becano 500 SC	Indaziflam 500 g/l	RI. 01030120124279	May 5, 2022
Roundup 486 SL	Isopropilamina glifosat	RI. 01030120001560	December 22, 2020
Ken-Up 480 SL	Isopropilamina glifosat	RI. 01030120062435	August 8, 2021
Capture 50 EC	Cypermethrin 50 g/l	RI. 01010120031874	August 8, 2022
Supremo 480 SL	Isopropilamina glifosat	RI. 01030120021712	May 5, 2022
Inteam 150 SL	Amonium glufosinat	RI. 01030120072763	December 12, 2020

The certificate holder shows the pesticide application program listed on Reference Manual of Agronomy of Oil Palm Plantation No. Policy: 110/EST-ARM/13 Section 15 (plant protection) and Section 16 (weed control). In the procedure explained that pesticides for Pest and Disease control is done if census done above threshold. As for Herbicide application is set per type of activities for example:

Years of Planted	Number of Rotations		
	1 year	2-5 years	> 6 years
Weeding circle	6	4	3
Weeding harvesting path	6	4	3

The certificate holder conducts weed control using chemicals dilakukan in 3 rotations within a year. Weed control such as weeding circle is selectively adjusted to the conditions in the field. The following Recap pesticide usage period 2016/2017 is as follows:

Estate	Pesticides	Active Ingredients	Unit	b.a %	Total
Sekayu	Starane	Fluroksipir	liter	20,00	16,70
	Basta	Amonium glufosinat	liter	15,00	120,15
	Kenlon	Triklopir butoksi etilester	liter	48,00	260,64
	Metaprima	Metil metsufuron	Kg	20,00	9,20
	Decis	Delthametrin	liter	25,00	5,38
	Audit	Isopropilamina glifosat	liter	48,60	910,23
	Capture	Cypermethrin	liter	50,00	585,00
	Indostick	Kondensat nonifenol	liter	95,00	114,00
	Becano	Indaziflam	liter	45,46	3,18
	Ken-Up	Glifosat isopropilamonium	liter	48,00	953,76
	Sentrin	Cypermethrin	liter	5,00	27,00
	Total				3.005,23
Active Ingredients/Ha					0,93
Active Ingredients/ton FFB					0,08
Betung	Prima Up	Amonium glifosat	liter	48,00	11,80
	Audit	Isopropilamina glifosat	liter	48,00	3.140,78
	Ken Up	Glifosat isopropilamonium	liter	48,00	1.748,81
	Kenlon	Triklopir butoksi etilester	liter	48,00	1,13
	Kenly	Metil metsufuron	Kg	20,00	68,30
	Basta	Amonium glufosinat	liter	15,00	746,13

Total	5.716,95
Active Ingredients/Ha	3,22
Active Ingredients/ton FFB	0,23

4.6.3

Integrated pest management plans are listed in the procedure plant protection contained in the Minamas Plantation Agricultural References Manual with no. Policy: 110/EST-ARM/13 endorsed by Head Plantation Upstream Indonesia on 16 September 2013 and effective from October 1, 2013. The IPM Plan is contained in section 15 on plant protection that explains census frequency and attack monitoring, control techniques, and justification of the use of chemicals. In the procedure, the types of pests discussed include horn beetles, leaf caterpillar, rats, and ganoderma.

The planting of natural host plants from predators and leaf caterpillar parasitoids such as *Turnera* Sp and *Antigonon leptopus* along CR and MR aims to suppress leaf caterpillar population with natural biological agents so that the census and leaf caterpillar monitoring results can be suppressed below the control threshold and pesticide application is unnecessary.

The certificate holder can show the recap of annual pesticide use, biodiversity utilization for biological control such as *Typha* alba to control mice and planting beneficial plant with the intention of suppressing leaf caterpillar existence, is one of company strategy to minimize pesticide usage.

Chemical control (using pesticides) is the last alternative if the presence of the pest has exceeded the threshold of control. The use of pesticides is based on census and monitoring results. The means of application, dose, and target pest are monitored so that pesticide use can be effective. In addition, evaluations of the types of controls performed are also always recorded to be evaluated.

4.6.4

- The certificate holder does not use parakis parakis and pesticides classified as class 1A or 1B. This is affirmed by the policy of not using Paraquat as contained in the memorandum document of Head Plantations Operation (number: POD-UM-127 / X / 2008 dated November 4, 2008) regarding the Substitute Recommendation for Paraquat-Gramoxone Active Ingredients in Minamas Environment.
- The certificate holder also has a recommendation to ban ratgone / brodifacoum from Plantation Advisory from 16-18 July 2013.

Based on field observation to central warehouse, auditor did not found any stock of pesticide with active ingredient brodifakum and paraquat. In the absence of paraquat and brodifakum stocks, it can be concluded that the company has been consistent not to use the class 1A and 1B pesticides.

4.6.5

The certificate holder has procedures on the management of chemical material with number 394/IT-LB3-23/11 dated September 27, 2011 which describes the chemical classification, responsible person, person in charge, supply of MSDS through supplier, chemical storage method, chemical handling during usage, action against leakage and spillage, first aid to training program

- OHS spray training conducted at Betung Estate and Sekayu Estate on April 28, 2017 attended by 10 employees. Documentation and attendance list available. Training materials include potential agrochemical hazards, safe application methods, and PPE that must be used.
- IPM training conducted in Betung Estate and Sekayu Estate on October 10, 2017 attended by 10 employees. Documentation and attendance list available. Training materials include potential chemical hazards, potential drilling hazards, safe agrochemical mixing methods, and PPE mandatory.

At the time of the audit activity, the certificate holder shows documents related to the MSDS list for agrochemical used eg: Becano 500 SC, RacuminWax Block RB0,04, Basta 15 WSC, Ken-Up 480 SL, Meta Prima 20 WDG, Kenlon 480 EC, Capture 50 EC, Sentrin 50 EC, Supremo 480 SL, and Agristick 400,

Field observation results in chemical warehouse known that MSDS (Material Safety Data Sheet) has been available for each pesticide used. The chemical warehouse officer can explain well in terms of MSDS and its usefulness

The certificate holder has a procedure related to Personal Protective Equipment (PPE) with the number 739/TQEM-ESH/10 revised no.2 dated November 1, 2016. In point 6 the procedure is explained that all PPE should be replaced as soon as it is known to not provide any further protection guarantees. Results of field observations and interviews with employees Sekayu Estate known that each employee has understood and understand the procedure of replacement of PPE

The certificate holder is known to have an OHS inspection system in the field before working as Sime Card. Sime Card is a monitoring book that records the compliance of employees in the application of OHS during work in the field. At the time of the audit activity the certificate holder can show the Sime Card for all the estates and divisions

4.6.6

The certificate holder has the following pesticide storage procedures

- Based on pesticide storage procedure No. Document 122/LMI/Adm-GDG/2012 dated March 1, 2012 explained that pesticides should be stored in a safe place (locked warehouse), separate from fertilizers, foodstuffs, and water sources. Well-ventilated storage area, not exposed to direct sunlight and rainwater. Be wary of fire hazards due to some flammable spray formulation materials.
- The certificate holder represents a letter numbered 041e/HRM-BP/BJB/IPPP/VIII/2017 addressed to the Head of South Kalimantan Labour Agency regarding the application for the extension of PT Laguna Mandiri's pesticide use and storage permit. The letter was sent on August 11, 2017

The certificate holder shows the proof of socialization of the prohibition on the use of ex-pesticide packaging as follows:

- Socialization of Prohibition on Use of Agrochemical Ex Packaging held on 14 January 2017 at 06.30 - 07.30 at 4th Division Office of BTE. The socialization was attended by 40 employees (not just employees related to chemicals). Documentation and attendance list available.
- Socialization of Prohibition on Use of Agrochemical Ex Packing which was held on January 14, 2017 at 07.00 - 07.30 at Division 2 Office of SYE. The socialization was attended by 58 employees (not just employees related to chemicals). Documentation and attendance list available

Results of field observations in Pondok Division 1 Sekayu Estate and Central House Complex (CHC) did not find any ex packaging of pesticides used for household purposes

4.6.7

The certificate holder demonstrates the procedure for using pesticides in the following documents:

- The certificate holder has the procedure of Block Spraying System dated March 04, 2009 explaining the procedure of applying pesticides in the field of mixing, spraying the field, washing and storage tool and PPE. In addition, the Company has procedures on Management of Chemical material (No. 394 / IT-LB3-23 / 11 dated September 27, 2011 which describes the chemical classification, responsible person, responsible person, MSDS supply through supplier, chemical storage method, chemical handling when usage, action against leakage and spillage, first aid to training program.
- The Company already has MSDS (Material Safety Data Sheet) for each type of agrochemicals (Pesticides) which describes the material storage and handling instructions, handling in the event of an accident (First Aid), Hazards identification, action on spills and leaks, personal protective equipment, physical and chemical properties, reactivity and stability, Toxicological information, Ecological information, waste disposal and transport

The certificate holder demonstrates employee training evidence related to pesticide use along with the following contamination impacts and risks:

- OHS spray training conducted at Betung Estate and Sekayu Estate units on April 28, 2017 attended by 10 employees. Documentation and attendance list available. Training materials include potential agrochemical hazards, safe application methods, and PPE that must be used.
- IPM training conducted in Betung Estate and Sekayu Estate units on October 10, 2017 attended by 10 employees. Documentation and attendance list available. Training materials include potential chemical hazards, potential drilling hazards, safe agrochemical mixing methods, and PPE mandatory.

Based on field observation in Betung Estate and Sekayu Estate, known that certificate holder provides storage for keeping PPE (for spraying worker) and also facilities for cleaning up after work. The PPE is stored in the PPE storage.

4.6.8

Based on the document review owned by the certificate holder related to the application of pesticide and interview with the spray employees and the surrounding community representatives there is no information of the company applying pesticide from the air so it is declared as appropriate.

4.6.9

The certificate holder regularly trains employees on the use and handling of pesticides in accordance with technical guidelines and safe working practices and has provided information materials on pesticide handling to all employees, for example by providing MSDS in agrochemical warehouses. The company does not provide training to farmers because currently there is no plasma farmers in the company area. following routine training evidence related to the use of pesticides:

- HIRAC training conducted at Betung Estate and Sekayu Estate units on November 10, 2017 attended by spray and fertilizer foreman, mechanic and warehouse officer with 13 persons. Documentation and attendance list available.
- Hazardous training conducted at Betung Estate and Sekayu Estate units on September 10, 2017 attended by 9 employees. Documentation and attendance list available. Training materials include schedule waste definitions, schedule waste symbols, schedule waste management, schedule waste sources, and PPE used.
- OHS spray training conducted at Betung Estate and Sekayu Estate units on April 28, 2017 attended by 10 employees. Documentation and attendance list available. Training materials include potential agrochemical hazards, safe application methods, and PPE that must be used.
- IPM training conducted in Betung Estate and Sekayu Estate units on October 10, 2017 attended by 10 employees. Documentation and attendance list available. Training materials include potential chemical hazards, potential drilling hazards, safe agrochemical mixing methods, and PPE mandatory.

4.6.10

- The certificate holder may indicate the procedure of Hazardous and Toxic Waste & Non Hazardous and Toxic Waste Management, revision 02 dated October 12, 2016. Hazardous and Toxic Waste is managed by collected at temporary storage area of Hazardous and Toxic Waste and then handed over to the licensed Hazardous and Toxic Waste collecting party.
- The certificate holder has a Working Instruction for Handling of Used Pesticide Packaging contained in document no. 014/LMI-IKPKBP/2012 dated March 1, 2012.

Available manifest delivery of Hazardous and Toxic Waste dated December 15, 2017 to PT Sinar Bintang Albar, among others:

- Used oil of 13 drums (2600 liters) manifest number AGU 0005678.
- Rags as much as 1 drum (60 kg) manifest number AGU 0005679.
- Oil filter as much as 64 drum manifest number AGU 0005680.
- Chemical cans 192 pairs manifest number AGU 0005681.
- Used batteries as much as 22 pairs manifest number 0005682.
- packaging of 20 liters of pesticide contents as much as 138 pairs of AGU 0005683 manifest number.

4.6.11**Sekayu Estate**

The certificate holder shows the documentation regarding the health checks of spray, fertilizer, warehouse personnel, welders, and genset operators by Klinik Mandiri Care Kotabaru conducted on November 17, 2017. The examination was conducted for 58 employees including cholinesterase and spirometry examination. The results of cholinesterase examination showed that 9 employees were indication of mild toxicity, while 49 employees were still within normal limits while for spirometry examination result showed that 1 person was indicated suffered moderate restrictive, 33 people suffered mild restrictive and 24 employees stated still in normal limits.

Betung Estate

The certificate holder shows the documentation related to the health check of spray, fertilizer, warehouse officer, welder, and

genset operator by Klinik Mandiri Care Kotabaru conducted on November 17, 2017. The examination was conducted for 46 employees including cholinesterase and spirometry examination. The results of cholinesterase examination showed that 6 employees were indicated to be mild poisoning while 40 employees were stated within normal limits while for spirometry examination result showed that 1 person was indicated to suffer heavy restrictive, 3 people suffered moderate restrictive, 33 people had mild restrictive and 3 people employees are still within normal limits

Sekayu Estate

From the results of the above examination, the certificate holder performs follow-up as follows:

- Spirometry with mild and moderate restrictive results is recommended for performing a physical examination again, and counseling about the dangers of poisoning through the respiratory system through inhalation using masks.
- Cholinesterase with mild toxicity indication recommended for spraying system with respect to wind direction, minimize contact with toxins, counseling to employees related to the importance of use of PPE and correct spraying technique

Betung Estate

From the results of the above examination, the certificate holder performs follow-up as follows:

- Spirometry with mild and moderate restrictive results is recommended for performing a physical examination again, and counseling about the dangers of poisoning through the respiratory system through inhalation using masks while for severe restrictive results is recommended for consultation, routine treatment and temporary rest from fertilizer / spray work.
- Cholinesterase with mild toxicity indication recommended for spraying system with respect to wind direction, minimize contact with toxins, counseling to employees related to the importance of use of PPE and correct spraying technique

4.6.12

The certificate holder is known to have several policies relating to spray-prohibition for pregnant and lactating women as follows:

- The certificate holder has a Block Spraying System procedure dated March 04, 2009 explaining that pregnant and lactating women are prohibited from conducting Block Spraying System activities.
- The certificate holder has a prohibition policy of pregnant and lactating women working on activities that come into contact with chemicals, it is stated in that is in the Procedure of Block spraying system and the use of its station no. 066/RSPO-BSSPSS/2011.
- The certificate holder issued a circular letter, for example BTE with letter number 01/EM-BTE//16 regarding the safety policy of women spray and fertilizer workers wherein it is prohibited to employ hami workers and to breastfeed to perform work related to hazardous and toxic materials such as spray and fertilizer

The certificate holder has a mechanism for identification of pregnant and breastfeeding workers issued by the unit manager on 1 July 2017 with the following details:

- Employees submitting letters to the foreman 1.
- Letter taken to assistant to get treatment approval.
- Employees go to the clinic for examination.
- Doctor / nurse makes a pregnancy certificate (if positive).
- Letter submitted to assistant for approval.
- Assistant creates a job transfer / mutation letter from a spray job.

	Status: Comply	
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4.7

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

4.7.1

The certificate holder has a policy of OHS on December 2011 stating that Plantation Upstream Indonesia is committed to providing and maintaining a safe and healthy working environment by applying effective management to prevent unhealthy accidents and environment on staff/employees and guests on the matter is committed to:

- Comply with the relevant Government Regulations and Regulations and applicable standards and guidelines.
- Creating Occupational Safety and Health Management System in all Business Units/Departments.
- Formulate, establish, deliver, implement and maintain a safe working system in the workplace.

- Provide education, training and experience enough for all staff/employees to enable them to perform their duties efficiently and effectively.
- Ensuring Safety and Health Management (OSH) is improved and updated continuously.

The certificate holder shows the OHS Program document 2018 made on 2 January 2018 as follows:

- Guiding Committee of Occupational Safety dan Health internal meeting : Jan - Dec 2018
- Socialization of harvest OHS : Jan - Dec 2018
- Socialization of fertilizer OHS : Jan, Apr, Jun, Jul, Nov and Dec 2018
- Socializing OHS spray : Jan - Jul, Nov and Dec 2018
- Emergency Response Simulation : Dec 2018
- Driver and operator OHS simulation : Jan, Apr, Nov 2018
- Socialization of environment OHS : Jun and Dec 2018
- First Aid Training : Dec 2018
- Counseling healthy living : Apr and Sept 2018
- Healthy housing counseling : Jan and Sept 2018
- Establish inventory of OHS : Jan - Jun 2018
- Up date of HIRAC : Jan 2018

The certificate holder shows evidence of OHS implementation, among others:

- Conducting a meeting of the Guiding Committee of Occupational Safety dan Health every 3 months, there is evidence of meeting minutes, list of participants and photos of activities.
- There is an emergency response checker such as the Fire Extinguisher in Betung Factory's Machine Room, there is a check checklist which was done last check in August 2017.
- Safety and health check in the field for personal protective equipment (PPE) of employees (Sime Card).
- Checking the contents of first aid box in each unit per month.
- The company shows evidence of training and socialization related to occupational safety and health (K3) such as first aid training and emergency response

4.7.2

The certificate holder shows the related documents of work accident reporting within the last 1 year in the table as follows:

No.	Months	Number of Victims	Number of Days Lost
1	January	6	4
2	February	1	1
3	March	5	7
4	April	3	3
5	May	2	0
6	June	3	22
7	July	2	5
8	August	1	1
9	September	1	6
10	Oktober	1	6
11	November	1	3
12	December	5	9

For accidents that occur the certificate holder has conducted an accident investigation, and actions taken to prevent the occurrence of accidents recur. The investigation is contained in the Work Accident Investigation & Evaluation document that describes the victim's data, the time of the incident, the chronology of the accident, the injured part, the investigation of the hazardous actions & conditions and suggestions for improvement

The certificate holder is known to have a document of Hazard Identification Risk Assessment and Control (HIRAC) of PT Laguna Mandiri covering every work that is: harvesting and loading, shoot, manuring and application of EFB, replanting, workshop, water treatment installation, emplasment treatment, pest spray, virus application NPV, Box Owl Brawn, warehouses, large offices, ford machine operators, TLB operators, compactor operators, road graders operators and rat poison applications. However, based on field observations it is found that:

- There is a work implementation that is less secure (unsafe condition) where found 2 employees sitting on the side of the wheel tractor unit is running.
- The results of field observations and interviews with spray employees in Block C39 Division I BTE are known that spray employees have not been able to demonstrate an understanding of the hazards and risks of working with chemicals, as evidenced by the fact that employees take the pesticide dosage in knapsack without using hand protection.

Based on the above, it is known that the certificate holder has not implemented a safe working practices thoroughly so that the auditor determines **this is a non-conformance No.2018.04 with Major category**

4.7.3

The certificate holder has a procedure related to Personal Protective Equipment (PPE) with the number 739 / TQEM-ESH / 10 revised no.2 dated November 1, 2016. In point 6 the procedure is explained that all PPE should be replaced as soon as it is known not to provide a guarantee of protection anymore. Results of field observations and interviews with employees Sekayu Estate known that each employee has understood and understand the procedure of replacement of PPE

- News of handover event of Personal Protective Equipment (PPE) type of boots in Division 4 Sekayu Estate on October 16, 2017. APD is distributed to 11 HPT employees.
- News of the handover event of Personal Protective Equipment (PPE) type of boots in Division 3 Betung Estate on October 16, 2017. APD is distributed to 16 employees of fertilizer and 12 spray employees.
- News of handover event of Personal Protective Equipment (PPE) type blue helmet at Betung Factory on August 24, 2017. PPE is distributed to 2 process employees
- Field observation results and interviews with spray employees in Block C39 Division I BTE known that employees have not used PPE in accordance with procedures that have been owned by the company. For example, spray employees use cloth gloves that should be rubber gloves and do not use a blindfold / face shield.



- The results of field observations and interviews with factory employees, found the implementation of PPE procedures that have not been effective ie employees do not know the procedures related to the replacement of PPE if the PPE used has been damaged so many employees who buy their own PPE to work



Based on the above, it is known that the certificate holder has not implemented a comprehensive PPE policy so the auditor determines **this is a non-conformance No.2018.05 with Major category**.

4.7.4

- **Betung Estate**

Chairman of Guiding Committee of Occupational Safety and Health, Untung Siagian with Secretary Antonius Dedi who has attended the OHS Expert training with SKP No.KEP.P.3246 / NAKER-BINWASK3 / II / 2016 dated February 17, 2016.

- **Sekayu Estate**

Chairman of Guiding Committee of Occupational Safety and Health, Chairin Nur with Secretary Antonius Dedi who has attended the General AK3 training with SKP No.KEP.P.3246 / NAKER-BINWASK3 / II / 2016 dated February 17, 2016.

