

***Roundtable on Sustainable Palm Oil Certification  
RSPO***

**[ ✓ ] Surveillance**

Name of Management Organisation : Angsana POM, PT Ladangrumpun Suburabadi subsidiary of Sime Darby Plantation

Plantation Name : PT Ladangrumpun Suburabadi (Angsana Estate and Gunung Sari Estate) PT Sajang Heulang (Pantai Bonati) and Scheme Smallholders of PT Sajang Heulang (KKPA 1 and KKPA 4)

Location : Sebamban Village, Sub District of Sei Loban, District of Tanah Bumbu, Province of Kalimantan Selatan, Indonesia

Certificate Code : **MUTU-RSPO/006**

Date of Certificate Issue : 6 July 2016                      Date of License Issue : 9 February 2019

Date of Certificate Expiry : 5 July 2021                      Date of License Expiry : 5 July 2019

| Assessment     | Assessment Date                | PT. Mutuagung Lestari Auditor  | Reviewed by | Approved by         |
|----------------|--------------------------------|--|-------------|---------------------|
| <b>ASA 1.2</b> | <b>17 to 21 September 2018</b> | Satria Adi Putra (Lead Auditor Witnessed), Trismadi Nurbayuto (Lead Auditor Witnessing), Brigitta Prita, Bayu Yogatama | Ardiansyah  | Octo HPN Nainggolan |

| Assessment     | Approved by MUTUAGUNG LESTARI on: |
|----------------|-----------------------------------|
| <b>ASA 1.2</b> | <b>08 January 2019</b>            |

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Figure 1. Location Map of Angsana POM – PT. Ladangrumpun Suburabadi