- On 13 January 2018 held at Sekayu Estate Office. The meeting of Guiding Committee of Occupational Safety and Health was attended by 13 people with the following topics: recapitulation of accident report of December 2017 period, standard helmet usage, and crop separation.
- On December 8, 2017 held at Sekayu Estate Office. The meeting of the Guiding Committee of Occupational Safety and Health was attended by 14 people with the following subjects: safety briefing, recapitulation of work accident report for November 2017 period, and FFB net.
- dated 11 November 2017 held at Sekayu Estate Office. The meeting of Guiding Committee of Occupational Safety and Health was attended by 13 people with the following subjects: safety briefing, standard helmet usage, TBS nets and crop separation.
- Report of Quarter I Guiding Committee of Occupational Safety and Health Year 2017 with number 001 / P2K3 / IV / 2017 dated April 10, 2017.
- Quarterly Report of Guiding Committee of Occupational Safety and Health Year 2017 with number 002 / P2K3 / VII / 2017 dated July 10, 2017.
- Third Quarter Report of Guiding Committee of Occupational Safety and Health Year 2017 with number 003 / P2K3 / X / 2017 dated October 10, 2017.
- Quarterly Report of Guiding Committee of Occupational Safety and Health Year 2017 with number 004 / P2K3 / I / 2018 dated January 10, 2018.

- **PKS Betung**

Chairman of the Guiding Committee of Occupational Safety and Health is Very Private with Secretary Hidayatullah who has attended the OHS Expert training with SKP No.KEP.P.3250 / NAKER-BINWASK3 / VIII / 2016 dated August 11, 2016.

- December 5, 2017 held at Betung Factory Office. The meeting of the Guiding Committee of Occupational Safety and Health was attended by 22 people with the following subjects: accident evaluation, fire report monitoring and evaluation of factory work hours.
- Quarterly IV Guiding Committee of Occupational Safety and Health Report 2017 with BTF-DisnakerBTL / 06/12/2017 number dated January 11, 2018

4.7.5

The certificate holder has prepared fire prevention procedures. SOP-PK / 08-LMI dated 01 April 2013 as the mechanism of Land Prevention and Fire Prevention. The procedure describes, among others:

1. Preparation: Establishment of the organization, identification and maintenance of water resources, identification of fire prone areas, installation of warning boards of land prone areas, the creation of fire towers in each estate and the procurement of fire prevention equipment.
2. Fire Management Team: Estate Manager as Team Leader, Patrol Implementation, Implementation of Training and Simulation, Security System.
3. Fire control is differentiated into: Location of fire outside and inside the plantation area.

The certificate holder routinely reports any accidents occurring in the operational area. The reporting of accidents is recorded in the quarterly report of the Guiding Committee of Occupational Safety and Health sent to the Office of Manpower and Transmigration in the relevant District, for example work accidents in October, November and December 2017 with 7 injuries and 18 missing days reported in Report Quarter IV Guiding Committee of Occupational Safety and Health Year 2017 with number 004 / P2K3 / I / 2018 dated January 10, 2018. Proof of sending and receiving from the concerned Service is available .

The certificate holder shows the documents related to the first aid worker training as follows:

- On December 16, 2016, first aid training, speaker Agus Widiyanto (polyclinic mantri), location of FG 15-16 sekayu estate intersection, attended by 81 participants
- On December 17, 2016, first aid training, speaker Agus Widiyanto (polyclinic mantri), location of division 4 sekayu estate, which was attended by 80 participants
- On December 14, 2016, first aid training, speaker Agus Widiyanto (polyclinic mantri), location block F31-32 division 2 sye, which was attended by 62 participant.
- On December 14, 2016, first aid training, speaker Agus Widiyanto (polyclinic mantri), 2nd place division TPA location, attended by 4 participants
- Socialization of K3 and P3K, dated 5 September 2016, speaker dr. Irwan kertajaya, SDS central betung estate location, attended by 55 participants

The certificate holder provides a first aid kit for both indoors and outdoors (field employees). The first aid kit in the field is usually held by each foreman. The results of interviews with the management is known that first aid box usually checked every month by the assistant division and if there is a shortage it will be disampikan to doctors company.

The certificate holder already has a OHS procedure (SOP No. Policy: 722 / PSQM-PSS / 10) document that explains all aspects of OHS and emergency response. However, there is insufficient evidence that the company has implemented the OSH guidelines. For example:

- Do not do Safety Briefing during opening meeting and during field visit to Betung Factory.
- The result of field observation at temporary storage area of Hazardous and Toxic Waste Betung Factory and Sekayu Estate Workshop, found the fire extinguisher tube which is not pressurized, besides the company also can not show the document related to routine check done



- Result of field visit in Block D18 of Division 3 SYE, Block B24 of Division 1 SYE, BTF Factory Office, BTF Workshop, Block C39 Division 1 BTE and Block I37 Division 3 BTE note that item number in first aid box is not in accordance with Permenakertrans No 15 Tahun 2008, in addition there is also 1 item (betadine) on the box of BTE Workshop that has expired.

Based on the above, it is known that the certificate holder is not good enough in implementing OHS guidance so that the auditor determines **this is a non-conformance No.2018.06 with Minor category**

4.7.6

Agency for the Provision of Social Security Health

The company shows proof payment of social security health (Sekayu Estate) for January 2018 as many as 967 participants with a total of Rp 60,580,728. (Bank Voucher number BK / 03/01/2018 dated January 5, 2018)

Institution of Social Security Employment

Betung Factory

1. The certificate holder shows proof payment of social security health for permanent employee, January 2018 period amounting to Rp 7,165,508, - 56 PKS Employees Dated February 6, 2018.
2. The certificate holder shows proof payment of social security employment for permanent employees for the period of January 2018 amounting to Rp 10,862,709, - & Monthly retirement insurance in January 2018 amounting to Rp 4,729,764, -. As many as 57 Employees dated February 6, 2018.

Betung Estate (431 permanent employees & contract employees)

1. The certificate holder shows proof of payment of social security health for permanent employees in January 2018 amounting to Rp 48,153,912, - as many as 761 participants dated January 5, 2018.
2. The certificate holder shows proof of payment of social security employment for permanent employees of BTE December 2017 of Rp 87,044,162, - 359 Employees (Check HI Number 295132 through Bank Mandiri) dated January 5, 2018.
3. The certificate holder shows proof of payment of social security employment for contract employee in December 2017 amounting to Rp 11,892,074, - 72 employees.

Sekayu Estate (506 permanent employees & contract employees)

1. The certificate holder shows proof of payment of social security employment for permanent employees for December 2017 of 441 Participants with payment of Rp 106,900,402, -. (Bank voucher number BK / 04/01/2018 dated January 5, 2018).
2. Social security employment payments for contract employees for December 2017 are 65 contract employees with a payment of Rp 10,566,384, -. (Bank Voucher number BK / 05/01/2018 dated January 5, 2018).
3. Social security health payments for permanent employees in January 2018 of 967 participants amounting to Rp 60,580,728. (Bank Voucher Number BL / 03/01/2018)

Based on interviews with contractors known that employment aspects including wages, insurance and occupational safety are the responsibility of the contractor. This is stated in the letter of agreement.

4.7.7

The certificate holder shows the related documents of work accident reporting within the last 1 year in the table as follows:

No.	Months	Number of Victims	Number of Days Lost
1	January	6	4
2	February	1	1
3	March	5	7
4	April	3	3
5	May	2	0
6	June	3	22
7	July	2	5
8	August	1	1
9	September	1	6
10	Oktober	1	6
11	November	1	3
12	December	5	9
Total		31	67

For accidents that occur the certificate holder has conducted an accident investigation, and actions taken to prevent the occurrence of accidents recur. The investigation is contained in the Work Accident Investigation & Evaluation document that describes the victim's data, the time of the incident, the chronology of the accident, the injured part, the investigation of the hazardous actions & conditions and suggestions for improvement.

Major 4.7.2	Status: Non conformance NC.2018.04 with major category.	
Major 4.7.3	Status: Non conformance NC.2018.05 with major category.	
Minor 4.7.5	Status: Non conformance NC.2018.06 with minor category.	

4.8

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

4.8.1 & 4.8.2.

The Company shows Employee training program January until December 2018 period for Mill & Estate such as:

- Training on harvesting, fertilizer, spray, soil conservation & plantation management techniques in February, May, September, & December 2018.
- Product quality training in April & November 2018
- Training of hazardous material warehouse & hazardous waste management in February and August 2018.

- MSDS Training in March & October 2018.
- Emergency evacuation trainings in January, March, July and October 2018.
- OSH Training in November 2018.
- First Aid Training.
- Firefighting training in March & August 2018.
- Training of buffer zone management in January & July 2018.
- HCV Training in January & July 2018.
- RSPO Training in January 2018.
- Socialization of legislation (Law No.1 Year 1970, Environmental Law, Traffic Act) in January and July 2018.
- Training of estate management
- Self-development training in July.
- And others.

There are training recording of PT Laguna Mandiri period 2017, such as:

- Harvesting technique (fruit quality & harvest discipline) of 20 harvesters on January 22th, 2018 is located in Division II of Sekayu Estate.
- Training of fertilizer application of 18 fertilizer applicators on January 16th, 2018 located in Division III Sekayu Estate.
- Training of HCV officers Located at Block E17 & E18 Division III Sekayu Estate on January 30, 2018.
- SYE firefighting simulation training located in Central Housing followed by 15 participants on December 11th, 2017.
- Pest control training for 8 people is located in Division I SYE on Sept 29th, 2017.
- Training safety briefing of 10 participants located at Division IV SYE on January 13th, 2017.
- The socialization of gender committees of 15 participants is located in the BTE area on April 11th, 2017.
- And others.

Based on the results of interviews with pesticide applicators, harvester and fertilizer applicators they have been trained by the company after being accepted by the company. Based on interview with Local contractor (Road maintenance), they have been training related OHS, Hazardous waste and using of PPE during working in Estate.

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.

The company has no new planting area. Hence, there is no change or revision on AMDAL/EIA document. PT LMI (Betung and Sekayu Estate) has the environment impact analysis document which covers the environment impact analysis (AMDAL) document, environment management plan document and environment monitoring plan document for study scope such as:

- Estate areas: company has environment impact assessment document which approved by the Agribusiness Board of Department of Agriculture through approval letter No. 008/ANDAL/BA/II/1995 dated February 27th 1995. The EIA has carried out by PT Anima Rekayasa Perkasa. Maximum capacity of mill is 60 ton FFB/hours.
- Betung Factory: Betung Factory is a second mill in PT LMI and has the environment impact assessment document (ANDAL, RKL & RPL) that had approved by the peer review committee and technical team of environment impact assessment/environment management plan and environment monitoring plan in Kotabaru District No. 660/22/BLHD-AMDAL on August 20th 2010. The document has carried out by Faculty of Forestry, Lambung Mangkurat University in Kalimantan Selatan. Scope of assessment was 20 ha area with capacity of 60 ton FFB/hours. Approval of the assessment is presented in approval letter of Kotabaru District No.188.45/293/KUM/2010.

5.1.2 & 5.1.3.

Implementation of EIA results implemented by the company with reports on the implementation of environmental management and monitoring on a regular basis every semester. Implementation Report of RKL and RPL Second Semester of 2017 contains:

- Air quality and noise testing every 6 months.
- Testing the quality of surface water and wells every 6 months.
- Liquid and solid waste.
- Fire Potential.
- Disrupted flora and fauna.
- Public unrest
- Decreased soil fertility and erosion.
- Public health.
- Jobs

The Company has also conducted an evaluation contained in the document of RKL / RPL implementation of Second Semester of 2017.

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

The company has conduct HCV assessment which carried out by "Yayasan Kelapa Sawit Berkelanjutan Indonesia (YASBI)" or Indonesian Sustainable Oil Palm Foundation in December 6th 2009. Team of accessor was RSPO approved. Scope of assessment were covers PT LMI Rantau Estate, Matalok Estate, Sekayu Estate and Betung Estate. Peer review towards HCV identification assessment is presented in document No. 028/SK-YASBI/X/2012 dated October 12th 2012.

The company shows Minutes of Agreement related to the management of HCV in Betung Estate and Sekayu Estate between representatives of companies and surrounding community that have rights in the HCV area of Company on 8 March 2017 at the Sekayu Estate Office, with the agreement as follows:

- Local communities do not agree to the collective management of HCV areas that overlap with the rights of the community because the area has become a land of income for the community.
- The company will submit HCV area that overlapping to the public to fully managed by community.
- With the agreement, then Betung Estate and Sekayu Estate will release it from the HCV area that managed by company.

Location (Blocks)	Area (ha)	Remarks	Land Control (ha)	
			Company	Community
Betung Estate				
K38-K40	46.68	Wetland		46.68
E29/30, J27-J31, D36-38, C36-38, E35-36 and F36-36	193.88*	Natural vegetation		193.88
D32-D33, E7, H38, I38, J38 and J41	74.31	Riparian zone of Sekayu River		74.31
J26-J30	28.09	Riparian zone of Pinang River		28.09
B36, C36, D36 and D37	38.50	Riparian zone of Walen River		38.50
I29 and I30	12.42	Riparian zone of Enten River		12.42
C37, J40 and K33	3.72	Buffer zone of Betung Basin		3.72
F36	2.00*	Basin		2.00
Sub Total HCV Betung Estate			205.72	399.60
Sekayu Estate				
D27, D28, E29 and E30	30.50	Riparian zone of Sekayu River	30.50	
G13	0.25	Riparian zone of Tamerung River	0.25	
D26-D27, E26-E28, F27-F29, G29 and H29	63.10	Riparian zone of Enten River	42.52	20.58

C15-C17, D14-D17, E17-E18 and F19	50.42	Riparian zone of Kulum River	10.05	40.37
F26, D28, G15, G32 and I08	5.78	Buffer zone of Sekayu Basin	5.78	
G17	0.50	Gua Batu Spring.		0.50
B21, C/D16, E26/27, H29/30 and G25/26	80.38*	Secondary forest		80.38
G14-G16	45.00	Buffer zone of Gua Batu Spring area		45.00
Sub Total HCV Sekayu Estate*			89.10	186.88
Grand Total			89.10	586.48

Note: * Identified as HCV area. The area that stated as HCV only in Sekayu Estate. Therefore, the HCV area in Betung Estate are overlapped with planted area.

HCV study has identified wildlife in PT LMI with its status according to IUCN, CITES and Government Regulation (PP) No. 7 year 1999. There was identified totaling 23 species of mamals, 48 species of aves and 9 species of reptiles. From those wildldife mentioned, 17 mamals, 10 aves and 3 reptiles were listed in IUCN, CITES and PP No. 7 year 1999. There is no wildlife categorized as critically endangered which mentioned in IUCN redlist data book 2009.

5.2.2 and 5.2.4

The Company has conducted HCV management conducted in the period of 2017 located in Sekayu and Betung Estate, among others:

- Maintenance of riparian areas on block D25 & E25 in March and June 2017.
- Maintenance of HCV boards (Checking quantities, board conditions) are located in Blocks G28, C24, D 24 & G29 in March and June 2017.
- Tree planting and maintenance located in Block H29 and E26 in March and June 2017.
- HCV patrols are conducted monthly in HCV Betung and Sekayu Estate areas.
- Wildlife observation monitoring.

HCV realization, among others, planting of plants in the area of HCV such as *Archidendron pauciflorum*, *Swietenia mahogani*, *Shorea sp Eusideroylon zwageri* and *Psidium guajava*.

In addition there is a document of the results of monitoring of fauna each year. Example: C013 Reservoir (Block C36) BTE found fauna species such as *Green pigeon*, *Varanus salvator*, Lizard, Squirrel, Frog, and Cork Fish. Based on the above explanation, there are no species protected by IUCN, CITES and Regulation number 7 of 1999.

5.2.3.

The procedure has covers preventive actions by socialization, monitoring to the workers and contractor on PT LMI areas and punishment if they broke the policy. The policy of species protection has also presented in Memorandum of Estate Manager dated August 1st 2016.

There is socialization HCV Employee Division II BTE and Betung Village community is located in Block D35 dated February 18th, 2018. Participants who attended as many as 25 participants. The material discussed about the socialization of the existence of HCV, the benefits of the existence of HCV and so forth. Based on interview with Head Village of Betung and Head Village of Sekayu Baru there are no workers who found to capture, harm and collect the wildlife. They have been told related ban of hunting of wildlife.

5.2.5.

The company has able to shows agreement with local community on occupation area in Block G25 SYE which covers about 2.50 ha and in Block D34 BTE which overlaps with HCV area. The agreement were signed by both parties on March 30th 2016.

Status: Comply

5.3

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

5.3.1.

The identification of waste and management sources for the period of 2017 sources from housing, workshop, warehouse, operational mill and office. Example: liquid waste, hazardous waste, domestic waste, solid waste and others.

The emissions and pollution type and sources has been identified by the CH, including its mitigation plan. The evidence of mitigation implementation sighted during the audit, as follows:

- CO₂, managed with reduced use of diesel fuel, preventive maintenance of heavy equipment and vehicles. While observations to the traction station at SYE and BTE are seen periodic plans for maintenance of machines and vehicles.
- NO₂ and methane (CH₄), managed by reduced urea usage for fertilizing, utilization of EFB, fertilization according to dosage and LSU recommendations, POME applications on permitable areas. According the fertlilizer realization in BTE and SYE period of 2016 - 2017 shows that there is no longer use of urea since 2016. Can be shown evidence of EFB utilization for the period 2016/2017 in SYE and BTE.
- N, managed by planting of *Mucuna bracteata* and zero burning practices (mechanization). Based on field observations to block C39/40 and block B35/34 Div 1 BTE seen that the replanting area has been covered with MB.

5.3.2.

Chemicals has stored in the chemicals and warehouse where located on mill and estates, while hazardous waste was stored on the permitted warehouse where located on Betung Factory in coordinate 02° 22'40.0" S and 116° 12'21.3' E'. The permit was issued by the Regent of Kotabaru District which presented in letter No. 188.45/883/KUM/2014 dated December 5th 2014, valid for five years. Time of storage permitted was maximum for 180 days.

The Agreement on handling of hazardous waste Liquid & Solid Liquid waste of PT Laguna Mandiri Betung Mill with PT Sinar Bintang Albar with number 095 / LM-SBA / K3L / IX / 2017 dated September 4th, 2017. This Cooperation Agreement is valid for 6 months.

PT Sinar Bintang Albar has obtained hazardous waste collection license in the form of hazardous waste solid and non-oil used type in accordance with the decision of Environment Agency of South Borneo Province 80 Year 2013. Dated October 21st, 2013 is valid for 5 years.

There are manifest delivery of hazardous waste dated December 15th, 2017 to PT Sinar Bintang Albar, among others:

- Used oil of 13 drums (2600 liters) with manifest number AGU 0005678.
- Rags for 1 drum (60 kg) with manifest number AGU 0005679.
- Oil filter of 64 drum with manifest number AGU 0005680.
- Chemical cans 192 pairs with manifest numbers AGU 0005681
- 22 scrap batteries with manifest number AGU 0005682.
- Pesticide jugs of 138 pairs with manifest numbers AGU 0005683.

Vehicle permit with transport number DA 1323 WC from the Ministry of Land Transportation number SK 5693 / AJ.309 / DJPD / 2017 / 630720549BB-0002 valid until 29 November 2018.

Based on field visit Housing Division I Sekayu Estate it is known that hazardous waste packaging is used as a water container. This is not in accordance with SOP of hazardous & Non-hazardous waste management of RSPO / B.5.5 / LMI number dated 27 May 2013. This is a **Non-conformance with No.2018.07 with Major category.**

Medical waste.

For medical waste handling, the company has an agreement with Sengayam Community Health Clinic which present in document No. 001 / PLK-S / WASTM / VIII / 2016 and No. 445/939 / VII / TU-PUSK dated August 9th 2016. The clinic is located on the Sub-District of West Pamukan. The agreement is valid for two years.

There is a medical waste handover report dated January 5th, 2018 to the Central Clinic of Sungai Durian Minamas Plantation such as spuilt 3 CC (13 pairs) & 13 pairs of nald. Accepted by Doctor from Area Sungai Cengal.

5.3.3.
Solid waste

- The empty length (20-30%) of FFB.
- Fibers (12-15%) of FFB are used as boiler fuel.
- Shells (4-5%) of FFB are used as boiler fuel.
- 0.5% dust of boiler is collected at the landfill site as a hardener road.

Liquid waste.

All liquid wastes are processed first in WWTP. Prior to utilized, the wastes were processed to reach the standard of waste water utilization in palm oil plantation i.e. pH 5-9 and BOD ≤ 5.000 mg / l. The company's WWTP management uses biological systems through anaerobic, facultative, aerobic, and control pond processes. Wastewater from the WWTP pond outlet is then pumped and flowed to a designated site as the site of waste water utilization on the ground.

Domestic waste

Based on field observations in Housing Division I Sekayu Estate looks domestic waste disposed behind the housing and around the staple of palm. During interviews with employees, it was found that there was no domestic waste transport from housing to landfill. This is not accordance with the SOP of domestic waste management dated October 1st, 2013.



In addition, based on field visits in the area of diesel fuel tank in Betung Estate, it is known there are oil spill diesel fuel that has not been handling so that pollute the soil. This is not yet in accordance with SOP of Reception, expenditure and refueling of diesel Fuel on point 8 which explains "Make sure there are no spills / diesel oil if there is spillage & spilled then it is covered with sand. This is become non-conformance with No.2018.08 with Minor Category.

Major 5.3.2	Status: Non conformance NC.2018.07 with major category.
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Minor 5.3.3	Status: Non conformance NC.2018.08 with minor category.
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5.4
Efficiency of fossil fuel use and the use of renewable energy is optimised.
5.4.1.

The Company has implemented fuel efficiency for the period of 2017 such as: The average of FFB was 54.661 tons of FFB, average electricity consumption of 99.639 kWh, average diesel consumption of 28,523 liters, electricity usage efficiency of 287,307 liters / kWh and the efficiency of diesel fuel consumption of 0.0202 Liter / ton. The average use of fiber is 1,080.47 tons, the use of the shell is 953,467 tons, the average efficiency of fiber usage is 0.178 tons of fiber / tons of FFB and the average use of the shell is 0.147 tons of shell / ton of FFB.

Status: Comply

5.5
Use of fire for waste disposal and for preparing land for replanting is avoided except in specific situations, as identified in the ASEAN guidelines or other regional best practice.
5.5.1 and 5.5.2

Company policy regarding zero burning during land clearing were presented in document of procedure No. 2xx/PTK-LPG/2004 Index No. II/04 dated December 1st2004 and Head Plantation Memorandum letter No. POD-UM-015/IV/2013 dated April 12th 2013. The former policy mentioned that zero burning methods for estate development should be adopted while the latter policy mention that the estates are compulsory to conduct fire monitoring, prevention and extinction, consistently. Furthermore, procedure Agriculture Reference Manual Policy No. 110/EST-ARM/13 Chapter 4 about land

preparation, it was mentioned that land clearing should be conducted by mechanics and zero burning methods (ex. felling, chipping, stacking, etc.).

Based on field observation in replanting area in Block C18 Division 1 Sekayu Estate, Block C39/40 and B35/34 Division 1 Betung Estate was known that there is no land fire activities found during the land preparing activities. Whole activity (felling, chipping, holing, lining and transplanting) has using mechanical method.

Status: Comply

5.6

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

5.6.1, 5.6.2

The emissions and pollution type and sources has been identified by the CH, including its mitigation plan. The evidence of mitigation implementation sighted during the audit, as follows:

- CO₂, managed with reduced use of diesel fuel, preventive maintenance of heavy equipment and vehicles. While observations to the traction station at SYE and BTE are seen periodic plans for maintenance of machines and vehicles.
- NO₂ and methane (CH₄), managed by reduced urea usage for fertilizing, utilization of EFB, fertilization according to dosage and LSU recommendations, POME applications on permitable areas. According the ferlilizer realization in BTE and SYE period of 2016 - 2017 shows that there is no longer use of urea since 2016. Can be shown evidence of EFB utilization for the period 2016/2017 in SYE and BTE.
- N, managed by planting of *Mucuna bracteata* and zero burning practices (mechanization). Based on field observations to block C39/40 and block B35/34 Div 1 BTE seen that the replanting area has been covered with MB.

The CH has monitored the emissions periodically (per semester) and reported to DLH, during audit can be shown the report of ambient monitoring conducted by Balai Hiperkes dan Keselamatan Kerja Disnakertrans of South Kalimantan, for example in the second semester of 2017 there is no exceeding of threshold for all parameters tested (NO₂, SO₂, CO, NH₃, H₂S). Sighted the report of noise levels test at BTF on a regular basis once every 6 months by an accredited Lab referring to Permenakertrans No.: 13/2011 (threshold : 85 dBA / 8hrs), for example in St boiler : 88.9 dBA, Kernel : 93.2 dBA, Press : 93.6 dBA, Engine room : 95.6 dBA and clarification : 86.6 dBA. To reduce the impact of noise, the CH provide PPE to workers such as ear-plug and earmuff, sighted the PPE distribution on 19 August 2017, during the field observation seen that all process operator in mill has been using PPE, based on interview known that they has been aware regarding to the noise impact and how to safe working on noise area. Audiometry test also conducted once a year, test result for period of 2017 shown that there is no indication of hearing loss.

5.6.3

BTF has periodically monitored the emissions generated, monitored and calculated using the RSPO PalmGHG Calculator. Summary calculations are reported in this summary report :

Mill Production & Extraction Rate

Description	Value (t)	Extraction Rate (%)
CPO	11811.91	21.76
PK	2723.36	5.02

POME

Divert to anaerobic pond	100%
Divert to methane capture (flaring)	0
Divert to methane capture (electricity generation)	0
Divert to compost	0
Divert to anaerobic digestion	0

Summary Emissions

Product	tCO ₂ e/tProduct
CPO	0.55

PK	0.55
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Land Use	Ha
Total planted area	34124.01
Total planted on peat	0
Conservation area	399.01

Mill emissions and credits

Description	tCO ₂ e	tCO ₂ e/tFFB
POME	13,120.55	0.24
Fuel Consumption	769.31	0.01
Grid Electricity	0	0
Utilisation	0	0
Credits		
Export of Grid Electricity	0	0
Sales of PK	0	0
Sales of EFB	0	0
Total	13,889.86	0.26

Summary of Field Emissions and Sinks

Description	tCO ₂ e	tCO ₂ e/ha	tCO ₂ e/t FFB	tCO ₂ e	tCO ₂ e/ha	tCO ₂ e/t FFB	tCO ₂ e	tCO ₂ e/ha	tCO ₂ e/t FFB
Emission Source									
Land Conversion	37895.63	9	0.98	0	0	0	0	0	0
CO ₂ Emissions from Fertiliser	2388.72	1.26	0.14	0	0	0	0	0	0
N ₂ O Emissions	1735.56	0.37	0.04	0	0	0	0	0	0
Fuel Consumption	1397.18	0.34	0.04	0	0	0	0	0	0
Peat Oxidation	0	0	0	0	0	0	0	0	0
Sinks									
Crop Sequestration	-48650.83	-9.31	-1.01	0	0	0	0	0	0
Sequestration in Conservation Area	-626.08	-0.07	-0.01	0	0	0	0	0	0
Total	-5859.82	1.58	0.17	0	0	0	0	0	0

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

No changes to SIA report since ASA3, which has been done in 2010 by YASBI, compiled was based on the participatory way through focus group discussion with affected parties (Rampang Cengal village, Binturung village, Sesulung village, Bepara village, Pamukan Utara village, Betung village, Bakau village) and also by involve in the Sub-district meeting (Musrenbang).

The assessment covering: transportation, communities economic, communities health, employment, education and cultural and religious aspect.

6.1.3, 6.1.4

The latest management review of social management plan are held on 27 December 2016. Public consultation are conducted during the ASA-4 assessment to the sampled villages (Betung village and Sekayu Baru village), there is no issues raised during the consultation, however betung POM and its supply-bases have not been able to show a scheduled social impact management plan for period of 2017/2018 that has been developed in a participatory way and completed with the person in-charge (PIC). **Its has been note as NCR No.2018.09**

Major 6.1.3	Status: Non conformance NC.2018.09 with major category.
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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, 6.2.2

The latest of stakeholder list (updated on Dec 2017) sighted during audit, informs type/group, name, institution, address and contact number, as much as 107 parties was listed consist of : government institution, supplier/contractor, NGO and communities leader / village leader.

The procedure and mechanism for consultation and communication describes in policy no.: 10/LMI-B/SOP-K/2017 revision 01, issued on July 12, 2017 covers all internal and external communication activities related to OHSE and RSPO. Based on interviews with local communities (Betung and Sekayu Baru village) and interviews with labor union stated that the communication mechanism has been known, the responsible PIC is the PSD Staff/ADM Head and EM in respective unit staff. External information and communications are responded to by the max 15 days after receipt, all communications recorded in the communication logbook, stored and reviewed every 6 months. The document retention refers to the record control procedure no.: 701 / TQEM-PC / 10 namely 10 years.

6.2.3

Based on logbook communications and consultations with stakeholders, sighted that only the request for aid was delivered by the surrounding villages, which has been addressed by the company through the CSR program.

	Status: Comply
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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

SOP of complaints handling mechanism for all parties and communities No.: 077 / LMI-Stkhldr.ADM / 2012, Rev. 01 issued on October 8, 2015. In chapter V, point 5.5 states that "the company guarantees the security and confidentiality of the complainant" and also attaches a flowchart of the complaints handling mechanism of all stakeholders. Dissemination to workers and stakeholders are done regularly during roll-call (to workers) and stakeholders meeting, for example report of socialization to 20 workers and communities from Sekayu Baru villages on 9 August 2016. Consultation to related parties during the audit also conducted for example labor union, communities around and contractor local states that the complaint has been handled well and there is no complaint/grievance raised. During the interview with workers in field (C39/40 Div 1 and I37 Div 3 BTE), there are different explanations related to complaints submission, companies need to increase the socialization of such mechanisms to employees. **OFI**

	Status: Comply
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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

CH has had SOP for land compensation which describes identification, calculation and compensation for land release mechanism. In this procedure was explained that the process of land identification is involved the community and the village government.

6.4.2 and 6.4.3

The results of document review, field visit and interviews show that the CH does not perform new expansion since ASA-3 until this ASA-4. The latest land compensation has been conducted in 1999.

Status: Comply

6.5

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

6.5.1 & 6.5.2.

The Collective Labor Agreement has been approved by the Kotabaru Social Service, Manpower & Transmigration Office dated November 2nd, 2016 in accordance with the number 568/013 / Naker-2/2016. In the CLA has been explained about the acknowledgment of the parties; acceptance, appraisal, appointment, placement & transfer of employees; time, work system & overtime, leave & permission, remuneration & assistance; amenities; work equipment; annual income allowance of holiday & bonus; insurance; Order & offense; work termination; complaints; transition & validity period.

The company represents an employment agreement specified time with 005 / SYE-PKWT / I / 2017 number dated September 27th, 2017 (Harvester Sekayu Estate). Term of agreement September 27th, 2017 - September 26, 2018. Determination of wages in accordance with the decision of the Governor of South Kalimantan with the number 188.44 / 0537 / KUM / 2017 effective from 1 January 2018. District Minimum Wage in the Province of South Kalimantan in 2018. The company follow Kotabaru District as much as IDR 2,588,928.65. Inter-office mail is available to employees dated December 27th, 2017 email number 178 / HRM / i3 / II / 2017. Regarding Daily permanent workers for 2018 Kotabaru for PT LMI is IDR 2,588,928.65 / month.

Based on the payroll document in January 2018. For example:

Employee of Contract workers Division II of Sekayu Estate (Harvester) with basic wage is IDR 2,692,482; Premium of harvester is IDR 334,630, -; Health and worker insurance is IDR 233,392; rice allowance is IDR 144,000; wages total is IDR 3,404,504; Total deductions is IDR 459,380, - so the total net salary earned is IDR 2,945,124.

6.5.3.

Based on field visit to the CHC Betung Estate housing, it is known that the source of water comes from the water reservoir of Betung Factory after the treatment at the Water Treatment Plant then the source of electricity comes from Turbine. The health post is located in the residential area. Domestic waste is taken every 2 weeks. There is garbage collection in residential area. Available kindergarten & Elementary Private School in residential area.

6.5.4.

Based on field observation known that there is public store in surrounding estate and factory. In other hand, the company also facilitate market day. In other hand, it is near enough to the surrounding village.

Status: Comply

6.6

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

6.6.1 and 6.6.2.

The union policy for workers is still the same as before, which is stated in the Social Policy issued in December 2011, in point 5 it is explained that "the company respects the right of every staff / employee to form and join within the labor Union according to their choice as well as for collective bargaining".

Based on the document review, the company has documents related to the meeting of Sekayu Estate Workers Union as follows: Internal Meeting of Labor Unions on March 25th, 2017. The meeting discusses the demand for funds for May Day

2017 activities led by the chairman of labor union Sekayu Estate (along with the attachment of attendance list).		
	Status: Comply	
6.7 Children are not employed or exploited.		
6.7.1 Available SOP Employee recruitment at PT Laguna Mandiri (028 / LMI-SKU / 2012), there in state the prospective workers is at least 18 years and not more than 40 years old, and vacancies are publicly publicized and undisclosed, prioritized wherever possible from within the company's own relatives and family employees as well as local communities. Based on document review, interviews and field observations on applicator pesticide, applicator fertilizer and harvester, there are no 18-year-old employees. Based on employee data for the period of 2018. The youngest employee of PT LMI is 24 years old.		
	Status:	
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 and 6.8.3. The policy of non discrimination is written in point 1 of 6 of social policy (number 724/TQEM-SPMS/09, dated April1 2010). It said that all staff/employee should treated well and fairly in the process of recruitment, improvement, condition and work situation, without depending on race, tribes, gender, sin color, disability, sexual orientation, organization membership, political view, religion and age. The policy has been socialized to worker through morning master and socialization to contractor.		
	Status: Comply	
6.9 There is no harassment or abuse in the work place, and reproductive rights are protected.		
6.9.1 and 6.9.2. The certificate holder has social policy number 724/TQEM-SPMS/09 dated April 1 2010 point 4 stated that improving an implement policy to protect women worker from sexual harassment and heir reproduction right. Company rules of certificate holder has flowchart of sexual harassment handling (FM-STD5-52-Rxx). The certificate holder commitment on reproduction right is written in social policy number 724/TQEM-SPMS/09 dated April 1 2010 point 4 stated that improving an implement policy to protect women worker from sexual harassment and heir reproduction right.. Based on interview with female worker in Betung and Sekayu Estate informed that they already knew of women worker right of reproduction like monthly menstrual leave and maternity leave. They also knew about prohibition for maternal worker to work with chemical. Based on interview with the Head of the Gender Committee, it is found that the reproductive rights of female workers have been provided by the company, such as the presence of H1 (with information from the polyclinic), H2 leave, pregnant and lactating women not employed in chemical-related sections.		
6.9.3. The certificate holder has procedure of handling complaint mechanism for all stakeholder (Number 077/LMI .Stkhldr. ADM/2012, Revision 1, dated October 8 2015. The protection to reporter is stated in section V point 5.5 of its procedure. There is also flowchart mechanism of handling complaint from stakeholder. Interviews with pesticide applicators complaints workers regarding sexual assault may be communicated to the board or Head of the Gender Committee.		
	Status: Comply	
6.10 Growers and mills deal fairly and transparently with smallholders and other local businesses.		

6.10.1, 6.10.2

Smallholder's FFB price is determined based on the provisions of the district government (Dinas Perkebunan dan Peternakan), pricing is done monthly based on the calculation of "K" index of CPO and PK price, grouped according to age of crops, for example provision for period of Jan 2018 : the lowest price (3 years) is Rp 1,307 / kgs and the highest price is for crop > 14 years Rp 1843 / Kgs. FFB prices are announced in notice board in BTF (weigh stations) and informed by mass media by relevant agencies. There were no complaints raised during interview with the community.

6.10.3, 6.10.4

There was the activity given to third parties which has been bond by contract letter, for example hydraulic service activity in BTF (contract no.: 31/AKL/HYD/VII/2017 on 24 July 2017) and road maintenance (contract no.: BTE/SPK-LKL/VII/2017/0001 on 1 July 2017). According to the interview with local contractor, the contract preparation has been through discussion by both sides and the copy of contract is available for both. Payment has been done in timely manner and accordance with contract, payment evidence can be shown to auditor.

	Status: Comply	
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6.11

Growers and millers contribute to local sustainable development wherever appropriate.

6.11.1, 6.11.2

The CSR plan for period of 2018/2019 is defined by each unit (EM), the program preparation is adjusting to the outcome of the district meeting (Musrenbang Kecamatan), which is focused on religious aspect, social and public facilities development. Can be shown the realization of CSR for the period 2017, SYE with total 38 activities, BTE with total 4 activities and BTF 4 activities.

In addition, the company has also provided a budget for incidentally CSR that will be realized based on the proposals submitted by surrounding communities. There are smallholder currently managed directly by the Estates under EM and field assistants. Number of farmers for SYE and BTE is 125 (2 Ha/farmer).

	Status: Comply	
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6.12

No forms of forced or trafficked labour are used.

6.12.1

The CH has commit to not use the illegal workers and force labor, in the SOP of recruitment no.: 028/LMI-SKU/2012 mentioned that in the process of fulfill the needs of employees it will be recruiting employees who meet the standards, recruiting through skill test and completed administration datas such as ID card, academic transcript, health certificate and recommendation letter of origin village (if needed).

6.12.2

There was no substitution contract, every contract-workers has signed a contract before starting work, in the contracts has been describes conditions of employment, work location and job-description, for e.g contract no.: 002/BTE-EM/SPK/XII/2017/PKWT on 2 Dec 2017 and no.: 0017/SYE-PKWT/X/2017 on 23 October 2017. Based on interview with labor union of PT LMI mentioned that there is no financial penalties to workers that who want to terminate their contract.

6.12.3

On ASA-4, there is no inter-regional workers or migrant, mostly workers are from surrounded villages, the CH annually reporting the workers use to relevant institution. During interview and observation for e.g. on Block C37 Div 3 BTE, loose-fruit picker (daily-paid permanent worker) stated that workers are allowed to leave mill/estates area after working-hours. There is no found any harvesters accompanied by the wife or children.

	Status: Comply	
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6.13

Growers and millers respect human rights

A human rights policy document that defines basic human rights, including reproductive rights, privacy rights, women's rights and children's rights. Issued on 1 September 2015 by SOU9 Chairman.

Regularly communicated to employees through toolbox activities such as on October 17, 2017 to employees of Division 3 SYE (as many as 56 workers) and to Division IV SYE, as many as 59 workers.

In addition, socialization is done by displaying on notice boards in strategic places. Based on interviews with labor union and gender committee mentioned that until ASA-4 there is no violation of rights committed by both company and/or workers.

Status: Comply

PRINCIPLE #7 Responsible development of new plantings

7.1

A comprehensive and participatory independent social and environmental assessment is undertaken prior to establishing new plantings or operations, or expanding existing ones, and the results incorporated into planning, management and operations.

7.1.1.

According to hectare statement 2016/2017 data and information from estate management unit, it could be concluded that there were no new planting from January 1st 2010 forward. It was only replanting activities in Div. III (Block G005) and Div. IV (Block H003, H004, I001 and I002) at SYE for totaling about 404.74 ha and in BTE for totaling about 326.81 ha. Hence, SEIA document for new planting area is not applicable.

Status: Comply

7.2

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

7.2.1; 7.2.2;

Based on land clearance and planting data, land clearing was not found after January 2010 so it is declared as appropriate.

Status: Comply

7.3

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

7.3.1, 7.3.2, 7.3.3, 7.3.4 and 7.3.5.

Based on the acreage statement it is known that there is a 2007 planting year of 133.20 Ha and 2009 of 54.20 Ha in Betung Estate. While the activities of HCV identification were conducted by PT LMI in 2009, for which the company followed Remediation and Compensation Procedures passed by BOG dated 16 Nov 2015.

Sime Darby plantation has sent a letter to RSPO on 15 July 2015 regarding land clearance report without HCV since Nov 2005 for all units / companies under Sime Darby. Based on the data, it is known that there are land clearing since Nov 2005 in PT LMI with period:

Estate/Land Clearing	Nov 2005 – Nov 2007	Dec 2007 – Dec 2009
Sekayu	-	1.47 Ha
Betung	73.80 Ha	121.72 Ha

The Company has sent Land Use Change Analysis (LUCA) documents to RSPO on September 4th, 2015. Based on LUCA data submitted by Sime Darby it is known that:

Estate Raw Liability (Ha) Final Liability (Ha).

Estate	Raw Liability (Ha)	Final Liability (Ha)
Sekayu	1.47	0
Betung	121.72	40.57

On June 26th, 2016, Sime Darby Plantation sent a letter to RSPO regarding updating raw liability data for LUCA, with details as follows:

Estate	Raw Liability (Ha)	
	Nov 2005 – Nov 2007	Dec 2007 – Dec

		2009
Sekayu	-	-
Betung	74	86

Based on email from RSPO Compensation dated January 22nd, 2018 it is known that RACP PT Laguna Mandiri – Betung Factory is in process and the company is given time to continue the certification process. Here's an email from RSPO Compensation:

"However, the Biodiversity and High Conservation Value Working Group (BHCVWG) at the meeting in August 2017 has allowed a 1-year period for all certified units to close the non-compliance. Therefore, certified units can continue to be certified for the year with the conditions that the RACP has to be completed (i.e. compensation plan endorsed) by the next surveillance audit".