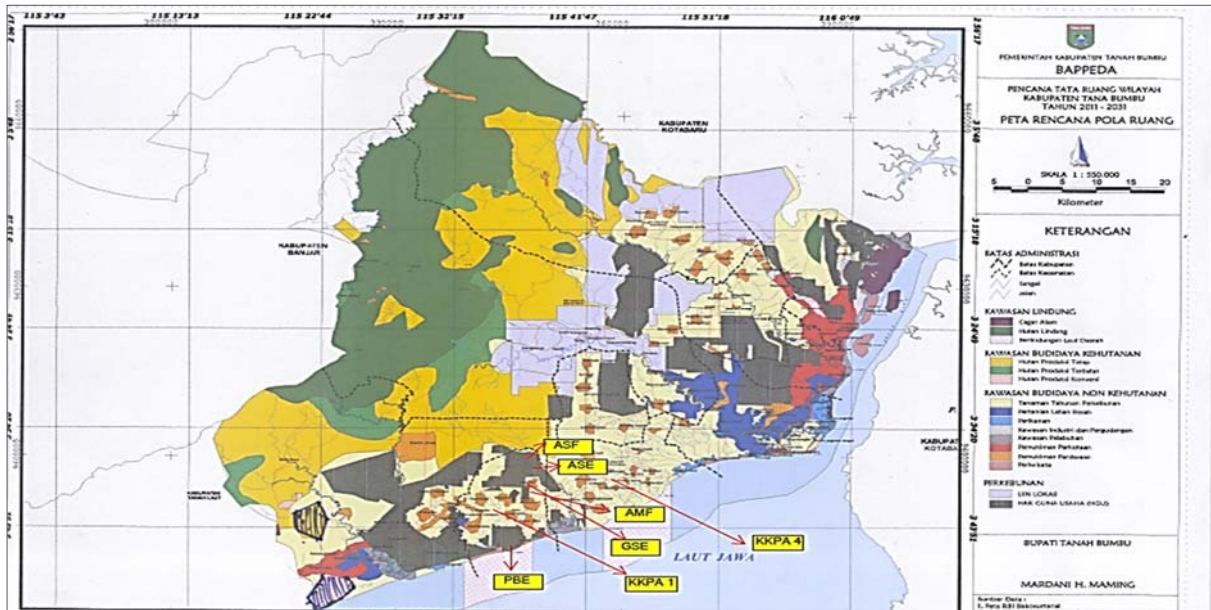
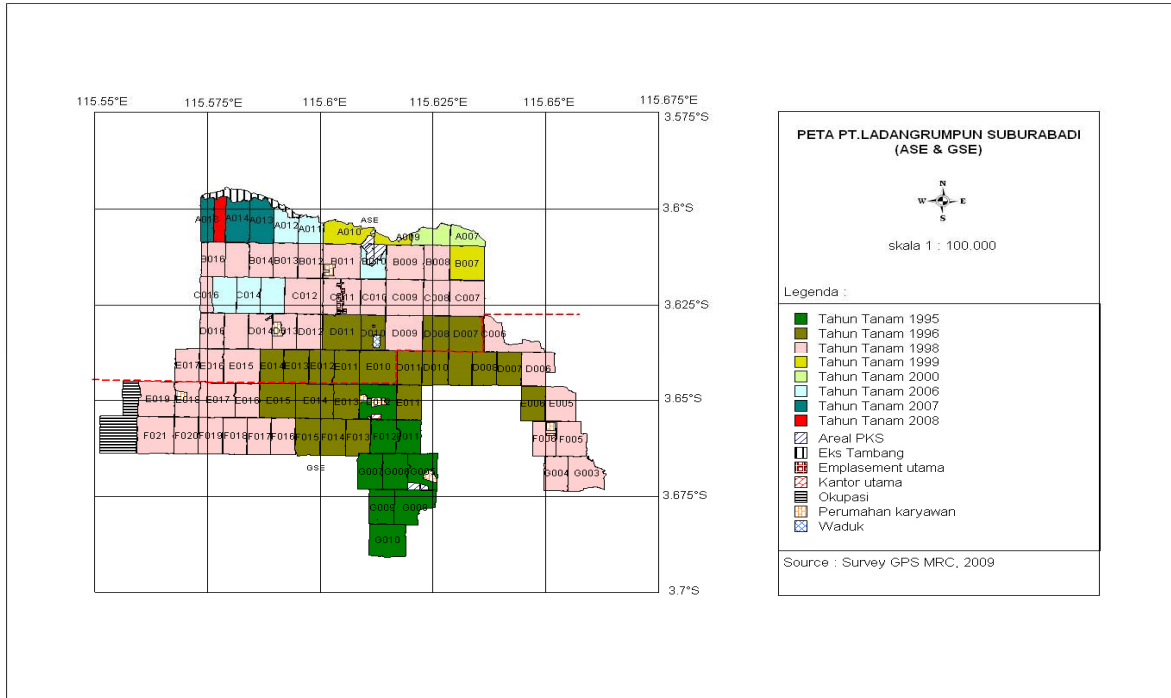
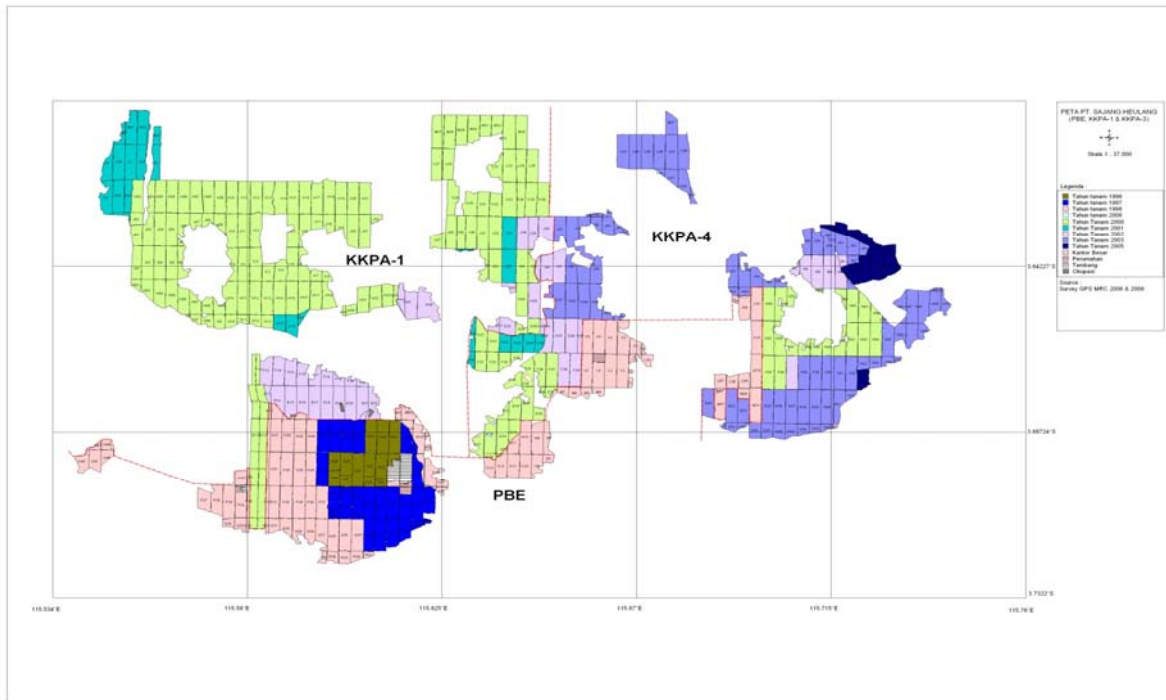