Status: Comply

7.4

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

7.4.1

The company shows a map of marginal land, a land class map and a land slope map of 1: 50,000 scale. The Company shows the Marginal Land Map with details as follows:

Sekayu Estate

- SPT 1: Order of ultisol series MM-02 Typic Hapludults 1,446 Ha
- SPT 2: Order of ultisol series MM-04 Plinthic Kandudults 171 Ha
- SPT 3: Order of ultisol series MM-08 Typic Plinthudults 1,574 Ha
- SPT 4: Order of alphisol series MM-09 Lithic Haplaudults 62 Ha
- SPT 5: Order Inceptisol series MM-34 Typic Endoaquepts 21 Ha

Betung Estate

- SPT 1: Order of ultisol series MM-02 Typic Hapludults 188 Ha
- SPT 2: Order of ultisol series MM-04 Plinthic Kandudults 60 Ha
- SPT 3: Order of ultisol series MM-07 Typic Hapludults 1,138 Ha
- SPT 3: Order of Ultisol series MM-08 Typic Plinthudults 1,204 Ha
- SPT 4: Order of alphisol series MM-09 Lithic Haplaudults 120 Ha
- SPT 4: Order of Ultisol series MM-10 Lithic Haplaudults 4 Ha
- SPT 5: Order Inceptisol series MM-34 Typic Endoaquepts 23 Ha

The certificate holder shows the Land Class Map with details as follows:

Divided into 4 grades:

- Dry S2 grade and erosion
- S3 grade dry and erosion
- Dry S3 grade, shallow solum and erosion
- Dry S2 grade and flooding

The certificate holder shows the Land Slope Map with details as follows:

Sekayu Estate

- Slope 0 - 3% (flat / plate) of 21 Ha
- Slope 3 - 8% (undulating) 1,714 Ha
- Slope 8 - 15% (wavy / rolling) 275 Ha
- Slope 15 - 30% (hilly / hilly) 1,263 Ha

Betung Estate

- Slope 0 - 3% (flat / plate) of 23 Ha
- Slope 3 - 8% (undulating) 1,512 Ha
- Slope 8 - 15% (wavy / rolling) 121 Ha

- Slope 15 - 30% (hilly / hilly) 1.082 Ha

7.4.2

Based on land clearance and planting data, land clearing was not found after January 2010 so it is declared as appropriate

Status: Comply	
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7.5

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

7.5.1

Based on land clearance and planting data, land clearing was not found after January 2010 so it is declared as appropriate.

Status: Comply	
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7.6

Where it can be demonstrated that local peoples have legal, customary or user rights, they are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.

7.6.1; 7.6.2; 7.6.3; 7.6.4; 7.6.5 and 7.6.6

Based on documents review, interview and field visits at CH, it is known that CH did not expand of the operational area and there is no more land clearing activity.

Status: Comply	
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7.7

Use of fire in the preparation of new plantings is avoided other than in specific situations, as identified in the ASEAN guidelines or other regional best practice.

7.7.1 and 7.7.2

According to hectare statement 2016/2017 data and information from estate management unit, it could be concluded that there were no new planting from January 1st 2010 until now. There is only replanting activity (felling, holing, chipping, lining etc). Based on field observation in replanting area in Block C18 Division 1 Sekayu Estate, Block C39/40 and B35/34 Division 1 Betung Estate was known that there is no land fire activities found during the land preparing activities. Whole activity (felling, chipping, holing, lining and transplanting) has using mechanical method.

Status: Comply	
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7.8

New plantation developments are designed to minimise net greenhouse gas emissions.

7.8.1 & 7.8.2.

Based on the data of the statement area there is no land clearing above 2015.

Status: Comply	
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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.

During the previous assessment (ASA-3) has raised some NCR for several indicator as follows:

- Regulatory compliance evidence (major 2.1.1)
- Demarcated land clearly visible and well maintain (minor 2.2.2)
- HIRARC identification (major 4.7.2)
- Emergency response procedure (minor 4.7.5)
- Scheduled waste management (major 5.3.2).

Those NCR above has raised again during this ASA-4. Regarding to this case, the company has not show all the system and corrective action that set has well implemented and monitored. **Non Conformity No. 2018.10.**

Major 8.1.1	Status: Non conformance NC.2018.10 with major category.	
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3.2. Summary of Assessment Report of Supply Chain Requirement
3.2.1 General chain of custody requirements for the supply chain

Clause	Requirement
5.1	Applicability of the general chain of custody requirements for the supply chain
5.1.1	<p>The General Chain of Custody requirements of the RSPO Supply Chain Standard shall apply to any organization throughout the supply chain that takes legal ownership and physically handles RSPO Certified Sustainable oil palm products at a location under the control of the organization including outsourced contractors. After the end product manufacturer, there is no further requirement for certification.</p> <p>Question: Does the organization take legal ownership and physically handles RSPO Certified Sustainable oil palm products at their premises or through the outsourcers?</p> <p>Yes.</p> <p>Facility also had an agreement letter regarding to storage rent in Sungai Durian Bulking which is own by PT. Swadaya Andhika. The latest agreement signed on 30 June 2017 and valid until 30 June 2019 (agreement number 007/Jasa Penyimpanan/SAA-LMI/VI/2017).</p>
	Status: comply
5.1.2	<p>Traders and distributors require a license obtained from RSPO Secretariat to sell RSPO certified product but do not themselves require certification. When selling RSPO certified products, a licensed trader and/or distributor shall pass on the certification number of the product manufacturer and the applicable supply chain model.</p> <p>Question: Is the organization buying from RSPO licensed traders who pass the certification number of the product manufacturer and the applicable supply chain model?</p> <p>No, facility only processed their own FFB.</p>
	Status: comply
5.1.3	<p>Either the operator at site level or its parent company seeking certification shall be a member of the RSPO and shall register on the RSPO IT platform.</p> <p>Question: Is the site level or its parent company a member of RSPO and registered on RSPO IT platform?</p> <p>Yes. PT Laguna Mandiri, subsidiary of Sime Darby Plantation Sdn Bhd has registered in RSPO membership 1-0008-04-000-00 since 8 September 2004</p> <p>Betung Factory has been registered in IT platform palmtrace RSPO https://palmtrace.rspo.org/web/rspo/member-directory which information as follows:</p> <ul style="list-style-type: none"> • Member Name: PT. Laguna Mandiri • Account UID: RSPO_AC1000001409 • Core Product: Palm Oil • Member ID: RSPO_PO100001380 • Member Category: Oil Mill
	Status: comply
5.1.4	<p>Processing aids do not need to be included within an organization's scope of certification.</p> <p>Question: Is the site level or its parent had a processing aids?</p> <p>No.</p>

Facility has not using processing aids.	
	Status: comply
5.2	Supply chain model
5.2.1 The site can only use the same supply chain model as its supplier or go to a less strict system. Declassification/downgrading can only be done in the following order: Identity Preserved -> Segregated -> Mass Balance.	
Question: Has the organization applied the Supply Chain Model correctly?	
Yes, mill has applied Identity Preserved (Module D) for mill.	
	Status: comply
5.2.2 The site can use one (1) or a combination of supply chain models as audited and certified by the CB.	
Question: Has the organization applied a combination of Supply Chain Model correctly?	
BTF using Identity Preserved (Module D) for mill.	
	Status: comply
5.3	Documented procedures
5.3.1 The site shall have written procedures and/or work instructions or equivalent to ensure the implementation of all elements of the applicable supply chain model specified.	
Questions : Documented procedures established and covering all provisions following: <ul style="list-style-type: none"> • Complete and up to date procedures covering the implementation of all the elements of the supply chain model requirements. • Complete and up to date records and reports that demonstrate compliance with the supply chain model requirements (including training records). • Identification of the role 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 organization's procedures for the implementation of this standard. 	
Yes.	
Facility has had procedure of supply chain that written in document Standar Sertifikasi Jaringan RSPO Suplai (Doc No. 001/SCCS/I 2018 that approved since 2 January 2018.	
	Status: comply
5.3.2 The site shall have a written procedure to conduct annual internal audit	
Question : Documented annual internal audit procedures established and covering all provisions : i) Conforms to the requirements in the RSPO Supply Chain Certification Standard and the RSPO Market Communications and Claims Documents. ii) Effectively implements and maintains the standard requirements within its organization.	
Facility can not show the internal audit procedure that covering the requirements in the RSPO Supply Chain Certification Standard and the RSPO Market Communications and Claims Documents including assessment of it effectively. Non Compliance No. 2018.11.	
	Status: Non Compliance No. 2018.11 indicator major
5.4	Purchasing and goods in
5.4.1 The receiving site shall ensure that purchases of RSPO certified oil palm products are in compliance and the following minimum information for RSPO certified products is made available by the supplier	
Question :	

All RSPO product information is provided by suppliers in accordance with :

- The name and address of the buyer;
- The name and address of the seller;
- The loading or shipment / delivery date;
- The date on which the documents were issued;
- A description of the product, including the applicable supply chain model (Identity Preserved, Segregated or Mass Balance or the approved abbreviations);
- The quantity of the products delivered;
- Any related transport documentation;
- Supply Chain certificate number of the seller;
- A unique identification number
- Information shall be complete and can be presented either on a single document or across a range of documents issued for RSPO certified oil palm products (for example, delivery notes, shipping documents and specification documentation).
- The site receiving RSPO certified oil palm products shall ensure that the products are verified as being RSPO certified. For sites that are required to announce and confirm trades in the RSPO IT platform, this shall include making Shipping Announcements/Announcements and Confirmations on the RSPO IT platform per shipment or group of shipments. Refer to section 5.7.1 of this document for further guidance.
- A check of the validity of the Supply Chain Certification of suppliers is required for all sites that are SC certified. This shall be checked via the list of RSPO Supply Chain Certified sites on the RSPO website (www.rspo.org) at least annually or through the RSPO IT Platform by confirmation of (shipping) announcements.
- The validity of license for traders and distributors shall also be checked via the RSPO website at least annually or through the RSPO IT platform by confirmation of shipping announcements/announcements.

Based on field observation in Sungai Durian Bulking, all purchasing and goods in has been in compliance with the following minimum information for RSPO certified products is made available by the supplier. Entire information regarding to name and address of buyer, name and address of seller, loading shipment/delivery date, date of document issued, supply chain model used, quantity, unique identification number, RSPO IT platform per shipment has been written in monthly report of Sungai Durian Bulking.

Status: comply

5.4.2

The site shall have a mechanism in place for handling non-conforming oil palm products and/or documents

Question :

Has the organization established mechanism in place for handling non-conforming oil palm products and/or documents?

Facility using Identity Preserved (Module D for mill) when all FFB supplier shall be from certified area. Mill has set the code from all certified supplier.

Status: comply

5.5

Outsourcing activities

5.5.1

In cases where an operation seeking or holding certification outsources activities to independent third parties (e.g. subcontractors for storage, transport or other outsourced activities), the operation seeking or holding certification shall ensure that the independent third party complies with the requirements of the RSPO Supply Chain Certification Standard. A CPO mill and independent mill cannot outsource processing activities like refining or crushing.

Question: Are the outsourcers RSPO certified?

No.

After processing the FFB, facility sell their product (CPO and PK) to the buyer directly. CPO sell via Sungai Durian Bulking which is engaged with mill and sell the PK directly to Rantau KCP which has RSPO SCCS certified since June 12th 2015 (Certificate No. SQUAL40137).

Status: comply

5.5.2

<p>Sites which include outsourcing within the scope of their RSPO Supply Chain certificate shall ensure the following:</p> <ol style="list-style-type: none"> The site has legal ownership of all input material to be included in outsourced processes; The site has an agreement or contract covering the outsourced process with each contractor through a signed and enforceable agreement with the contractor. The onus is on the site to ensure that certification bodies (CBs) have access to the outsourcing contractor or operation if an audit is deemed necessary. The site has a documented control system with explicit procedures for the outsourced process which is communicated to the relevant contractor. The site seeking or holding certification shall furthermore ensure (e.g. through contractual arrangements) that independent third parties engaged provide relevant access for duly accredited CBs to their respective operations, systems, and any and all information, when this is announced in advance 	
<p>Question: Has the site established outsourcing procedures, agreement and keeps legal ownership of the products during the outsourcing</p>	
<p>Not applicable.</p>	
<p>There is no outsourcing facilities.</p>	
	<p>Status: comply</p>
<p>5.5.3 The site shall record the names and contact details of all contractors used for the processing or physical handling of RSPO certified oil palm products.</p>	
<p>Question: Has the site maintained names and contact details of all outsourcers?</p>	
<p>Yes.</p>	
<p>They using CPO Bulking and PK transporter as explained in 5.1.1.</p>	
	<p>Status: comply</p>
<p>5.5.4 The site shall at its next audit inform its CB of the names and contact details of any new contractor used for the processing or physical handling of RSPO certified oil palm products</p>	
<p>Question: Has MUTU informed about any new outsourcers?</p>	
<p>It will verify in the next assessment (Re-certification).</p>	
	<p>Status: comply</p>
5.6	<p>Sales and goods out</p>
<p>5.6.1 The supplying site shall ensure that the following minimum information for RSPO certified products is made available in document form: The name and address of the buyer</p>	
<p>Question:</p>	
<p>All RSPO product information is provided by the organization in accordance with :</p>	
<ul style="list-style-type: none"> The name and address of the seller; The loading or shipment / delivery date; The date on which the documents were issued; A description of the product, including the applicable supply chain model (Identity Preserved, Segregated or Mass Balance or the approved abbreviations); The quantity of the products delivered; Any related transport documentation; Supply chain certificate number of the seller; A unique identification number. Information shall be complete and can be presented either on a single document or across a range of documents issued for RSPO certified oil palm products For sites that are required to announce and confirm trades in the RSPO IT platform, this shall include making Shipping Announcements / Announcements and Confirmations on the RSPO IT platform per shipment or group of shipments. Refer to section 5.7.1 of this document for further guidance. 	

Yes.	
Whole RSPO product information has available in the documents. Especially in monthly report in mill and bulking.	
	Status: comply
5.7	Registration of transactions
5.7.1 Supply chain actors who: are mills, traders, crushers and refineries; and <ul style="list-style-type: none"> take legal ownership and/or physically handle RSPO Certified Sustainable oil palm products that are available in the yield scheme of the RSPO IT Platform (Figure 2 and 3, refer Annex 1) shall register their transaction in the RSPO IT platform and confirm upon receipt where applicable 	
Question: Has the organization registered their transactions in the RSPO IT platform? (mills, traders, crushers and refineries only)	
Yes.	
Facility has shown their transaction document that consist registration in IT platform.	
	Status: comply
5.7.2 The involved supply chain actors mentioned in 5.7.1 shall do the following actions in the RSPO IT Platform: <ul style="list-style-type: none"> Shipping Announcement / Announcement: When RSPO certified volume is sold as certified, the volumes of products that are in the yield scheme (Figure 2 and 3, refer Annex 1) shall be registered as a Shipping Announcement / Announcement in the RSPO IT Platform. The declaration time to do Shipping announcement / Announcement is based on members' own standard operating procedures. Trace: When RSPO certified volumes are sold as RSPO certified to actors in the supply chain beyond the refinery, the volume shall be traced at least annually. Tracing triggers the generation of a trace document with a unique traceability number. Tracing can be done in a consolidated way at least annually. Remove: RSPO certified volumes sold under other scheme or as conventional, or in case of underproduction, loss or damage shall be removed. Confirm: Acknowledge the purchase of RSPO certified volume by confirming Shipping Announcements / Announcements. 	
Question : Did the organization correctly perform the applicable actions on RSPO IT Platform?	
Yes.	
All requirement has implemented.	
	Status: comply
5.8	Training
5.8.1 The organization shall have a training plan on RSPO Supply Chain Standards requirements, which is subject to on-going review and is supported by records of the training provided to staff	
Question: Has the organization established RSPO training plan?	
Facility has shown the training plan of RSPO Supply Chain Standards that will conducted each semester.	
	Status: comply
5.8.2 Appropriate training shall be provided by the organization for personnel carrying out the tasks critical to the effective implementation of the supply chain certification standard requirements. Training shall be specific and relevant to the task(s) performed	

Question:	
Has the organization Delivered Effective RSPO training?	
Facility cannot show the evidence of RSPO Supply Chain Standards training to the related supply chain officer. Based on interview with key person of supply chain implementation concluded that they were lack of knowledge in supply chain procedure. Non Compliance No. 2018.12	
	Status: Non Compliance No. 2018.12 indicator major
5.9	Record keeping
5.9.1	
The organization shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of these RSPO Supply Chain Certification Standard requirements	
Question:	
All records are accurate, complete, up-to-date and accessible?	
Yes.	
The document has recorded in monthly report in mill and bulking.	
	Status: comply
5.9.2	
Retention times for all records and reports shall be a minimum of two (2) years and shall comply with legal and regulatory requirements and be able to confirm the certified status of raw materials or products held in stock	
Question:	
All records are kept for minimum two years and comply with legal and regulatory requirements?	
Yes.	
According to the latest supply chain procedure No. 001/SCCS//2018 chapter 4.9 Record Keeping, all records are kept for minimum 2 years.	
	Status: comply
5.9.3	
The organization shall be able to provide the estimate volume of palm oil / palm kernel oil content (separate categories) in the RSPO certified oil palm product and keep an up to date record of the volume purchased (input) and claimed (output) over a period of twelve (12) months.	
Question:	
For all palm oil / palm kernel oil volumes purchased (input) and claimed (output) records kept over a period of twelve (12) months?	
Yes.	
Facility estimated their palm product which is written in annex of ASA-3 certificate and monitored in three-monthly bases. If any overproduction, facility will inform the CB.	
	Status: comply
5.10	Conversion factors
5.10.1	
Where applicable a conversion rate shall be applied to provide a reliable estimate for the amount of certified output available from the associated inputs. Organizations may determine and set their own conversion rates which shall be based upon past experience, documented and applied consistently. Guidance on conversion rates is published on the RSPO website (www.rspo.org); RSPO Rules for Physical Transition of Oleochemicals and its Derivatives. This is relevant for derivatives of Palm Oil and Palm Kernel Oil, as used in the oleochemical and personal care industries	
Question:	
Conversion rates applied accurately?	
No.	

Facility did not using conversion rate.	
	Status: comply
5.10.2 Conversion rates shall be periodically updated to ensure accuracy against actual performance or industry average if appropriate.	
Question: Conversion rates periodically updated?	
No.	
Facility did not using conversion rate.	
	Status: comply
5.11	Claims
5.11.1 The site shall only make claims regarding the use of or support of RSPO certified oil palm products that are in compliance with the RSPO Rules on Market Communications and Claims.	
Question: Any communication to any stakeholder group / customers issued in accordance with RSPO Rules on Market Communications and Claims?	
No.	
Facility did not using logo during communication with stakeholder / customer.	
	Status: comply
5.12	Complaints
5.12.1 The organization shall have in place and maintain documented procedures for collecting and resolving stakeholder complaints.	
Question: Documented procedures for stakeholders complaints established?	
Yes.	
Facility has had documented procedures for stakeholders complaints in chapter 4.11 (Complaint).	
	Status: comply
5.13	Management review
5.13.1 The organization is required to hold management reviews annually at planned intervals, appropriate to the scale and nature of the activities undertaken	
Question: Management reviews performed annually at planned intervals?	
Not applicable at this moment.	
It will be verify in the next assessment (Re-certification).	
	Status: comply
5.13.2 The input to management review shall include information on: Results of internal audits covering RSPO Supply Chain Certification Standard. Customer feedback. Status of preventive and corrective actions. Follow-up actions from management reviews. Changes that could affect the management system. • Recommendations for improvement.	

<p>Question: Has all input required above has been included in the management review?</p>	
<p>Not applicable at this moment.</p>	
<p>It will be verify in the next assessment (Re-certification).</p>	
	<p>Status: comply</p>
<p>5.13.3 The output from the management review shall include any decisions and actions related to:</p> <ul style="list-style-type: none"> • Improvement of the effectiveness of the management system and its processes. • Resource needs. 	
<p>Question: Has all output required above has been included in the management review?</p>	
<p>Not applicable at this moment.</p>	
<p>It will be verify in the next assessment (Re-certification).</p>	
	<p>Status: comply</p>

3.2.2 (Module D) CPO Mills – Identity Preserved Requirements

Clause	Requirement																						
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.																							
Betung Factory 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.																							
Based on the estimated FFB, CPO and PK on annex 1 of ASA-3 certificate, facility could be produce as follows:																							
<table><tr><th rowspan="2">Product</th><th colspan="2">Estimation of Certified Product (Ton)</th><th rowspan="2">Total (Ton)</th><th rowspan="2">Actual Production period 1 April 2017 until 3 February 2018 (Ton)</th></tr><tr><th>Estimation on Certificate</th><th>Extension volume</th></tr><tr><td>FFB</td><td>56,586</td><td></td><td></td><td>42,010</td></tr><tr><td>CPO</td><td>12,449</td><td>2,276</td><td>14,725</td><td>9,066</td></tr><tr><td>PK</td><td>2,263</td><td>917</td><td>3,180</td><td>2,195</td></tr></table>		Product	Estimation of Certified Product (Ton)		Total (Ton)	Actual Production period 1 April 2017 until 3 February 2018 (Ton)	Estimation on Certificate	Extension volume	FFB	56,586			42,010	CPO	12,449	2,276	14,725	9,066	PK	2,263	917	3,180	2,195
Product	Estimation of Certified Product (Ton)		Total (Ton)	Actual Production period 1 April 2017 until 3 February 2018 (Ton)																			
	Estimation on Certificate	Extension volume																					
FFB	56,586			42,010																			
CPO	12,449	2,276	14,725	9,066																			
PK	2,263	917	3,180	2,195																			
	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).																							
Betung Factory has been registered in IT platform palm trace RSPO https://palmtrace.rspo.org/web/rspo/member-directory which information as follows:																							
<ul style="list-style-type: none">Member Name: PT. Laguna MandiriAccount UID: RSPO_AC1000001409Core Product: Palm OilMember ID: RSPO_PO100001380Member Category: Oil Mill																							
During the ASA-3 period, mill has sold their product as do																							
<ul style="list-style-type: none">Certified CPO sold to each buyer period of 1 April 2017 – 3 February 2018																							
<table><tr><th>Date</th><th>Buyer</th><th>Volume</th></tr><tr><td>April 2017</td><td>PT Golden Hope Nusantara</td><td>-</td></tr><tr><td>May 2017</td><td>PT Golden Hope Nusantara</td><td>-</td></tr><tr><td>June 2017</td><td>PT Golden Hope Nusantara</td><td>-</td></tr><tr><td>July 2017</td><td>PT Golden Hope Nusantara</td><td>795</td></tr><tr><td>August 2017</td><td>PT Golden Hope Nusantara</td><td>1.167</td></tr></table>		Date	Buyer	Volume	April 2017	PT Golden Hope Nusantara	-	May 2017	PT Golden Hope Nusantara	-	June 2017	PT Golden Hope Nusantara	-	July 2017	PT Golden Hope Nusantara	795	August 2017	PT Golden Hope Nusantara	1.167				
Date	Buyer	Volume																					
April 2017	PT Golden Hope Nusantara	-																					
May 2017	PT Golden Hope Nusantara	-																					
June 2017	PT Golden Hope Nusantara	-																					
July 2017	PT Golden Hope Nusantara	795																					
August 2017	PT Golden Hope Nusantara	1.167																					

September 2017	PT Golden Hope Nusantara	1,538
October 2017	PT Golden Hope Nusantara	1,818
November 2017	PT Golden Hope Nusantara	1,641
December 2017	PT Golden Hope Nusantara	1,303
January 2018	PT Golden Hope Nusantara	760
Until 3 February 2018	PT Golden Hope Nusantara	45
Total		9,066

• **Certified Palm Kernel sold to each buyer period of 1 April 2017 – 3 February 2018**

Date	Buyer	Volume
April 2017	PT LMI – Rantau KCP	-
May 2017	PT LMI – Rantau KCP	-
June 2017	PT LMI – Rantau KCP	-
July 2017	PT LMI – Rantau KCP	267
August 2017	PT LMI – Rantau KCP	267
September 2017	PT LMI – Rantau KCP	338
October 2017	PT LMI – Rantau KCP	426
November 2017	PT LMI – Rantau KCP	390
December 2017	PT LMI – Rantau KCP	308
January 2018	PT LMI – Rantau KCP	189
Until 3 February 2018	PT LMI – Rantau KCP	10
Total		2,195

Status: Comply

D.3 Documented procedures

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.**

Betung Factory has had procedure for SCCS with IP model in document named Manual RSPO – Standar Sertifikasi Jaringan RSPO Suplai (No. Dokumen 001/SCCS/I 2018) valid since 2nd January 2018 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 head administration and weighbridge operators in Betung Factory and production clerk in Sungai Durian Bulking showed that they understand about supply chain implementation.

Status: Comply

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

As explained in previous indicator, facility has had the supply chain procedure since January 2nd 2018.

Based on field observation in mill and interview with related officer known that they has been understand regarding to supply chain implementation. For example they can demonstrated how to stamp “**RSPO Certified**” on the delivery notes.

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 1 April 2017 to 3 February 2018

Month	FFB (Ton)		Total
	RSPO Certified	Non Certified	
April 2017	-	-	-
May 2017	-	-	-
June 2017	-	-	-
July 2017	4,179	-	4,179
August 2017	5,432	-	5,432
September 2017	6,788	-	6,788
October 2017	8,228	-	8,228
November 2017	7,275	-	7,275
December 2017	6,251	-	6,251
January 2018	3,564	-	3,564
Until 3 February 2018	288	-	288
Total	42,006	-	42,006

Status: Comply

D.4.2

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

Betung Factory has had procedure for SCCS that describes the provision of information to CB if there is excess production of RSPO-certified products. Based on the estimated FFB, CPO and PK on annex 1 of ASA-3 certificate, facility could be produce as follows:

Product	Estimation of Certified Product (Ton)		Total (Ton)	Actual Production period 1 April 2017 until 3 February 2018 (Ton)
	Estimation on Certificate	Extension volume		
FFB	56,586			42,010
CPO	12,449	2,276	14,725	9,066
PK	2,263	917	3,180	2,195

Based on the data above, it can be concluded that there is no overproduction until this ASA-4 assessment.

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.

Betung Factory has recorded the entire RSPO certified FFB which enter the mill and deliveries of RSPO certified product (CSPO and CSPK). Delivery of RSPO certified product with three-monthly basis recorded in the table below.

No	Period	CPO Production (Ton)			Dispatch CPO (Ton)		
		Cert	Non-Certified	Total	RSPO	Non-Certified	ISCC
1	April 2017	-	-	-	-	-	-
2	May 2017	-	-	-	-	-	-
3	June 2017	-	-	-	-	-	-
4	July 2017	795	-	795	795	-	-
5	August 2017	1,167	-	1,167	1,167	-	-
6	September 2017	1,538	-	1,538	1,538	-	-
7	October 2017	1,818	-	1,818	1,818	-	-
8	November 2017	1,641	-	1,641	1,641	-	-
9	December 2017	1,303	-	1,303	1,303	-	-

10	January 2018	760	-	760	760	-	-
11	Until 3 February 2018	45	-	45	45	-	-
	Total	9,066	-	9,066	9,066	-	-

Note: all CSPO product delivered to Sungai Durian Bulking (own and managed by Sime Darby Plantation).

No	Period	PK Production (Ton)			Dispatch PK (Ton)		
		Cert	Non-Certified	Total	RSPO	Non-Certified	ISCC
1	April 2017	-	-	-	-	-	-
2	May 2017	-	-	-	-	-	-
3	June 2017	-	-	-	-	-	-
4	July 2017	267	-	267	267	-	-
5	August 2017	267	-	267	267	-	-
6	September 2017	338	-	338	338	-	-
7	October 2017	426	-	426	426	-	-
8	November 2017	390	-	390	390	-	-
9	December 2017	308	-	308	308	-	-
10	January 2018	189	-	189	189	-	-
11	Until 3 February 2018	10	-	10	10	-	-
	Total	2,195	-	2,195	2,195	-	-

Note: all CSPK product sell to Rantau KCP – PT. Laguna Mandiri (own and managed by Sime Darby Plantation).

	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
	Betung Factory, PT LMI 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
	Betung Factory 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-4	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-4	The company does not use RSPO logo.	√
3.	Implementation of Certificate and Logo is not used on product	X or√
ASA-4	The company does not use RSPO logo.	√
4.	Controlling of Certificate and Logo, including withdrawing inappropriate logo.	X or√
ASA-4	The company does not use RSPO logo.	√

3.4. Summary of RSPO Partial Certification.

Compliance of the uncertified management units of Sime Darby Plantation Sdn Bhd 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

Sime Darby Plantation Sdn Bhd Time Bound Plan is explained in table section 1.10. Sime Darby has achieved 34 management units in Malaysia and 24 Management Units in Indonesia that RSPO certified. Total management unit in Sime Darby Plantation Sdn Bhd are 34 in Malaysia, 25 in Indonesia and 1 in Liberia. Sime Darby Plantation Sdn Bhd has informed the Time Bound Plan progress through representative's office in Indonesia. MUTU has considered that Sime Darby Plantation Sdn Bhd is comply with the RSPO requirement for Time Bound Plan. The Time Bound Plan was revised and declared by the Sime Darby Plantation Sdn Bhd Indonesian representative on June 16th, 2016 by the Head of PSQM.

MUTU has verified partial certification for un-certified unit's subsidiary of Sime Darby Plantation Sdn Bhd based on their Time Bound Plan. 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 are significant land conflicts in PT Mitra Austral Sejahtera, there is still an issue that remain unresolved social i.e. from Serikat Petani Kelapa Sawit (SPKS), but improvements are ongoing.
- PT Budidaya Agro Lestari waiting for land title process.
- The company has follow RSPO requirement related to New Planting Procedure and 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: Companies are already doing internal audits. There are internal audit reports for each company.</p> <p>Auditor Verification: Internal Audit report available for uncertified management unit for example PT Sandika Natapalma – Karya Palma Estate on 10 February 2017.</p>
i.	<p>No replacement after dates defined in NIs Criterion 7.3 of:</p> <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: HCV assessment has been conducted for uncertified units i.e. PT Mitra Austral Sejahtera (by Aksenta in March 2009) and Sime Darby Plantation Liberia operations (by RSPO approved assessors – Dr SK Yap in 2011).</p> <p>Auditor Verification: Sime Darby Plantation Sdn Bhd sent disclosure of liability including LUCA analysis to RSPO Secretariat on 2 December 2014 and 2nd revision on 24 June 2016. The companies ensuring reporting of disclosure of liability progress to RSPO and</p>

		according to the CB's correspondence with RSPO Remediation and Compensation.
i.	Any new plantings since January 1 st 2010 must comply with the RSPO New Plantings Procedure.	<p>Company Group/Holding Statement: A new mill will be set up in Liberia and planned for commissioning in February 2016. Preparation to undergo the RSPO Certification process is in progress and SDP targets to undergo RSPO Certification by end 2017. RSPO NPP process has been completed in 2011. Internal assessment against the draft Liberia NI has been completed and closing of gaps is in progress. *Note: RSPO NPP Announcements for SDP can be found at http://www.rspo.org/certification/new-planting-procedures/public-consultations/page/14</p> <p>Auditor Verification:</p> <ul style="list-style-type: none"> Karya Palma Estate (PT Sandika Natapalma) and Baturus Estate (PT Budidaya Agro Lestari) any new planting after January 1st 2010 and due to not conduct NPP. RSPO NPP process has been completed in 2011 for a new mill in Liberia.
ii.	Any Land conflicts are being resolved through a mutually agreed process, e.g. RSPO Grievance procedure or Dispute Settlement Facility, in accordance with RSPO criteria 6.4, 7.5 and 7.6.	<p>Company Group/Holding Statement: Sime Darby (Liberia) Plantation Inc. Status: Box G - Close for Monitoring Further details please refer to: http://www.rspo.org/members/complaints/status-of-complaints/view/46 PT Mitra Austral Sejahtera (Sime Darby Sdn Bhd) Further details please refer to: http://www.rspo.org/members/complaints/status-of-complaints/view/29</p> <p>Auditor Verification: Auditor has verified the supporting evidence of above the company statement. There are land conflict in :</p> <ul style="list-style-type: none"> PT Mitra Austral Sejahtera, this issue are remain being resolved with RSPO dispute settlement facilities PT Bina Sains Cemerlang, this issue was raise on 22 April 2017 and still being process to resolve.
iii.	Any Labour disputes are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.	<p>Company Group/Holding Statement: No stakeholder comments or complaints received.</p> <p>Auditor Verification: Auditor has verified the supporting evidence of above the company statement. There are no labour dispute in company unit.</p>
iv.	Any Legal non-compliance is being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2.	<p>Company Group/Holding Statement: None noted. No stakeholder comments or complaints received.</p>

		<p>Auditor Verification: Auditor has verified the supporting evidence of above the company statement. There is any legal non-compliance for company under SDP waiting for land title process, ie:</p> <ul style="list-style-type: none"> • PT Sime Indo Agro 1,652 Ha • PT Aneka Inti Persada 421.31 Ha • PT Bina Sains Cemerlang 308.25 Ha • PT Bersama Sejahtera Sakti 765 Ha • PT Langgeng Muaramakmur 1,162 Ha • PT Paripurna Swakarsa 1,120 Ha • PT Swadaya Andika 63 Ha • PT Bahari Gembira Ria 1,639 Ha • PT Guthrie Pecconina Indonesia 4,133 Ha • PT Perkasa Subur Sakti 1,286 Ha
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3.5 Identification of Findings, Corrective Action, Observations, Opportunity for Improvement and Noteworthy Positive Components.
3.5.1 Identification of Findings, Corrective Actions and Observations at ASA-3

NCRNo.	: 2017.01	Issued by	: Rudi Ramdani
Date Issued	: 2 February 2017	Time Limit	: 1 April 2017
NC Grade	: Major	Date of Closing	: 19 March 2017
Standard Ref. & Requirement	: 2.1.1 Evidence of compliance with relevant legal requirements shall be available.		
Non-Conformance Description& Evidence observed: Based on interview and field observation in harvesting block E42 Division 2 BTE found women worker (picker) who works without any agreement. It is not accordance with Act No. 13 of 2003.			
Root Cause Analysis: The company has socialized verbally when morning briefing but still found harvester wife who helped her husband's work for picking the loose fruit, arguing that they help to improve the economic income of the family.			
Corrective Action: Socializing in writing to the employee about the ban of employing or bring wife / brother / family to help work in the field apart from that have a contract with the company. If they found their field workers without working ties it will be strictly sanctioned in the form of a warning letter to employees, Foreman, Assistant / Sr Assistant or administration head.			
Preventive Action: Perform routine inspection by the Supervision and Staff to ensure that no one working in the field other than employees who have employment ties, which is onducted when morning briefing before going into the field.			
Assessor Evaluation and Conclusion: 19 March 2017 CH shows of the improvements include: 1. Internal office mail memorandum of Betung Estate manager to Sr. Division Assistant / Assistant Division / Section Head, cc GM Estate Area Sungai Durian and Chairman SOU 09 Betung, number BTE / IOM / 001 / III / 2017 dated March 7, 2017, concerning affirmation of the prohibition employing workers without work ties in a corporate environment. 2. Documentation socialization of workers, dated 8 March 2017 at the Office of the Division which participants 64 workers. NC No. 2017.01 is Closed with Observation. Consistency of implementation will be verified at the next assessment.			
Verified by	: Rudi Ramdani		

NCR No.	: 2017.02	Issued by	: Ardiansyah
Date Issued	: 2 February 2017	Time Limit	: ASA-4
NC Grade	: Minor	Date of Closing	: 18 November 2017

Standard Ref. & Requirement	2.2.2 Legal boundaries are demonstrated clearly and maintained.
Non-Conformance Description & Evidence observed : <ul style="list-style-type: none"> Maintenance of HGU poles not accordance with procedure. Field visits in Betung Estate showed that 2 of 4 HGU poles which visited are overgrown by shrubs. Based on the explanation of management known that it was due to the rotation of the maintenance is not in accordance with the plan. The management unit has not shown evidence of follow-up of the monitoring results. Results of monitoring on April 2016 in Betung Estate indicates that there are several poles in a damaged condition or paint fade or disappear. The monitoring result for entire HGU poles are not accordance with National Land Agency data. Based on monitoring result in Sekayu Estate showed that there are 161 poles, but based on National Land Agency data there are 328 poles. 	
Root Cause Analysis: Boundary poles maintenance applied with chemical weeding on that block. However, there is no herbicide during that boundary pole maintenance schedule and no manual maintenance too.	
Corrective Action: SYE has identify boundary poles availability on August 2016 and BTE on March 2017. Based on identification report, boundary poles maintenance and installment has been held.	
Preventive Action: Management will ensuring boundary poles maintenance applied on schedule (every 3 months).	
Assessor Evaluation and Conclusion: 2 June 2017 BTE has showed boundary poles maintenance report. Based on boundary poles checking on January to March 2017 found 39 poles well-maintained. Meanwhile in SYE has identify 129 supporting poles and 36 boundary poles on August 2016. According to the boundary poles coordinate from National Land Agency, there is 294 supporting poles and 34 boundary poles. There is no explanation regarding to the remain poles that observed. Based on that, this non conformity still open. 25 September 2017 Unit management has showed minutes of meeting boundary poles identification in SYE on September 2 nd 2017 which is described 155 supporting poles and 3 boundary poles not founded. SYE will installed those poles until 6 month after this minutes of meeting has been signed. Beside that, unit management shall added additional information regarding to root causes and preventive action. Based on that, this non conformity still open. 18 November 2017 Unit management has given explanation regarding to root causes and preventive action. This non conformity has closed.	
Verified by	Ardiansyah

NCR No.	2017.03	Issued by	Mohamad Amarullah
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Date Issued	: 2 February 2017	Time Limit	: 1 April 2017
NC Grade	: Major	Date of Closing	: 30 March 2017
Standard Ref. & Requirement	4.6.6 Storage of all pesticides shall be according to recognized best practices. All pesticides containers shall be properly disposed of and not used for other purposes.		
Non-Conformance Description& Evidence observed : <ul style="list-style-type: none">Based on field observation to fertilizer warehouse in BTE were hazardous waste risk symbols, instead of hazardous risk symbols, such as harmful, toxic, corrosiveand irritant. It is not compliance with Minister of Environment Regulation (PermenLH) No. 3, year 2008 and Minister of Manpower Regulation (Permenaker) No. 3, year 1986.Based on field observation to the central housing complex, it was found ex pesticide containers were used for domestic purposes, such as garbage bin and plants (flowers) pot. This is not in accordance with company procedure No. 014/LMI-IKPKBP/2012.			
Root Cause Analysis: <ol style="list-style-type: none">Lack of understanding of warehouse clerk because semblance of symbols.No implementation of a monthly routine inspection system by Safety Officer related to symbolThe Company has not conducted a socialization to the residents of CHC regarding the use of former pesticide containers. Workers get the packaging of pesticides by buying themselves in the common market			
Corrective Action: <ol style="list-style-type: none">Socializing and install the correct hazardous symbol by warehouse personnel, so as to understand the difference hazardous symbol with hazardous waste symbol.Socializing on the prohibition of the use of former pesticide containers for household and confiscated the pesticide containers that are used, so no more use for other uses.			
Preventive Action: <p>Implement the routine inspection by P2K3 officers of the facility and OHS sign board in estate and CHC every month, which implementation is held in conjunction with the environmental hygiene condition inspection.</p>			
Assessor Evaluation and Conclusion: 9 March 2017 <p>Companies shows some evidence of improvement, that is:</p> <ul style="list-style-type: none">Company documents show an official report dated 25 February 2017 regarding the implementation of the change of hazardous symbol on fertilizer warehouse door. Giving The understanding to employees in relation to the hazardous symbol used held on the same day.Memorandum from Manager Betung Estate No. BTE / IOM / 001 / III / 2017 dated 7 March 2017 to all employees about the affirmation of the ban on the hazardous waste, such as ex pesticides containers into flower pots or any other use. Hazardous waste management refers to procedures No. No. 014 / LMI-IKPKBP / 2012. Strict sanctions will be imposed for violating the rule.The company shows evidence of socialization activities related to the prohibition of the use of hazardous waste packaging which was held on 11 February 2017 in the Office of the Division 1 to 17 foreman and 74 employees. Then, on 8 March 2017 conducted socialization in Division Office during the morning breafing which was attended by 20 workers. On the same day the management unit also conducted socialization to the residents of CHC, which was attended by 64 residents. Along with socialization in CHC, conducted also confiscated the pesticide containers that aused for domestic household purposes.			

Management unit has not shown the form routine inspection carried out every month. **NC No. 2017.3 is not closed.**

30 March 2017

The Management unit showed evidence of routine checks contained in the document of Facility inspection and signboard of OHS at central warehouses Betung Estate dated 29 March 2017 signed by the Safety Officer and Estate Manager. Based on the evidence, **NC No. 2017.03 is Closed.**

Verified by : Mohamad Amarullah

NCRNo.	:	2017.04	Issued by	:	Mohamad Amarullah
Date Issued	:	2 February 2017	Time Limit	:	ASA-4
NC Grade	:	minor	Date of Closing	:	9 March 2017
Standard Ref. & Requirement	:	4.6.10 Proper disposal of waste material, according to procedures that are fully understood by workers and managers shall be demonstrated.			

Non-Conformance Description & Evidence observed :

Based on interview with two workers and its two family members in central housing complex, it was stated that the workers were not fully understood that ex pesticide containers shall be properly disposed and could not be used for domestic purposes (for ex. garbage bin and plants pot). They also stated that they never been informed about ex pesticide containers which prohibited to be used for domestic purposes, such as garbage bin, plants pot and water storage.

Root Cause Analysis:

The Company has not conducted a socialization to the residents of CHC regarding the use of former pesticide containers. Workers get the packaging of pesticides by buying themselves in the common market

Corrective Action:

Socializing on the prohibition of the use of former pesticide containers for household and confiscated the pesticide containers that are used, so no more use for other uses.

Preventive Action:

Implement the routine inspection by P2K3 officers of the facility and OHS sign board in estate and CHC every month, which implementation is held in conjunction with the environmental hygiene condition inspection.

Assessor Evaluation and Conclusion:
9 March 2017

Companies shows some evidence of improvement, that is:

- Memorandum from Manager Betung Estate No. BTE / IOM / 001 / III / 2017 dated 7 March 2017 to all employees about the affirmation of the ban on the hazardous waste, such as ex pesticides containers into flower pots or any other use. Hazardous waste management refers to procedures No. No. 014 / LMI-IKPKBP / 2012. Strict sanctions will be imposed for violating the rule.
- The company shows evidence of socialization activities related to the prohibition of the use of hazardous waste packaging which was held on 11 February 2017 in the Office of the Division 1 to 17 foreman and 74 employees. Then, on 8 March 2017 conducted socialization in Division Office during the morning breafing which was attended by 20 workers. On the same day the management unit also conducted socialization to the residents of CHC, which was attended by 64 residents. Along with socialization in CHC, conducted also confiscated the pesticide containers

that used for domestic household purposes.