Figure 2. Operational Map of PT. Ladangrumpun Suburabadi – Angsana Estate and Gunung Sari Estate



**Figure 3. Operational Map of PT. Sajang Heulang – Pantai Bunati Estate, KKPA-1 and KKPA-4**



### Abbreviations Used

|              |   |   |
|--------------|---|---|
| ACKKS        | : | Area Controller Kalimantan Selatan Sebanban   |
| AMDAL (SEIA) | : | <i>Analisis Mengenai Dampak Lingkungan</i> (Social and Environmental Impact Assessment) |
| APD (PPE)    | : | <i>Alat Pelindungan Diri</i> (Personal Protective Equipment)                            |
| ARM          | : | Area Manager (Abbreviation for number code of Manual Policy or Letter)                  |
| ASE          | : | Angsana Estate  |
| ASF          | : | Angsana Factory   |
| BOB          | : | Barn Owl Box  |
| BOD          | : | Biological Oxygen Demand  |
| BMP          | : | Best Management Practices   |
| BPJS         | : | <i>Badan Penyelenggara Jaminan Sosial</i> (Social Insurance Organisation)               |
| BSS          | : | Block Spraying System   |
| CEC          | : | Cation Exchange Capacity  |
| CH           | : | Certificate Holder  |
| CFO          | : | Chief Finance Officer   |
| CPO          | : | Crude Palm Oil  |
| CSR          | : | Corporate Social Responsibility   |
| EFB          | : | Empty Fruit Bunch   |
| EIA          | : | Environment Impact Assessment   |
| ESH          | : | Environment Safety and Health   |
| FFB          | : | Fresh Fruit Bunch   |
| GAPKI        | : | <i>Gabungan Pengusaha Kelapa Sawit Indonesia</i> (Indonesian Palm Oil Association)      |
| GHG          | : | Greenhouse Gas  |
| GHPI         | : | Group Head Plantation Indonesia   |
| GSE          | : | Gunung Sari Estate  |
| GM           | : | General Manager   |
| HCV          | : | High Conservation Value   |
| HGU          | : | <i>Hak Guna Usaha</i> (Land Use Permit)   |
| HIRADC       | : | Hazard Identification Risk Assessment Determining Control                               |
| HPO          | : | Head Plantation Officer   |
| HWS          | : | Hazardous Waste Storage   |
| IOM          | : | Inter Office Mail   |
| GOR          | : | <i>Gedung Olahraga</i> (Sport Hall)   |
| IPAL (WWTP)  | : | <i>Instalasi Pengelolaan Air Limbah</i> (Wastewater Treatment Plant)                    |
| KER          | : | Kernel Extraction Rate  |
| KKPA         | : | Cooperative Credit Scheme   |
| K3 (OHS)     | : | <i>Keselamatan dan Kesehatan Kerja</i> (Occupational Health and safety)                 |
| LA           | : | Land Application  |
| LCC          | : | Legume(s) Cover Crop  |
| LB3          | : | Hazardous Waste   |
| LTIFR        | : | Lost Time Accident Frequency Rate   |
| MC           | : | Medical Certificate   |
| MRC          | : | Minamas Research Center   |
| MCM          | : | Management Committee Meeting  |
| MSDS         | : | Material Safety Data Sheet  |
| MRC          | : | Minamas Research Centre   |
| NGO          | : | Non Government Organization   |
| OER          | : | Oil Extraction Rate   |
| OHS          | : | Occupational Health and Safety  |