Based on the evidence, **NC No. 2017.04 is Closed.**

Verified by : Mohamad Amarullah

NCR No.	: 2017.05	Issued by	: Afiffuddin
Date Issued	: 02 February 2017	Time Limit	: 01 April 2017
NC Grade	: Major	Date of Closing	: 13 March 2017
Standard Ref. & Requirement	: 4.7.2 A documented risk assessment shall be available and its implementation shall be recorded.		
Non-Conformance Description & Evidence observed: <ul style="list-style-type: none"> Based on the results of verification of documents HIRAC Plantation Activities in the period 2016/2017, known certification unit has not done a risk assessment for all activities, such as applications rat poison based on the results of field visits in the empty bunch station, found a pile of empty bunch regarding electric installation and nearly covered the electrical panel is potentially dangerous. However, there was no sign board or warnings around the panel. Based on the results of the study document HIRAC Betung Factory, certification unit has not identified the risk of such hazards. 			
Root Cause Analysis: <ul style="list-style-type: none"> Management unit has developed HIRAC plantations but not detailed such as HIRAC for Rat Poison application has not been done because they made globally in HIRAC Pest and Disease. HIRAC not accommodated all activities such as HIRAC in EFB area when EFB piled up because of the transportation late for EFB application. 			
Corrective Action: Estate and the factory has made an evaluation of HIRAC on 11 February 2017 to HIRAC for Applications of Rat Poison and HIRAC for EFB Station.			
Preventive Action: Periodically evaluate HIRAC based implementation in the field			
Assessor Evaluation and Conclusion: 13 March 2017 Unit certification shows evidence of improvements in the form of: <ul style="list-style-type: none"> Evaluation HIRAC on 11 February 2017 for applications of Rat Poison Evaluation HIRAC on 11 February 2017 for EFB station <p>Based on the evidence, NC No. 2017.05 is Closed.</p>			
Verified by	:	Afiffuddin	

NCR No.	: 2017.06	Issued by	: Afiffuddin
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Date Issued	: 02 Februari 2017	Time Limit	: 01 April 2017
NC Grade	: Major	Closing Date	: 14 March 2017
Standard Ref. & Requirement	4.7.3 Records of Occupational Health and Safety (OHS) program (see 4.8) and Personal Protective Equipment (PPE) training in accordance with the result of hazard identification and risk analysis shall be available to all workers		
Non-Conformance Description& Evidence observed : based on interviews and field visits in the application activity of rat poison blocks C36 Betung Estate Division 1, has not provided sufficient evidence that the company has been providing PPE to all workers rat poison applications, such as boots.			
Root Cause Analysis: procurement of boots is in the delivery process from representative offices.			
Corrective Action: provide the boots to upkeep employees on 02 February 2017 by the Assistant Division			
Preventive Action: The unit will provide boots for employees once a year in accordance with the PPE procedure and the budget passed by the Management of Minamas.			
Assessor Evaluation and Conclusion: 14 March 2017 certification shows evidence of improvements in the form of the evidence of PPE (boots) handover to workers such as on 2 February 2017 to the upkeep workers in replanting areas. Based on the evidence, NC No. 2017.06 is Closed.			
Verified by	: Afiffuddin		

NCRNo.	: 2017.07	Issued by	: Afiffuddin
Date Issued	: 02 February 2017	Time Limit	: ASA-4
NC Grade	: Minor	Closing Date	: 3 June 2017
Standard Ref. & Requirement	4.7.5 A procedure for emergency and work accident shall be available in Indonesian Language; and the workers, who have attended First Aids training, are available in the working areas.		
Non-Conformance Description& Evidence observed :			
<ul style="list-style-type: none">Based on the results of field visits in facilities and infrastructure in Betung Estate, for example in the warehouse traction, found first aid box that has not been in accordance with the table of contents that have been set such as glass eye wash, fabric mitella / bandages, rubber gloves and masks.Based on the study of documents, unknown company could not show the results of monitoring first aid box in the building (infrastructure) and first aid bag on the ground			
Root Cause Analysis:			
Unit management equipped first aid kit with medicine wound with consideration that location of work near to company clinic. It means that first aid kit does not comply with labor ministry No. 15/2008.			
Safety officer not monitored first aid kit completeness for 2017 yet.			

Corrective Action: Unit management has completed first aid kit according to labor ministry No. 15/2008. Its evidence based on last monitoring on April 4 th – 23 rd 2017.
Preventive Action: Each unit will ensuring that first aid kit box monitored by safety officer and first clerk monthly. Report of monitoring will evaluated by top management in each unit.
Assessor Evaluation and Conclusion: Verification on June 3rd 2017 Unit management showed the corrective evidence as follow: <ul style="list-style-type: none"> Minutes of meeting first aid kit box. Monitoring report of first aid kit completeness. Purchasing order of first aid kit box. Monitoring report of first aid kit completeness in office, workshop, daycare, kindergarten, BSS house, field etc. Auditor conclusion: Based on corrective evidence that showed, this Non Conformity No. 2017.07 has Closed .
Verified by : Afiffuddin

NCRNo.	: 2017.08	Issued by	: Mohamad Amarullah
Date Issued	: 2 February 2017	Time Limit	: 1 April 2017
NC Grade	: Major	Date of Closing	: 30 March 2017
Ref. Standar&Persetujuan	: 5.2.2 Where rare, threatened or endangered (RTE) species, or HCVs, are present or area affected by plantation or mill operations, appropriate measures that area expected to maintain and/or enhance them shall be implemented through management plan.		
Non-Conformance Description& Evidence observed : The company has conduct several HCV program, such as installation and maintenance of HCV signboard, flora fauna inventarization, socialization to the locals communities, etc. However, the company is not able to shows a measurable HCV management program, especially on HCV areas where overlapped with local community rights.			
Root Cause Analysis: The Company has not had HCV management program relating to the completion of HCV areas that overlap with community lands.			
Corrective Action: Socialization HCV to the community who have land rights in the concession area to jointly maintain HCV.			
Preventive Action: conduct regular communication with the local community to jointly maintain the area HCV once a year and carry out the installation of the signboard in the HCV area.			

Assessor Evaluation and Conclusion:
9 March 2017

The company shows Minutes of Agreement related to the management of HCV in Betung Estate and Sekayu Estate between representatives of companies and surrounding community that have rights in the HCV area of Company on 8 March 2017 at the Sekayu Estate Office, with the agreement as follows:

- Local communities do not agree to the collective management of HCV areas that overlap with the rights of the community because the area has become a land of income for the community.
- The company will submit HCV area that overlapping to the public to fully managed by community.
- With the agreement, then Betung Estate and Sekayu Estate will release it from the HCV area that managed by company.

The management unit can not shows the data of HCV area which release to community. **NC No. 2017.08 is not closed.**

30 March 2017

The management unit has given an explanation regarding HCV areas that have been identified is:

Location (Blocks)	Area (ha)	Remarks	Land Control (ha)	
			Company	Community
Betung Estate				
K38-K40	46.68	Wetland		46.68
E29/30, J27-J31, D36-38, C36-38, E35-36 and F36-36	193.88*	Natural vegetation		193.88
D32-D33, E7, H38, I38, J38 and J41	74.31	Riparian zone of Sekayu River		74.31
J26-J30	28.09	Riparian zone of Pinang River		28.09
B36, C36, D36 and D37	38.50	Riparian zone of Walen River		38.50
I29 and I30	12.42	Riparian zone of Enten River		12.42
C37, J40 and K33	3.72	Buffer zone of Betung Basin		3.72
F36	2.00*	Basin		2.00
Sub Total HCV Betung Estate			205.72	399.60
Sekayu Estate				
D27, D28, E29 and E30	30.50	Riparian zone of Sekayu River	30.50	
G13	0.25	Riparian zone of Tamerung River	0.25	
D26-D27, E26-E28, F27-F29, G29 and H29	63.10	Riparian zone of Enten River	42.52	20.58
C15-C17, D14-D17, E17-E18 and F19	50.42	Riparian zone of Kulum River	10.05	40.37
F26, D28, G15, G32 and I08	5.78	Buffer zone of Sekayu Basin	5.78	
G17	0.50	Gua Batu Spring.		0.50
B21, C/D16, E26/27, H29/30 and G25/26	80.38*	Secondary forest		80.38
G14-G16	45.00	Buffer zone of Gua Batu Spring area		45.00
Sub Total HCV Sekayu Estate			89.10	186.88
Grand Total			89.10	586.48

Based on the evidence, **NC No. 2017.08 is Closed.**

Verified by : Mohamad Amarullah

NCRNo. : 2017.09 Issued by : Mohamad Amarullah

Date Issued	: 2 February 2017	Time Limit	: 1 April 2017
NC Grade	: Major	Date of Closing	: 16 March 2017
Standard Ref. & Requirement	5.3.2 All chemicals and their containers shall be disposed of responsibly.		
Non-Conformance Description& Evidence observed : Based on field observation to Central Housing Complex (CHC) area, it was found that ex lubricant containers were used for water storage tank. Management unit stated that those containers were bought by the workers itself. Records of ex lubricant containers delivery from estate to hazardous waste storage was available. However, records of ex lubricant containers being produced are not available.			
Root Cause Analysis: Documentation of ex-lubricant containers that produced only referring to ex-lubricant containers that send to hazardous waste storage.			
Corrective Action: Unit managemen will documented all lubricant containers that removed by material storage.			
Preventive Action: All hazardous waste that produced will managed and documented in hazardous waste sheet.			
Assessor Evaluation and Conclusion: Verificaton on March 9th 2017 Unit management has showed hazardous waste monitoring document during period 2016. However, they were not showed an ex-lubricant container that produced by material storage. Verificaton on March 16th 2017 Unit management has show documentation of ex-lubricant container that produce by estate and delivered to hazardous waste. Based on review of those document found that ex-lubricant amount that produced in estate, delivered and received in hazardous waste were synchronized.			
Auditor conclusion: Based on corrective evidence that showed, this Non Conformity No. 2017.07 has Closed .			
Verified by	: Mohamad Amarullah		

NCRNo.	: 2017.10	Issued by	: Mohamad Amarullah
Date Issued	: 2 February 2017	Time Limit	: ASA-4
NC Grade	: Minor	Date of Closing	: 16 March 2017
Standard Ref. & Requirement	5.6.3 A monitoring system shall be in place, with regular reporting on progress for these significant pollutants and emissions from estate and mill operations, using appropriate tools.		
Non-Conformance Description & Evidence observed : The company is not able to shows GHG emission calculation for period 2016.			

Root Cause Analysis: Implementation of the calculation is still awaiting the results of the Central Office, resulting in the delayed submission of the results of GHG calculation of each period.	
Corrective Action: Coordinate with PSQM in Head Office to provide GHG calculation modules and materials, so that as of 15 March 2017 the unit has been able to calculate GHG emissions for BTF and the supply base.	
Preventive Action: Calculating GHG emissions routinely every period January-December by unit	
Assessor Evaluation and Conclusion: 16 March 2017 The management unit has completed the identification of nonconformities (the root cause, corrective action and preventive action). In addition the management unit also shows GHG calculation module version 3.1 and demonstrate the results of GHG calculation to Betung Factory and supply base. Based on this, NC No. 2017.10 is closed.	
Verified by	: Mohamad Amarullah

NCRNo.	: 2017.11	Issued by	: Rudi Ramdani
Date Issued	: 2 February 2017	Time Limit	: 19 April 2017
NC Grade	: Major	Date of Closing	: 30 March 2017
Standard Ref. & Requirement	: 6.5.1 Documentation of pay and conditions for employees based on the existing manpower regulations shall be available.		
Non-Conformance Description& Evidence observed : The certificate holder can not shows evidence of premium system payment has been accordance with collective labour agreement and decision of the minister of labor number 102 year of 2004, for a nominal payment of overtime wages and for multiple factor of overtime wages calculation, as of: <ul style="list-style-type: none"> • Premium system of the company for Sungai Durian area in 2012 which stated for babysitter if she parenting till more than office hours, then calculated as fixed premium per hour as much of Rp 8,000. Based on review of salary list December 2016 for babysitter in Division 2 Betung Estate known that the worker receive premium as much as Rp 216,000 (calculated from 27 days @Rp 8,000). • Review of salary document of December 2016 for land application officer in Betung Estate Division 2 known to have premium non harvest as much as Rp 1,348,921 for 99.5 overtime hours (premium of no harvest per hour is Rp 13,557). • 1 hour overtime value based on the calculation of the minimum wage 2016 of Kotabaru district is Rp.12,716.763 and shall be following the multiplier factor based on collective labour agreement and decision of the minister of labor number 102 year of 2004. 			
Root Cause Analysis: Administration (clerk, Head of Section and Assistant) has not conducted an evaluation for premium in accordance with the applicable of overtime wage and still refers to the premium wage of 2012 which should evaluated the amount of rupiah per hour every year according to changes of minimum wage.			
Corrective Action: 14 March 2017			

SOU chairman made a proposal review and reevaluate the premium for Non HRV systems to GM Estate on 22 February 2017.

On the date March 6, 2017, has submitted a letter from GM Estate number GM-est / 142 / SD / III / 2017 concerning the evaluation of the determination of the premium overtime pay per hour following the calculation of the minimum wage that applicable at that time for all the work set out in setting premiums Area Sungai Durian that is for 2017 amounting to Rp. 14 598 per hour applies to all jobs.

29 March 2017

Management unit has given overtime pay in accordance with the regulations, for example calculation of wages for babysitter and land application officer for the month of January 2017 with the following results:

1. Babysitter
Overtime: 27 hours in January 2017
Calculation: $27 \times 150\% = 40.5$ overtime hours $\times 14,607 = \text{IDR } 591,593$
overtime that has been paid: IDR 216,000
Underpayment: $\text{IDR } 591,593 - \text{IDR } 216,000 = \text{IDR } 375,581$
2. land application officer
Overtime: 86 hours in January 2017
Calculation: $86 \times 150\% = 129$ overtime hours $\times 14,607 = \text{IDR } 1,874,302$
overtime that has been paid: IDR 1,256,202
Underpayment: $\text{IDR } 1,874,302 - \text{IDR } 1,256,202 = \text{IDR } 618,100$

Preventive Action:

Regularly evaluate the premium system refers to the minimum wage and regulations

Assessor Evaluation and Conclusion:

14 March 2017

Internal office mail from the Chairman SOU 9 Betung (number 012 / SOU Betung-GM / II / 2017 dated February 22, 2017) to GM Estate Sungai Durian, regarding proposed changes to premiums, that the relevant provisions of premium Areas Sungai Durian in 2012 need to be adjusted between provision of premium per hour in 2012 with a premium hourly wage in 2017 according to provisions originally in the form of premiums per hour IDR 8,000, is proposed to be IDR14,500

Proposed premium system are not clearly regulate the application of the wage beyond normal working hours in accordance with regulation (Kepmenaker No. 102 of 2004). **NC No. 2017.11 is not closed.**

19 March 2017

CH shows the corrective actions include: Internal mails from GM's office Estate Sungai Durian number of GM-est / 142 / SD / III / 2017 dated 6 March 2017, concerning the affirmation of premium system in Sungai Durian area with the details as follows:

1. The premium per month as IDR 100,000.
2. Work on holidays during normal working hours (07.00 – 14.00) as IDR 40,000.
3. premium per hour changed from IDR 8,000 into IDR 14,598

The premium system are not clearly regulate the application of the wage beyond normal working hours in accordance with regulation (Kepmenaker No. 102 of 2004) and collective labour agreement Of 2016 – 2018. **NC No. 2017.11 is not closed.**

20 March 2017

CH showed evidence of socialization the change of premium system on 17 March 2017 on the Betung Daycare, which was attended by 13 participants (2 staff, 3 foremen, 5 wastes workers, 3 Babysitter). Socialization is explained that the premiums for non harvest worker has been changed in accordance with the minimum wage in 2017.

The premium system are not clearly regulate the application of the wage beyond normal working hours in accordance with regulation (Kepmenaker No. 102 of 2004) and collective labour agreement Of 2016 – 2018. **NC No. 2017.11 is not closed.**

30 March 2017

CH shows evidence of improved compliance with the calculation of overtime pay in the form of:

1. Payroll in January 2017 for land application officers and Babysitter, which includes informing the amount of premiums paid.
2. Data of overtime hours on January 2017 for land application officer (151 hours of overtime) and the babysitter (27 hours overtime) in accordance with regulation (Kepmenaker No. 102 of 2004) and collective labour agreement Of 2016 – 2018, with the total nominal payment calculation of overtime hours for the workers.
3. Overtime payment receipt for workers

NC No. 2017.11 is closed

Verified by : Rudi Ramdani

NCRNo.	: 2017.12	Issued by	: Ardiansyah
Date Issued	: 2 February 2017	Time Limit	: 19 April 2017
NC Grade	: Major	Date of Closing	: 16 March 2017
Standard Ref. & Requirement	7.3.1 There shall be evidence that no new plantings have replaced primary forest, or any area required to maintain or enhance one or more High Conservation Values (HCVs), since November 2005. New plantings shall be planned and managed to best ensure the HCVs identified are maintained and/or enhanced (see Criterion 5.2).		
Non-Conformance Description& Evidence observed : The document review showed that the company is performed land clearing after November 1, 2005 without preceded by the identification of HCV. HCV identification in PT LMI was conducted on 2009. Sime Darby Plantation Sdn Bhd, as the parent of PT LMI has conducted disclouser of liability and LUCAon 4 September 2015 by email. Based on an email from RSPO Compensation on 7 September 2015 is known that the LUCA has been received. But PT LMI has not shown approval from Compensation Panel for LUCA and compensation plan.			
Root Cause Analysis: Communication with the RSPO has been done directly by Sime Darby, so that the unit is always waiting for the results from Sime Darby			
Corrective Action: Chairman of SOU 9 sending a letter to Head PSQM on 10 February 2017 to ask the continuation and development of LUCA Approval from RSPO, as Head PSQM as a communication bridge between Minamas with Sime Darby. On 10 March 2017 has been a communication from the RSPO to Sime Darby about LUCA review.			

Preventive Action:	
Unit coordinated with PSQM to monitor the progress of LUCA. Developments related to the coordination of communication between Sime Darby with RSPO will do at least once a month.	
Assessor Evaluation and Conclusion:	
8 March 2017	
The company has shown evidence of coordination with Head PSQM by letter dated 10 February 2017 related to the development process of LUCA approval for Minamas. But has not provided evidence of the approval from RSPO Compensation Panel related to LUCA approval or compensation plan approval. NC No. 2017.12 is not closed.	
16 March 2017	
The management unit has shown evidence of communication with the RSPO related to review process of LUCA or compensation plan. Based on the email is known that the management unit can continue the certification process. NC No. 2017.12 is closed with observation.	
Verified by	: Ardiansyah

NCR No.	: 2017.13	Issued by	: Ardiansyah
Date Issued	: 2 February 2017	Time Limit	: 1 April 2017
NC Grade	: Major	Date of Closing	: 16 March 2017
Standard Ref. & Requirement	8.1.1 The action plan for monitoring shall be available, based on a consideration of the social and environmental impacts and routine evaluation of the plantation and mill operations. As a minimum, these shall include, but are not necessarily be limited to: <ul style="list-style-type: none">• Reduction in use of certain chemicals (Criterion 4.6);• Environmental impacts (Criteria 4.3, 5.1 and 5.2);• Waste reduction (Criterion 5.3);• Pollution and greenhouse gas (GHG) emissions (Criteria 5.6 and 7.8);• Social impacts (Criterion 6.1);• Optimising the yield of FFB production (Criterion 4.2)		
Non-Conformance Description& Evidence observed : From the results of non-conformities identified during the ASA-3, auditors team assessed that there is systematic failures associated with the recurrence of nonconformity on the results of previous audits (ASA-2) which is GHG Calculation (5.6.3).			
Root Cause Analysis: Implementation of the calculation is still awaiting the results of the Central Office, resulting in the delayed submission of the results of GHG calculation of each period.			
Corrective Action: Coordinate with PSQM in Head Office to provide GHG calculation modules and materials, so that as of 15 March 2017 the unit has been able to calculate GHG emissions for BTF and the supply base.			
Preventive Action: Calculating GHG emissions routinely every period January-December by unit			
Assessor Evaluation and Conclusion:			

16 March 2017	
The management unit has completed the identification of nonconformities (the root cause, corrective action and preventive action). In addition the management unit also shows GHG calculation module version 3.1 and demonstrate the results of GHG calculation to Betung Factory and supply base. Based on this, NC No. 2017.10 is closed.	
Verified by	: Ardiansyah

NCRNo.	: 2017.14	Issued by	: Ardiansyah
Date Issued	: 2 February 2017	Time Limit	: 1 April 2017
NC Grade	: Major	Date of Closing	: 16 March 2017
Standard Ref. & Requirement	: System Certification 4.2.4 Requirements for uncertified management units and/or holdings		
Non-Conformance Description& Evidence observed : Based on data from TBP is known that there are 7 units that have not been certified RSPO consists of PT SIA (outside HGU), plasma PT BGR, KKPA PT GPI, KKPA PT BSS, PT SNP (Karya Palma Estate and KKPA). CH has shown partial results of certification to PT BAL and PT MAS, but for the other units yet to be shown.			
Root Cause Analysis: Internal Audit Team did not understand that the certification system of internal audit should be done Partial Certification for RSPO uncertified units.			
Corrective Action: PSQM internal audit team coordinated with PSQM in other units that have not received RSPO certification to conduct an audit Internal Partial Certification. Management unit has shows the internal audit for uncertified unit consist of PT BGR plasma, KKPA of PT GPI, KKPA of PT BSS, PT SNP (Karya Palma Estate) and PT SIA.			
Preventive Action: Ensuring Internal Audit has conducted for partial certification of the management units that have not received RSPO certification and monitoring the development of the certification process. Internal audit process will be conducted annually to units that have not been certified by the RSPO.			
Assessor Evaluation and Conclusion: 16 March 2017 The management unit has demonstrated results of an internal audit of the units that have not received RSPO certification. NC No. 2017.14 is closed.			
Verified by	: Ardiansyah		

3.5.2 Identification of Findings, Corrective Actions and Observations at ASA-4

NCR No.	: 2018.01	Issued by	: Yudhi Yuniarto Tallutondok & Sandra Purba
Date Issued	: 9 Februari 2018	Time Limit	: 10 April 2018

NC Grade	: Major	Date of Closing	:
Standard Ref. & Requirement	: 2.1.1 There should be evidence of compliance with relevant legal requirements		
Non-Conformance Description & Evidence observed (filled by auditor):			
<ul style="list-style-type: none"> Based on the result of field observation at Sekayu Estate Workshop, known that there are employees doing welding activity, but the result of interview and document verification is known that the employee has not followed the welder training according to Permenakertrans No. 02/1982 on Qualification of Laser at workplace. PT Laguna Mandiri has not been able to show evidence of land use reporting to National Land Agency in accordance with the requirement in Agrarian Ministry Regulation No 07/2017. 			
Root Cause Analysis (filled by organization audited):			
<ul style="list-style-type: none"> Employees do not comply with the applicable regulations that is doing welding work without having a special license so that it is dangerous for all parties. The relevant employees are still in training and not fully understand the rules that apply when working. The management of the company especially the Plantation Support Department (PSD) has not updated the regulations in accordance with the latest Regulation Agrarian Ministry Regulation No 07/2017. 			
Correction (filled by organization audited):			
<ul style="list-style-type: none"> Conduct socialization to all employees by responsible staff and directs how to work properly and properly to the new employee. Updating the latest regulations by the PSD department, preparing and submitting the intended report to the responsible agency based on appendix 2 of the Agrarian Ministry Regulation No 07/2017. 			
Corrective Action (filled by organization audited):			
<ul style="list-style-type: none"> Prepare MEMO on Welding Work Affirmation In the workshop to be obeyed by all employees. Memo with Number 012 / SYE-Int / II / 2018 / M. Coordinate with the PSD department to update the latest government regulations. 			
Assessor Evaluation and Conclusion (filled by auditor):			
<p>The Company sends some improvement evidence as follows:</p> <ul style="list-style-type: none"> Inter Office Mail (IOM) with the number 012 / SYE-Int / II / 2018 / M dated February 15, 2018. The IOM was issued by the SYE Manager to the Workshop Assistant on "Welding Work Assignment at SYE Workshop". The IOM includes 4 points explaining that welding works should only be done by employees who already have a welder license using standard PPE that has been set and if the future found there are employees who violate, it will be subject to sanctions. Socialization related to Inter Office Mail (IOM) number 012 / SYE-Int / II / 2018 / M which was held on February 17, 2018. The socialization was conducted by Senior Assistant in SYE workshop and attended by 22 employees. Proof of delivery land use and utilization report to Head of National Land Agency of Kotabaru Regency on April 1, 2018 (Proof of delivery of goods by receipt number 030087677560). <p>Based on the above explanation, the non conformity No.2018.01 is declared fulfilled.</p>			
Verified by	: Yudhi Yuniarto Tallutondok		

NCR No.	: 2018.02.	Issued by	: Andi Pratama Pasaribu
Date Issued	: 9 February 2018	Time Limit	: Re-certification
NC Grade	: Minor	Date of Closing	:

Standard Ref. & Requirement	2.2.2 Legal boundaries are demonstrated clearly and maintained.
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> Not enough evidence that legal boundaries are demonstrated clearly and maintained. The company has had boundary poles maintain procedure that approved since August 1 st 2014. According to it procedure, boundary pole shall observed each semester. Based on document verification, each estate has conducted regularly monitoring of boundary poles on July 2017 (Sekayu Estate) and August 2017 (Betung Estate). According to the monitoring report, 68 poles in Betung Estate was not founded. For example, boundary poles no. 40, 45 and 46 in Division 2. Based on field observation, there is no corrective action to completing the boundary poles so far.	
Root Cause Analysis <i>(filled by organization audited):</i> The process of repairing the missing boundaries pole based on 2017 monitoring has not been done because the improvement process is done gradually, starting from the Division 3 BTE, so the boundaries pole found in Division 2 has not been replaced and repaired.	
Correction <i>(filled by organization audited):</i> Fixed all missing boundaries poles in all BTE divisions by increasing the amount of replacement material and the employee responsible for installing the lost pole.	
Corrective Action <i>(filled by organization audited):</i> The Management Unit at BTE monitors once a year and follows the monitoring results based on the pole treatment program that is three times a year and done gradually with the target completion within a year of pole repair and maintenance.	
Assessor Evaluation and Conclusion <i>(filled by auditor):</i> The Company has demonstrated documentary evidence of improvements in the form of minutes of meeting installation and maintenance the boundaries pole at Betung Estate. Based on the monitoring result, it is stated that all poles have been installed / equipped. Based on evidence of improvements that have been demonstrated, this non conformity is fulfilled by observation (Closed with Observation).	
Verified by	Andi Pratama Pasaribu

NCR No.	: 2018.03	Issued by	: Brigitta Prita
Date Issued	: 9 Februari 2018	Time Limit	: 10 April 2018
NC Grade	: Major	Date of Closing	:
Standard Ref. & Requirement	: 4.4.2. The protection of water bodies and wetlands, including maintaining and maintaining rivers and other buffer zones of pads during or before replanting shall be demonstrable.		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> Based on field observations in Sekayu River border Block D-E 34/35 Division 2 Betung Estate, known that there are marks of spraying in the river border. This is not in accordance with the Bufferzone Management SOP No. 006 / LMI-PBZ / 2010 on points (d) stating that there is no chemist treatment activity around the river border area.			

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

The buffer zone area is sprayed due to negligence in carrying out its work and the spray boundary marks in the area are fading so that the pesticide applicator does not see the buffer zone boundary and also to complete the daily spray target.

Correction *(filled by organization audited):*

Re-socialize back to the pesticide applicators so as not to spray in the buffer zone area along the river and update the boundary marks in accordance with the rules of management of the high conservation area that is 50 meters around the sekayu river (small river). Attached document.

Corrective Action *(filled by organization audited):*

The BTE Management Unit always socializes the spraying prohibition in the buffer zone area during safety briefing before work. The BTE Management Unit added a warning sign of spraying prohibition in the buffer zone area. Attached document.

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

The company showed evidence of improvement by spraying the spray border and bullet prohibition board in the DE 34/35 Block (Sekayu River Block) and socialization to pesticide applicants on the ban on 12 March 2018. Attendees were 15 spray (Proof of photo documentation and attendance list).

Based on the above explanation it is stated fulfilled with observation in the next step.

Verified by : **Brigitta Prita**

NCR No.	:	2018.04	Issued by	:	Yudhi Yuniarto Tallutondok
Date Issued	:	9 Februari 2018	Time Limit	:	10 April 2018
NC Grade	:	Major	Date of Closing	:	
Standard Ref. & Requirement	:	4.7.2 A documented risk assessment should be available and an implementation record.			
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i>					
Understanding of hazards and risks The Company already has document of Hazard Identification and Risk Assessment for working area of workshop, traction, warehouse, harvest, shoot, fertilization, spraying, replanting, bridge and road maintenance, racking and others. However, based on the results of field observations found that: <ul style="list-style-type: none">There is a work implementation that is less secure (unsafe condition) where found 2 employees sitting on the side of the wheel tractor unit is running.The results of field observations and interviews with spray employees in Block C39 Division I BTE are known that spray employees have not been able to demonstrate an understanding of the hazards and risks of working with chemicals, as evidenced by the fact that employees take the dosage of poison in knapsack without the use of hand protection.					
Root Cause Analysis <i>(filled by organization audited):</i> Analisa Akar Masalah <i>(dilengkapi oleh organisasi yang diaudit):</i> <ul style="list-style-type: none">Lack of awareness by the FFB loader employee about safety work.Pesticide applicator negligent in running procedure of spray and the employee is a new in spray team moving from manual maintenance team.					

Correction *(filled by organization audited):*

- Socialization back to FFB loader employees about the importance of OHS in working for personal safety. And put up a prohibition on occupying the side of the tractor wheel unit so that employees are aware of the importance of self-safety. Attached document.
- Socialization to FFB loader employees and Operator at SYE dated March 31, 2018 and BTE dated 12 and 31 March 2018. Attached.
- Sosialization of safe spraying in accordance with the spray procedure and prioritize OHS in work. Attached document.

Corrective Action *(filled by organization audited):*

- Provide safety briefing every morning to the FFB loader employees by assistant to always prioritize safety, and foreman ensure the employee when work in the field in accordance with the direction of assistant at the time of safety briefing, so the accident does not happen again.
- Ensure to complete the PPE of pesticide applicator before leaving for work done during safety briefing. The Assistant ensures that the foreman plays an active role in doing safety work well and correctly.

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

The Company sends some improvement evidence as follows:

- Socialization of Safe Load Work and Prohibition Sitting on side Tractor held on March 7 - 12, 2018 by Senior Assistant in Division 1, 2 and 3 BTE Offices. Documentation, attendance list and attached material.
- Socialization of Safe Load Work and Prohibition Sitting on side Tractor held on March 31, 2018 by Senior Assistant in Division 1, 2, 3 and 4 SYE Offices. Documentation, attendance list and attached material
- Documentation of warning installation of prohibited sitting on the side tractor is unit by the tractor operator and the FFB loader employee.
- PPE Monitoring spray employees Division 1 BTE period March 2018.

Based on the above, the auditor stated that the discrepancy has been met..

Verified by : **Yudhi Yuniarto Tallutondok**

NCR No.	:	2018.05	Issued by	:	Yudhi Yuniarto Tallutondok
Date Issued	:	9 Februari 2018	Time Limit	:	10 April 2018
NC Grade	:	Major	Date of Closing	:	
Standard Ref. & Requirement	:	4.7.3 Records of Occupational Safety and Health (OHS) training programs (see 4.8) and Personal Protective Equipment (PPE) in accordance with hazard identification and risk assessment results shall be made available to all workers.			
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i>					
<u>Use of Personal Protective Equipment (PPE)</u>					
<ul style="list-style-type: none">The results of field observations and interviews with spray employees in Block C39 Division I BTE known that employees have not used PPE in accordance with procedures that have been owned by the company. For example, spray employees use cloth gloves that should be rubber gloves and do not use a blindfold / face shield.					



- Results of field observation and interviews with factory employees found that the implementation of PPE procedures that have not been effective is that employees do not know the procedures related to the replacement of PPE, if the PPE used has been damaged so many employees who buy their own PPE to work.



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

Analisa Akar Masalah *(dilengkapi oleh organisasi yang diaudit):*

- Supplier of latex gloves late when supplying because out of stock and the employee has not used the face shield since there is no new replacement where the old eye protection is broken and still waiting for the new PPE to arrive.
- Socialization and information on the new procedures of PPE replacement has not been received by all employees because at the time of socialization there are employees who are disbursed to other factories so that information received is not the same for all employees. At the time of the field visit some employees still use old PPE and boots in the factory because they reasoned the shoes are still worthy of use.

Correction *(filled by organization audited):*

- Conducting socialization and training related to PPE spray procedure and provide PPE as soon as possible. Documentation attached.
- Re-socialization of PPE Replacement Procedures to employees and new shoe safety has been handed over on 11 December 2017 and 1 February 2018. Documentation is attached.

Corrective Action *(filled by organization audited):*

- Make monitoring of employee PPE usage and monitoring PPE every morning during safety briefing. Documentation attached.
- Provide an understanding to the employees about the PPE replacement procedure for every morning safety briefing.

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

The Company sends some improvement evidence as follows:

- Documentation of PPE submission in the form of glasses and rubber gloves to 15 pesticides applicator on February 28, 2018. Documentation and acceptance report are available.
- Sosialization of spraying procedures and PPE usage to 15 pesticides applicator on March 15, 2018, located at Block C42 BTE. Documentation, attendance list and materials available.
- Spray PPE Monitoring of Division 1 BTE period March 2018.
- Sosialization of PPE broken replacement by Factory Manager to 18 employees on March 5, 2018 located at BTF office yard. Documentation and attendance list available.
- Minutes of meeting on submission safety shoes to 11 BTF employees on January 3, 2018.

Based on the above matters then the discrepancy is stated has been fulfilled.

Verified by : **Yudhi Yuniarto Tallutondok**

NCR No.	: 2018.06	Issued by	: Yudhi Yuniarto Tallutondok
Date Issued	: 9 Februari 2018	Time Limit	: Re-Certification
NC Grade	: minor	Date of Closing	:
Standard Ref. & Requirement	4.7.5 Should be available emergency and work accident procedures in the Indonesian language and available workers who have received first-aid training in accidents in the work area.		

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

The certificate holder already has a OHS Code (SOP No. Policy: 722 / PSQM-PSS / 10) document that explains all aspects of OHS and emergency response. However, there is insufficient evidence that the company has implemented the OHS Guidelines. For example:

- Do not do Safety Briefing during opening meeting and during field visit to Betung Factory.
- The result of field observation in temporary storage permits for toxic and hazardous waste materials of Betung Factory and Sekayu Estate Workshop, found fire extinguisher tube which is not pressurized, besides the company also can not show documents related to routine checking done.



- The results of the field visit in Bloc D18 Division 3 SYE, Block B24 Division 1 SYE, BTF Factory Office, BTF Workshop, Block C39 Division 1 BTE and Block I37 Division 3 BTE are known that the number of items in the First Aid Box is not in accordance with Permenakertrans No 15 Tahun 2008 , besides that there is also 1 item (betadine) on the outdated P3K Workshop BTE.


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

- The management unit is negligent in carrying out the safety briefing implementation procedure upon entering the factory.
- Fire Extinguisher in non-pressurized conditions at time of visit and monitoring documents not updated by the safety officer due to his work is not centralized to safety work, but is still assigned to the cleaning work.
- First aid boxes in BTF and SYE are incomplete as they have not been purchased. The contents of the First Aid box in BTE are in expired because it is too late to replace the expired first-aid box.

Correction *(filled by organization audited):*

- Conducting a safety briefing every visit to BTF as during the 5S certification visit by simedarby 5S certification team. Documentation attached.
- Replacing a fire extinguisher that is not pressurized with a new fire extinguisher and comes with update monitoring documents. BTF management does not increase the safety officer's job so that it focuses on its work and always coordinates to assistants about non-safety field findings. Documentation attached.
- Replace the expired item of first-aid box and add the contents that is lacking. The PIC always monitors the first aid box that is charged once every week reporting the use of the first aid box, so the first aid box is always available and in useable condition at all times. Documentation attached.

Corrective Action *(filled by organization audited):*

- Safety officer always ensure the implementation of safety briefing at the time of visit.
- Ensure the safety officer checks the fire extinguisher regularly once a week and reports the checks to the assistant to be followed up as soon as possible.
- Ensure that the PIC controls every week the contents of the first aid box and which have been expired are requested the replacement by PIC. PIC of first aid kit at BTF is safety officer, PIC for SYE and BTE are respectively the foreman and for the estates office imposes PIC first aid box to their respective officialdom.



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

The Company sends some improvement evidence as follows:

- Minutes of meeting on safety briefing at Audit 5S by PSQM Simedarby on February 28, 2018. Documentation is available.
- Minutes of meeting the replacement of fire extinguisher on March 7, 2018 by Safety Officer. Documentation, monitoring checks, available.
- The company showed an evaluation of the first-aid box after January 2018. Based on the results of the evaluation, the contents of the first-aid box that was brought did not have to be in accordance with the Permenaker 15 Year 2008 so that the first-aid box recommendations include: scissor, gauze, 5 cm wide bandages, cotton, hansplast strips & rolls, rivanol, betadine, eucalyptus oil and first aid guidebooks.

Based on the above explanation, the non-conformities are stated fulfilled.

Verified by : **Yudhi Yuniarto Tallutondok**

NCR No.	: 2018.07	Issued by	: Brigitta Prita
Date Issued	: 9 Februari 2018	Time Limit	: 10 April 2018
NC Grade	: Major	Date of Closing	:
Standard Ref. & Requirement	: 5.3.2 There shall be evidence that all chemical wastes and containers are disposed of responsibly.		
Non-Conformance Description & Evidence observed (filled by auditor): <p>Based on field visit Housing Division I Sekayu Estate note that the packaging of toxic and hazardous waste materials used as a container of water. This is not yet compatible with Procedure Management of toxic and hazardous & Non-toxic and hazardous substances RSPO/B.5.5/LMI number dated May 27, 2013.</p> <div style="display: flex; justify-content: space-around;">   </div>			
Root Cause Analysis (filled by organization audited): <p>Employees do not understand all types of toxic and hazardous waste packaging should not be used in residential environments. What is found in housing is ex drum. The packaging of toxic and hazardous waste is similar with drum water that can be bought in the market. Thus, the employee assumes can use the drums because the physical criteria are the same despite the drum of the former chemicals.</p>			
Correction (filled by organization audited): <ul style="list-style-type: none"> • Re-socialization of MEMO about prohibition on using any type of toxic and hazardous waste packaging in an employee housing environment of any kind. Documentation attached. • Seized all types of toxic and hazardous packaging in the residential area and delivered to Schedule Waste Storage on March 17, 2018 (attached) 			
Corrective Action (filled by organization audited): <ul style="list-style-type: none"> • Make a Memo about prohibition to use/keep toxic and hazardous waste in a residential environment to employees. Documentation attached. • Checked the housing by the safety officer every month if found the use of toxic and hazardous packaging directly carried out foreclosures and warnings to employees together with the inspection of fire extinguisher. 			
Assessor Evaluation and Conclusion (filled by auditor): <p>The Company sends some improvement evidence as follows:</p> <ul style="list-style-type: none"> • The Company shows the withdrawal documents of toxic and hazardous waste dated February 9, 2018 and March 19, 2018 in Housing Division 1 Sekayu Estate in the form of photo documentation • The Company shows the memorandum of prohibition on use and storage of toxic and hazardous waste from Estate Manager & Factory by letter number 013 / SOU Betung-Intern / III / 2018 dated March 1, 2018. And socialization to employees dated March 5, 2018. 			

- The company showed the minutes of meeting toxic and hazardous waste packaging from SYE housing dated 17 February 2018 totaling 41 pieces to Schedule Waste Storage of Betung Factory.

Based on the above explanation, the non-conformities are stated fulfilled.

Verified by : **Brigitta Prita**

NCR No.	: 2018.08	Issued by	: Brigitta Prita
Date Issued	: 9 Februari 2018	Time Limit	: Re-certification
NC Grade	: Minor	Date of Closing	:
Standard Ref. & Requirement	: 5.3.3. A waste management plan should be available that is documented and implemented to avoid and reduce pollution.		

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

Based on field observations in Housing Division I Sekayu Estate looks domestic waste disposed behind the housing and around the staple of palm. During interviews with employees, there was no transportation of domestic waste to the landfill. This is not yet in accordance with domestic waste management procedures dated October 1, 2013.



In addition, based on field visits in the area of Tangki Solar Betung Estate, it is known there are oil spill diesel fuel that has not been done so that pollute the soil. This is not yet in accordance with the Solar Fuel Dispensing, Spending and Filling procedure on point 8 which explains "Make sure there are no spills / diesel oil if there is spillage and then covered with sand".

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

- Employees are inconsistent in discharging the garbage to the designated place in front of the house and the garbage is put in the bag / trash.
- This inconsistency is due to transport delays by officers that should be twice a week due to limited units being used for transporting FFB and transporting palm seeds to replanting areas.
- Employees are inconsistent in implementing the procedures for receiving and handling diesel fuel, due to the care of officers for the handling of diesel fuel dripping on the floor by preparing the Absorbent and trays.

Correction *(filled by organization audited):*

- Re-socialization the procedure of waste disposal in accordance with the place already in the procedures and places that have been determined by the company and quotes. Documentation attached.
- Reinstalling the procedure of fill in diesel fuel at diesel fuel filling stations to always be read and remembered related to diesel fuel handling and handling of diesel fuel spilled with sand absorbance and installation of trays while filling diesel fuel (attached doc).
- socialization of procedures for the acceptance and handling of diesel fuel, and how to handle diesel fuel.

Documentation attached.