|             |   |  |
|-------------|---|--|
| OJT         | : | On Job Training  |
| P&D         | : | Pest & Disease   |
| POME        | : | Palm Oil Mill Effluent   |
| PK          | : | Palm Kernel  |
| PIC         | : | Person In Charge   |
| PJS         | : | <i>Pejabat Sementara</i> (Temporary Official)  |
| POM         | : | Palm Oil Mill  |
| POME        | : | Palm Oil Mill Effluent   |
| PHT (IPM)   | : | <i>Pengendalian Hama Terpadu</i> (Integrated Pest Management)  |
| PSD         | : | Plantation Service Department  |
| PSQM        | : | Plantation Sustainable Quality and Management  |
| PT LSI      | : | PT Ladangrumpun Suburabadi   |
| PT SHE      | : | PT Sajang Heulang  |
| PT          | : | <i>Perseroan Terbatas</i>  |
| P2K3        | : | Occupational Health and Safety Committee   |
| RKL / RPL   | : | <i>Rencana Kelola Lingkungan/Rencana Pemantauan Lingkungan</i> (Environmental Management Plan / Environment Monitoring Plan)     |
| RSPO        | : | Roundtable on Sustainable Palm Oil   |
| RTD         | : | Recruitment Training Department  |
| SAP         | : | System Application Product and Processing  |
| SBA         | : | Sinar Bintang Akbar (name of company for Schedule Waste Collector & Transporter)   |
| Sawit Watch | : | LSM yang fokus pada komoditas kelapa sawit   |
| SEIA        | : | Social Environment Impact Assessment   |
| SGM         | : | Senior General Manager   |
| SOP         | : | Standard Operating Procedure   |
| SOU         | : | Strategic Operating Unit   |
| UKL/UPL     | : | <i>Upaya Kelola Lingkungan/Upaya Pemantauan Lingkungan</i> (Environmental Management Efforts / Environmental Monitoring Efforts) |
| UMK         | : | <i>Upah Minimum Kabupaten</i> (District Minimum Salary)  |
| WALHI       | : | Wahana Lingkungan Hidup Indonesia  |
| WHO         | : | World Health Organization  |
| WTP         | : | Water Treatment Plant  |
| WWTP        | : | Waste Water Treatment Plant  |
| VP          | : | Vice President   |

| <b>1.0</b>    | <b>SCOPE of the CERTIFICATION ASSESSMENT</b>                              |  |  |            |  |          |           |               |                |
|---------------|---|--|--|------------|--|----------|-----------|---------------|----------------|
| <b>1.1</b>    | <b>Assessment Standard Used</b>   | <ul style="list-style-type: none"> <li>• Indonesian National Interpretation of RSPO Principles and Criteria (P&amp;C) 2013 by INA-NITF July 2016, endorsed by the RSPO Board of Governors on September 30th 2016</li> <li>• RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 revised on 14 June 2017 (Module D / E for CPO Mill)</li> <li>• RSPO Certification System for Principles and Criteria, 14 June 2017</li> </ul> |  |            |  |          |           |               |                |
| <b>1.2</b>    | <b>Organisation Information</b>   |  |  |            |  |          |           |               |                |
| 1.2.1         | Organization name listed in the certificate                               | PT Ladangrumpun Suburabadi - SIME DARBY Plantation Berhad.   |  |            |  |          |           |               |                |
| 1.2.2         | Contact person  | Mohamad Pirabaharan  |  |            |  |          |           |               |                |
| 1.2.3         | Organisation address and site address                                     | RSPO registered company:<br>No 2, Plantation Tower, PJU 1A/7Street<br>Petaling Jaya, Malaysia 47301<br><br>Liaison Office:<br>The Plaza Office Tower, 36 <sup>th</sup> Floor<br>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  | <a href="mailto:mohamad.pirabaharan@sime-darbyplantation.com">mohamad.pirabaharan@sime-darbyplantation.com</a>   |  |            |  |          |           |               |                |
| 1.2.7         | Web page address  | <a href="http://www.sime-darbyplantation.com">www.sime-darbyplantation.com</a>   |  |            |  |          |           |               |                |
| 1.2.8         | Management Representative who completed the application for certification | Mohamad Pirabaharan<br>(Head of PSQM Minamas Plantation)   |  |            |  |          |           |               |                |
| 1.2.9         | Registered as RSPO member   | 07 September 2004 (1-0008-04-000-00)   |  |            |  |          |           |               |                |
| <b>1.3</b>    | <b>Type of Assessment</b>   |  |  |            |  |          |           |               |                |
| 1.3.1         | Scope of Assessment and Number of Management Unit                         | Angsana POM and supply bases: Angsana Estate & Gunung Sari Estate (PT LSI); Pantai Bonati Estate, Scheme Smallholders (KKPA-1 & KKPA-4 Estate) PT SHE.   |  |            |  |          |           |               |                |
| 1.3.2         | Type of certificate   | Single   |  |            |  |          |           |               |                |
| <b>1.4</b>    | <b>Locations of Mill and Plantation</b>                                   |  |  |            |  |          |           |               |                |
| 1.4.1         | Location of Mill  |  |  |            |  |          |           |               |                |
|               | <b>Name of Mill</b>   | <b>Location</b>  | <table border="1"> <thead> <tr> <th colspan="2">Coordinate</th> </tr> <tr> <th>Latitude</th> <th>Longitude</th> </tr> </thead> <tbody> <tr> <td>S 03° 36' 49"</td> <td>E 115° 36' 38"</td> </tr> </tbody> </table> | Coordinate |  | Latitude | Longitude | S 03° 36' 49" | E 115° 36' 38" |
| Coordinate    |   |  |  |            |  |          |           |               |                |
| Latitude      | Longitude   |  |  |            |  |          |           |               |                |
| S 03° 36' 49" | E 115° 36' 38"  |  |  |            |  |          |           |               |                |
|               | Angsana Factory   | Village Sebamban Baru, Sub District of Sei Loban, District of Tanah Bumbu, Province of Kalimantan Selatan, Indonesia   |  |            |  |          |           |               |                |
| 1.4.2         | Location of Certification Scope of Supply Base                            |  |  |            |  |          |           |               |                |
|               | <b>Name of Supply Base</b>  | <b>Location</b>  | <table border="1"> <thead> <tr> <th colspan="2">Coordinate</th> </tr> <tr> <th>Latitude</th> <th>Longitude</th> </tr> </thead> <tbody> </tbody> </table>   | Coordinate |  | Latitude | Longitude |               |                |
| Coordinate    |   |  |  |            |  |          |           |               |                |
| Latitude      | Longitude   |  |  |            |  |          |           |               |                |