Corrective Action (filled by organization audited):

- Convey to employees about the waste disposal regulations in the applicable housing and make a schedule of cleanliness of waste hauling in housing twice a week. SYE Management makes memo about prohibit littering and socialize it to the employee Documentation attached.
- Socialization the procedure of receipt and handling diesel fuel to the employee once a month and reprimand the employee if not run the procedure. Documentation attached.
- Install the Solar charging procedure at the refueling station

Assessor Evaluation and Conclusion (filled by auditor):

Evaluasi Penilai dan Kesimpulan (dilengkapi oleh auditor):

The Company sends some improvement evidence as follows:

- Memo of prohibit on disposing the domestic waste by letter number 011 / SYE-Intern / II / 2018 dated February 15, 2015 and evidence of socialization to employees dated March 3, 2017 at the time of the morning apple. The Company also shows evidence of domestic waste transport as well as schedules of domestic waste collection and disposal every 2 times a week located in emplacement, Employee Shelves Divisions I, II, III, and IV for the period 2018.
- The Company shows evidence of improvement in the form of socialization of fuel receipts procedure dated March 20, 2018 to employees (KTU, Kasie, and Krani Gudang.
- The Company shows the documentation of diesel fuel handling conducted on March 12, 2018 with the following stages:
 - a. Provision of sand absorbance in the diesel fuel filling area.
 - b. Abattoir of sand absorbance.
 - c. Absorban sand in diesel fuel filling area.
 - d. Charging diesel with a container tray to prevent droplets of diesel directly into the ground.
- Documentation the installation of fuel injection procedures in refueling areas and socialization procedures Receipt of fuel dated March 20, 2018 to employees.

Based on the above explanation, the non-conformities are stated fulfilled

Verified by : **Brigitta Prita**

NCR No.	:	2018.09	Issued by	:	Sandra Purba
Date Issued	:	8 February 2018	Time Limit	:	10 April 2018
NC Grade	:	Major	Date of Closing	:	
Standard Ref. & Requirement	:	6.1.3 Social impact management and monitoring plans should be available to avoid or mitigate negative impacts and enhance positive impacts based on the results of Social Impact analysis through consultation process with affected, documented and scheduled parties including implementation responsibilities.			
Non-Conformance Description & Evidence observed (filled by auditor): Betung POM and its supply base have not been able to show a scheduled social impact management plan developed in a participatory manner and completed with the PIC.					
Root Cause Analysis (filled by organization audited): The company's management has not yet communicated to the public about the social impact management plan in					

the company's area and in accordance with the communications plan with the community using questionnaire will be done no later than May 2018.	
Correction (filled by organization audited):	
Has been communicated with the community and simultaneously by doing the questionnaire in the assisted villages of laguna mandiri on April 2, 2018 and has also made social management programs in accordance with the results of the questionnaire delivered.	
Corrective Action (filled by organization audited):	
A community social management plan has been developed to suit the communication and input from the community when conducting interviews and questionnaires.	
Assessor Evaluation and Conclusion (filled by auditor):	
<ul style="list-style-type: none"> - Social impact management evaluation program that informs plan, respondent, method, PIC and schedule. - Results of communication and consultation with surrounding communities in the form of questionnaires to 27 participants. It can be shown that the community's social impact management program consists of 5 programs based on issues that arise from the results of the questionnaire, the program has explained the village target, time line and responsible PIC. - Establish a preventive action management program for the period of 2018 that describes description, preventive actions, methods / means and time. 	
Based on the above explanation, the non-conformities are stated fulfilled	
Verified by	: Sandra Purba

NCR No.	: 2018.10	Issued by	: Andi Pratama Pasaribu
Date Issued	: 9 February 2018	Time Limit	: 10 April 2018
NC Grade	: Major	Date of Closing	:
Standard Ref. & Requirement	8.1.1. The action plan for monitoring shall be available, based on a consideration of the social and environmental impacts and routine evaluation of the plantation and mill operations. As a minimum, these shall include, but are not necessarily be limited to: <ul style="list-style-type: none"> • Reduction in use of certain chemicals (Criterion 4.6); • Environmental impacts (Criteria 4.3, 5.1 and 5.2); • Waste reduction (Criterion 5.3); • Pollution and greenhouse gas (GHG) emissions (Criteria 5.6 and 7.8); • Social impacts (Criterion 6.1); • Optimizing the yield of FFB production (Criterion 4.2) 		
Non-Conformance Description & Evidence observed (filled by auditor):			
<p>During the previous assessment (ASA-3) has raised some NCR for several indicator as follows:</p> <ul style="list-style-type: none"> • Regulatory compliance evidence (major 2.1.1) • Demarcated land clearly visible and well maintain (minor 2.2.2) • HIRARC identification (major 4.7.2) • Emergency response procedure (minor 4.7.5) • Scheduled waste management (major 5.3.2). <p>Those NCR above has raised again during this ASA-4. Regarding to this case, the company has not show all the system and corrective action that set has well implemented and monitored.</p>			

Root Cause Analysis <i>(filled by organization audited):</i> There are still some employees who have not understood the importance of applying RSPO Principles and Criteria within the company.
Correction <i>(filled by organization audited):</i> Make a memorandum to all employees regarding the precaution and correction of RSPO ASA 4 audit findings in PT LMI, then socialize it through the fulfillment of RSPO ASA 4 audit results.
Corrective Action <i>(filled by organization audited):</i> The Management Unit ensures that all employees implement RSPO principles and criteria at PT.LMI through an RSPO internal audit conducted by the PSQM Department and immediately follow up on the findings of the RSPO internal audit.
Assessor Evaluation and Conclusion <i>(filled by auditor):</i> The Company sends some improvement evidence as follows: <ul style="list-style-type: none"> Intern Office Mail from Area Controller of Pamukan I to all plantation managers and factories (No. 014 / SOU Betung - Intern / III / 2018) dated March 1, 2018 on Improvement and Prevention of RSPO ASA-4 Audit Findings in PT LMI. Management review is related to the recurrent findings of RSPO non-compliance. Social impact management activities, preventive measures by conducting interviews & questionnaires to the community and following musrenbang activities and conducted once a year. (Evidence of questionnaire form 2018 period). Fire Extinguisher & First Aid inspection, precautions with monthly check up and conducted once a month (proof form of fire extinguisher inspection and check box P3K). Inspection of PPE before work is done routinely by using the format of absence and monitoring safety. Management of toxic and hazardous waste by sending to Schedule Waste Storage is routinely done on a monthly basis. The OHS socialization was conducted during daily morning briefing. Based on the above explanation, the non-conformities are stated fulfilled.
Verified by : Andi Pratama Pasaribu

NCR No.	: 2018.11	Issued by	: Andi Pratama Pasaribu
Date Issued	: 9 February 2018	Time Limit	: 10 April 2018
NC Grade	: Major	Date of Closing	:
Standard Ref. & Requirement	: General Chain of Custody 5.3.2 The site shall have a written procedure to conduct annual internal audit		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> Facility can not show the internal audit procedure that covering the requirements in the RSPO Supply Chain Certification Standard and the RSPO Market Communications and Claims Documents including assessment of it effectively.			
Root Cause Analysis <i>(filled by organization audited):</i> The existing SCCS procedures at BTF-PT.LMI have not been updated based on the latest SCCS procedure of 2017 from the RSPO secretariat.			

Correction *(filled by organization audited):*

Update the SCCS 2015 procedure implemented at BTF-PT.LMI into SCCS 2017 procedure. In the updated SCCS 2017 procedure has been explained that BTF must perform internal audit once a year at BTF-PT.LMI.

Corrective Action *(filled by organization audited):*

Always coordinate to the PSQM-ESH team to keep abreast of and implement the latest regulations issued by the RSPO secretariat.

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

The Company sends some improvement evidence as follows

- The Company has presented the Internal Audit (LMI-IA / BTF / OP / QESH / 04) document dated March 1, 2018 which regulates the internal audit implementation at the factory.
- The revision of the internal audit procedure (LMI-IA / BTF / OP / QESH / 04) dated March 1, 2018 stated that the internal audit is conducted at least 2 months before the external audit or once in a year.

Based on the above explanation, the non-conformities are stated fulfilled.

Verified by : **Andi Pratama Pasaribu**

NCR No.	:	2018.12	Issued by	:	Andi Pratama Pasaribu
Date Issued	:	9 February 2018	Time Limit	:	10 April 2018
NC Grade	:	Major	Date of Closing	:	
Standard Ref. & Requirement	:	General Chain of Custody 5.8.2 Appropriate training shall be provided by the organization for personnel carrying out the tasks critical to the effective implementation of the supply chain certification standard requirements. Training shall be specific and relevant to the task(s) performed			
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> Facility cannot show the evidence of RSPO Supply Chain Standards training to the related supply chain officer. Based on interview with key person of supply chain implementation concluded that they were lack of knowledge in supply chain procedure.					
Root Cause Analysis <i>(filled by organization audited):</i> BTF employees have not received the latest SCCS training procedures of 2017 and unable to adequately explain and demonstrate supply chain procedures in accordance with the latest SCCS procedures.					
Correction <i>(filled by organization audited):</i> Conducting training to employees, especially the main officers and other employees regarding the procedure update SCCS 2017 update. Attached document.					
Corrective Action <i>(filled by organization audited):</i> Coordinate to the PSQM-ESH team on all the latest regulatory updates from the RSPO secretariat at the website www.RSPO.org .					
Assessor Evaluation and Conclusion <i>(filled by auditor):</i> The Company sends some improvement evidence as follows: <ul style="list-style-type: none">• The Company has shown the attendance list of SCCS training which was held on March 10, 2018 located at Betung Factory and followed by 64 participants from the estate and factory.					

- The Company has demonstrated training materials conducted on March 10, 2018 held at the meeting hall of Betung Factory (BTF).

Based on the above explanation, the non-conformities are stated fulfilled.

Verified by	:	Andi Pratama Pasaribu
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3.5.3 Opportunity for Improvement

No	Ref. Std.	Description Deskripsi
1	4.7.6 (Minor)	Ensure that all contractor employees get work accident insurance.
2	6.3.2	Improving employee understanding related to grievance mechanism
3	General COC	Has a chance to evaluated implementation of supply chain procedure according to RSPO Supply Chain Certification System, RSPO Supply Chain Certification Standard and related requirements.

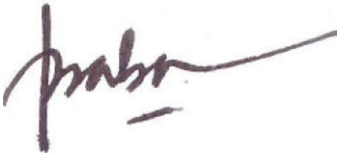

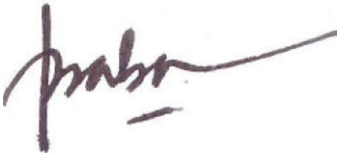

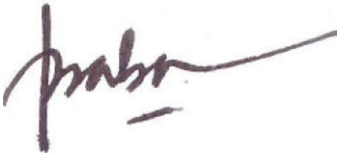

1.5.4 Noteworthy Positive Components

No	Description
1	The certificate holder no longer uses peace worker.
2	The certificate holder has reduced GHG emission by eliminating the use of urea fertilizer.

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

Public Issues (Institution/ NGO/Community)	Auditor Responses
<p>Tuesday, 6 February 2018 Head Village of Betung and Head Village of Sekayu Baru</p> <ul style="list-style-type: none"> The company has had a good relationship with villager near the operational area. There is no land dispute cases that significantly disturbing company's operational since 2010. The company has given CSR program since their operational started. 	<p>Whole information has confirmed and written in criterion 2.2; 2.3, 6.1 and etc.</p>
<p>Tuesday, 6 February 2018 Head of labor Union Sekayu Estate and Betung Factory.</p> <p>Results of interviews with the Head of Labor Union note that:</p> <ul style="list-style-type: none"> The union and assembly policy has been submitted to the Workers, each worker has the freedom to participate or not as a member of the Cooperative. Membership fee for Cooperatives IDR 5000 (Betung Factory) and IDR 2,000 (Estate). The membership of Betung Factory Labor union are 72 employees and for Sekayu estate are 485 employees. Internal meetings are conducted every 6 months. Payment of wages in accordance with wage provisions districts Kotabaru in 2018. CLA is still valid for the year 2016-2018. Determination of premium for driver amounting to IDR 50,000. Labor union has never been included in the determination of employee premiums. 	<p>This has been applied in accordance with criterion 6.6.</p>
<p>Tuesday, 6 February 2018 Local Contractor (Road maintenance)</p> <p>Local contractors come from the local village community (Betung Village). Work Agreement Letter is valid every 3 months. The pricing is done through both parties between the company & the local Contractor. Contractor payments are made in accordance with the employment contract. During this time, there has been no late payment. If it is too late it is because the contractor's work has not been completed. Based on the employment agreement, PPE is prepared by the local Contractor. The hazardous waste generated by the contractor is brought back by the contractor.</p>	<p>This has been applied in accordance with criterion 6.10.</p>
<p>Tuesday, 6 February 2018 Gender Committee (SYE, BTE & Betung Factory).</p> <p>The Company already has the structure of the Gender Committee for the period 2017-2018. The gender committee organization is represented by Betung Estate, Sekayu Estate & Betung Factory. The Gender Committee Internal Meeting is held every 3 months.</p> <p>During this time, there have been no reports of sexual</p>	<p>This has been applied in accordance with criterion 6.9.</p>

Public Issues (Institution/ NGO/Community)	Auditor Responses
<p>harassment. Reporting mechanisms have been submitted to workers through a complaint form.</p> <p>In addition, every female worker gets H1 & H2 leave. H1 leave at least 2 days and checked into Post Health while H2 leave (1 ½ before and 1 ½ after pregnancy). While the examination of pregnancy done 3 months for pesticide applicators.</p>	
<p>Tuesday, 6 February 2018 Kotabaru District Labor inspection agency.</p> <ul style="list-style-type: none"> • The certificate holder already has an approved Guiding Committee of Occupational Safety and Health structure and has a secretary who has attended general HSE expert training. • The certificate holder routinely reports on Guiding Committee of Occupational Safety and Health activities every 3 months which includes reports of work accidents and emergency response, monthly meeting minutes, Guiding Committee of Occupational Safety and Health program. • There has been no employment related cases / reporting in the past 1 year. • The certificate holder has used the district minimum wage of 2018. • The certificate holder uses a collective labor agreement that has been authorized by the relevant agencies and is still valid. 	<p>This has been accordance with criterion 6.5 and indicator 1.1.1.</p>
<p>Tuesday, 6 February 2018 Environmental Agency</p> <ul style="list-style-type: none"> • The certificate holder has a license to utilize the palm oil mill effluent. • The certificate holder already has temporary storage permits for toxic and hazardous waste materials and cooperates with third parties to transport hazardous waste and medical waste. • The certificate holder routinely reports liquid waste, toxic and hazardous waste materials and the Environmental Management Plan. • There has been no content related to environmental pollution within the last 1 year. • The certificate holder always gives a reply to each request for information from the agency. 	<p>This has been accordance with criterion criterion 5.1; 5.3. and indicator 1.1.1.</p>

4.0	CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY		
4.1	Formal Sign-off of Assessment Findings		
	<p>Hereunder sign by management representative from inspected company to acknowledge a field assessment and agree for all content explained in this assessment report, included of non-compliance findings.</p> <p>Signed on behalf of:</p> <table><tr><td><p>PT. Laguna Mandiri Management Representative</p><p><u>Mohamad Pirabaharan</u> Wednesday, April 4th, 2018</p></td><td><p>Mutuagung Lestari Lead Auditor</p><p><u>Andi Pratama Pasaribu</u> Wednesday, April 4th, 2018</p></td></tr></table>	<p>PT. Laguna Mandiri Management Representative</p>  <p><u>Mohamad Pirabaharan</u> Wednesday, April 4th, 2018</p>	<p>Mutuagung Lestari Lead Auditor</p>  <p><u>Andi Pratama Pasaribu</u> Wednesday, April 4th, 2018</p>
<p>PT. Laguna Mandiri Management Representative</p>  <p><u>Mohamad Pirabaharan</u> Wednesday, April 4th, 2018</p>	<p>Mutuagung Lestari Lead Auditor</p>  <p><u>Andi Pratama Pasaribu</u> Wednesday, April 4th, 2018</p>		

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	Labor and Transmigration Agency	District of Kota Baru, Province of Kalimantan Selatan.	-	Phone	February 6, 2018	√	
2	Environmental Agency	District of Kota Baru, Province of Kalimantan Selatan.	-	Phone	February 6, 2018	√	
3	Workers Union of PT LMI	District of Kota Baru, Province of Kalimantan Selatan.	-	Interview	February 6, 2018	√	
4	Local Contractor of Road Maintenance	Betung Village, Kalimantan Timur Province	-	Interview	February 6, 2018	√	
5	Gender Committee of PT LMI	District of Kota Baru, Province of Kalimantan Selatan.	-	Interview	February 6, 2018	√	
6	Sekayu Baru and Betung Village	Sekayu Baru Village, Betung Village, District of Kota Baru, Province of Kalimantan Selatan.	-	Interview	February 6, 2018	√	
7	National Land Agency	District of Kota Baru, Province of Kalimantan Selatan.	-	Phone	February 6, 2018		√
8	Plantation Agency	District of Kota Baru, Province of Kalimantan Selatan.	-	Phone	February 6, 2018		√
9	Betung Factory : Grading – 4 worker Process – 10 worker Boiler – 4 worker Engine Room – 2 worker Security – 3 worker Weighbridge operator – 2 workers	District of Kota Baru, Province of Kalimantan Selatan.		Interview	February 6, 2018	√	
10	Betung Estate : Harvesting – 4 worker Spraying – 6 worker EFB application – 6 worker Landfill – 1 pekerja Wash and Storage of Spray Equipment – 1 worker Daycare – 3 worker Schedule Waste – 1 worker Fertilizer Storage – 1 worker Workshop – 3 worker Chemical Storage – 1 worker	District of Kota Baru, Province of Kalimantan Selatan.		Interview	February 7, 2018	√	

11	Sekayu Estate : Harvesting – 3 worker Upkeep Road – 4 worker Spraying – 8 worker Woody Growth Manual Control – 6 worker Clinic – 1 doctor Wash and Storage of Spray Equipment – 1 worker Housing Complex – 4 people Daycare – 2 worker Chemical Storage – 1 worker Fertilizer Storage – 1 worker Workshop – 3 worker	District of Kota Baru, Province of Kalimantan Selatan.		Interview	February 8, 2018	√	
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Appendix 2. Assessment Program

DATE	February 5 th – 9 th 2018	
PROGRAM	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
Mon, 5th February 2018		
05.20 – 08.35	Flight from Jakarta to Balikpapan	ALL TEAM MEMBER
09.00 – 20.00	Traveling from Balikpapan to the site of PT. LMI	ALL TEAM MEMBER
Tue, 6th February 2018		
08.00 – 09.00	Opening Meeting	ALL TEAM MEMBER
09.00 – 10.00	Verification of previous assessment (ASA-3) findings and field observation plan	BGA/SNP
09.00 – 10.00	Public Consultation to Government Agency (via phone)	YDT
09.00 – 12.00	Public Consultation to Nearest Community	APP
10.00 – 12.00	Public Consultation with Internal Stakeholder <ul style="list-style-type: none"> Labour union Gender committee 	BGA/SNP BGA/SNP
12.00 – 14.00	Break	ALL TEAM MEMBER
14.00 – 16.00	Field Observation to Betung Factory <ul style="list-style-type: none"> SCCS, Mill Processing and OHS Implementation 	APP/YDT/SNP
14.00 – 16.00	<ul style="list-style-type: none"> POM waste management (hazardous, emission, pollution, POME application, etc.) and Water management 	BGA
16.00 – 17.00	<ul style="list-style-type: none"> Stakeholder consultation to local contractor (Transporter FFB, CPO and PK) and others 	APP/BGA
Wed, 7th February 2018		
08.00 – 12.00	Field Observation to and Betung Estate <ul style="list-style-type: none"> Legal boundary, HCV management area, firefighting facilities 	APP
08.00 – 12.00	<ul style="list-style-type: none"> Manuring, Spraying, Harvesting, IPM, Workers safety 	YYT
08.00 – 12.00	<ul style="list-style-type: none"> Workers facilities (housing, worship, health care, school, union, etc.) and Waste management (landfill, sanitary) 	BGA/SNP
12.00 – 14.00	Break	ALL TEAM MEMBER
14.00 – 15.00	Continues field observation (if any)	ALL TEAM MEMBER
14.00 – 16.30	Completing checklist	ALL TEAM MEMBER
16.30 – 17.00	Verification of field visit and completing checklist	ALL TEAM MEMBER
Thu, 8th February 2018		
08.00 – 12.00	Field Observation to Sekayu Estate <ul style="list-style-type: none"> Legal boundary, HCV management area, firefighting facilities 	APP
08.00 – 12.00	<ul style="list-style-type: none"> Manuring, Spraying, Harvesting, IPM, Workers safety 	YYT

08.00 – 12.00	<ul style="list-style-type: none"> Workers facilities (housing, worship, health care, school, union, etc.) and Waste management (landfill, sanitary) 	BGA/SNP
12.00 – 14.00	Break	ALL TEAM MEMBER
14.00 – 16.30	Completing checklist	ALL TEAM MEMBER
16.30 – 17.00	Verification of field visit and completing checklist	ALL TEAM MEMBER
Fri, 9th February 2018		
07.30 -10.00	Closing Meeting	ALL TEAM MEMBER
10.00 – 15.00	Traveling from Site – Balikpapan	ALL TEAM MEMBER
20.00 – 21.00	Balikpapan – Jakarta	ALL TEAM MEMBER