|       |  |   |   |                                |                |        |
|-------|--|---|---|--------------------------------|----------------|--------|
|       | Angsana  | Village of Bayansari, Sub District of Angsana, District of Tanah Bumbu, Province of South Kalimantan, Indonesia.                    | S 3° 31' 56"                            |                                | E 115° 40' 11" |        |
|       | Gunung Sari  | Village of Bayansari, Sub District of Angsana, District of Tanah Bumbu, Province of South Kalimantan, Indonesia.                    | S 3° 34' 59"                            |                                | E 115° 41' 15" |        |
|       | Pantai Bonati  | Village of Angsana, Sub District of Satui, District of Tanah Bumbu, Province of South Kalimantan, Indonesia.                        | S 3° 44' 51"                            |                                | E 115° 34' 39" |        |
|       | KKPA1  | Village of Purwodadi, Sub District of Angsana, District of Tanah Bumbu, Province of South Kalimantan, Indonesia.                    | S 3° 40' 38"                            |                                | 115° 34' 45"   |        |
|       | KKPA 4   | Village of Sebamban Lama, Sub District of Angsana & Sungai Loban, District of Tanah Bumbu, Province of South Kalimantan, Indonesia. | S 3° 40' 29"                            |                                | E 115° 40' 45" |        |
|       |  |   |   |                                |                |        |
| 1.5   | Description of Area Statement  |   |   |                                |                |        |
| 1.5.1 | Tenure   |   |   |                                |                |        |
|       | • State  |   | 8,611 Ha                                |                                |                |        |
|       | • Community  |   | 6,540.19 Ha                             |                                |                |        |
|       |  |   |   |                                |                |        |
| 1.5.2 | Area Statement   |   |   |                                |                |        |
|       |  |   | PT LSI & PT SHE<br>(Own Estate)<br>(Ha) | Scheme<br>Smallholders<br>(Ha) | Total          |        |
|       | • Total area   |   | 8,611                                   | 6540.19                        | 15,151.19      | Ha     |
|       | • Mature area  |   | 4,599.16                                | 6,017.5                        | 10,616.66      | Ha     |
|       | • Immature area  |   | 585.29                                  | -                              | 585.29         | Ha     |
|       | • Mill   |   | 43.07                                   | -                              | 43.07          | Ha     |
|       | • Emplishment  |   | 83.41                                   | 8.46                           | 91.87          | Ha     |
|       | • Infrastructure   |   | 347.67                                  | -                              | 347.67         | Ha     |
|       | • Nursery  |   | 15                                      | -                              | 15             | Ha     |
|       | • Occupation   |   | 160                                     | 7.87                           | 167.87         | Ha     |
|       | • Mining area and public facilities  |   | 2,681.6                                 | 423.03                         | 3,104.63       | Ha     |
|       | • HCV  |   | 95.8                                    | 83.33                          | 179.13         | Ha     |
|       | There is an additional HCV area for own estate as much as 47.35 ha (2018), in ASA 1.1 (2017) the HCV area is 137.55 ha and in 2018 the HCV area is 179.13. |   |   |                                |                |        |
| 1.6   | Planting Year and Cycles   |   |   |                                |                |        |
| 1.6.1 | Age profile of planting year   |   |   |                                |                |        |
|       | Planting Year  | Hectarage (Ha)  |   |                                |                |        |
|       |  | Angsana Estate  | Gunung Sari Estate                      | Pantai Bonati Estate           | KKPA 1         | KKPA 4 |
|       | 1995   | -   | 102.86                                  | -                              | -              | 102.86 |

|                |   |                            |                                |                        |                           |  |                   |
|----------------|---|----------------------------|--------------------------------|------------------------|---------------------------|--|-------------------|
|                | 1996  | 445.85                     | 419.28                         | -                      | -                         | -  | 865.13            |
|                | 1998  | 1,058.38                   | 1,010.08                       | 907.43                 | -                         | -  | 2,975.89          |
|                | 1999  | 41.10                      | -                              | -                      | -                         | -  | 41.10             |
|                | 2000  | 75.12                      | -                              | -                      | 2,389.78                  | 733.82                                   | 3,198.72          |
|                | 2001  | -                          | -                              | -                      | 372.65                    | 89.20                                    | 461.85            |
|                | 2002  | -                          | -                              | -                      | 595.21                    | 341.10                                   | 936.31            |
|                | 2003  | -                          | -                              | -                      | -                         | 1,430.91                                 | 1,430.91          |
|                | 2006  | 320.54                     | -                              | -                      | -                         | 64.83                                    | 385.37            |
|                | 2007  | 181.90                     | -                              | -                      | -                         | -  | 181.9             |
|                | 2008  | 36.62                      | -                              | -                      | -                         | -  | 36.62             |
|                | Total Mature  | 2,159.51                   | 1,532.22                       | 907.43                 | 3,357.64                  | 2,659.86                                 | 10,616.66         |
|                | 2016  | 133.16                     | 167.6                          | -                      | -                         | -  | 300.76            |
|                | 2017  |                            | 89.36                          | -                      | -                         | -  | 89.36             |
|                | 2018  |                            | 195.17                         | -                      | -                         | -  | 195.17            |
| Total Immature | 133.16  | 452.13                     | -                              | -                      | -                         | 585.29                                   |                   |
| Total          | 2,292.67  | 1,984.35                   | 907.43                         | 3,357.64               | 2,659.86                  | 11,201.95                                |                   |
| 1.6.2          | New Planting area after January 2010                                  |                            | -                              |                        |                           |  | Ha                |
| 1.6.3          | Planting Cycle  |                            | 2 <sup>nd</sup> Cycle          |                        |                           |  |                   |
|                |   |                            |                                |                        |                           |  |                   |
| 1.7            | Description of Mill and Supply Base                                   |                            |                                |                        |                           |  |                   |
| 1.7.1          | Description of Mill   |                            |                                |                        |                           |  |                   |
|                | Name of Mill  | Capacity<br>(tonnes/ hour) | FFB Processed<br>(tonnes/year) | CPO                    |                           | Palm Kernel                              |                   |
|                |   |                            |                                | Out put<br>(tonnes)    | Extraction<br>(%)         | Out put<br>(tonnes)                      | Extraction<br>(%) |
|                | Angsana Factory   | 60                         | 222,704.41                     | 47,767.13              | 21.45                     | 10,200.33                                | 4.58              |
|                | <i>*Production data source from September 2017 until August 2018.</i> |                            |                                |                        |                           |  |                   |
| 1.7.2          | Description of Certification Scope of Supply Base                     |                            |                                |                        |                           |  |                   |
|                | Name of Estate  | Total Area<br>(Ha)         | Planted Area<br>(Ha)           | FFB<br>(tonnes/year)   | Yield<br>(tonnes/ha/year) | Supplied to Mill                         |                   |
|                |   |                            |                                |                        |                           | FFB<br>(tonnes/year)                     | %                 |
|                | Angsana   | 3,250.06                   | 2,292.67                       | 33,148.57              | 14.46                     | 33,148.57                                | 100               |
|                | Gunung Sari   | 2,826.94                   | 1,984.35                       | 24,644.73              | 16.08                     | 24,644.73                                | 100               |
|                | Pantai Bonati   | 2,534.00                   | 907.43                         | 17,575.28              | 19.37                     | 17,575.28                                | 100               |
|                | KKPA 1 (2424 SH)  | 3,864.00                   | 3,357.64                       | 63,588.96              | 18.94                     | 63,588.96                                | 100               |
|                | KKPA 4 (1372 SH)  | 2,676.19                   | 2,659.86                       | 43,723.40              | 16.44                     | 43,723.40                                | 100               |
| TOTAL          | 15,151.19   | 11,201.95                  | 182,680.94                     | 17.06                  | 182,680.94                | 100                                      |                   |
|                | <i>*Production data source from September 2017 until August 2018.</i> |                            |                                |                        |                           |  |                   |
| 1.7.3          | FFB description from other source                                     |                            |                                |                        |                           |  |                   |
|                | Name of sources/Organisation<br>(RSPO certified / non-certified)      |                            | Type of Organisation           | number of smallholders | Production Area<br>(Ha)   | Supplied to Mill<br>FFB<br>(tonnes/year) |                   |
|                | KKPA -5   |                            | PT Sajang Heulang –            | 1,601                  | 2,656                     | 40,023.47                                |                   |

|       |  |                         |   |                   |  |                  |                |                     |
|-------|--|-------------------------|---|-------------------|--|------------------|----------------|---------------------|
|       | (RSPO Certified)   | Mustika POM             |   |                   |  |                  |                |                     |
|       | TOTAL  |                         |   |                   | 40,023.47                              |                  |                |                     |
|       | *Source Production Data on September 2017 until August 2018.                                     |                         |   |                   |  |                  |                |                     |
| 1.7.4 | Product categories   |                         | FFB, CPO, PK                                    |                   |  |                  |                |                     |
|       |  |                         |   |                   |  |                  |                |                     |
| 1.8   | Tonnage of Product   |                         |   |                   |  |                  |                |                     |
| 1.8.1 | Past Annual Claim Certified Product  |                         | Last Year Projected Certified Volume (MT)       |                   | Last Year Actual Certified Volume (MT) |                  |                |                     |
|       | • FFB Production   |                         | 214,487   |                   | 222,704.41                             |                  |                |                     |
|       | • CPO Production   |                         | 49,332  |                   | 47,767.13                              |                  |                |                     |
|       | • Palm Kernel (PK) Production  |                         | 10,724  |                   | 10,200.33                              |                  |                |                     |
|       | Data on September 2017 until August 2018 for last year actual certified.                         |                         |   |                   |  |                  |                |                     |
| 1.8.2 | Product selling  |                         |   |                   |  |                  |                |                     |
|       | Tonnage of selling product   |                         | Last Year Period of Actual Selling Product (MT) |                   |  |                  |                |                     |
|       | • CSPO sold as RSPO certified product  |                         | 36,141.49                                       |                   |  |                  |                |                     |
|       | • CSPK sold as RSPO certified product  |                         | 5,100.41  |                   |  |                  |                |                     |
|       | • CSPO sold under other scheme   |                         | 0   |                   |  |                  |                |                     |
|       | • CSPK sold under other scheme   |                         | 0   |                   |  |                  |                |                     |
|       | • CSPO sold as conventional  |                         | 10,043  |                   |  |                  |                |                     |
|       | • CSPK sold as conventional  |                         | 3,922.96  |                   |  |                  |                |                     |
|       | Data on September 2017 until August 2018 for last year period of actual selling product (MT).    |                         |   |                   |  |                  |                |                     |
| 1.8.3 | Estimate of Certified FFB Claim  |                         |   |                   |  |                  |                |                     |
|       | Name of Estates  | Total Area (Ha)         | Planted Area (Ha)                               | FFB (tonnes/year) | Yield (tonnes/ha/year)                 |                  |                |                     |
|       | Angsana  | 3,250.06                | 2,292.67  | 34,806            | 15.18                                  |                  |                |                     |
|       | Gunung Sari  | 2,826.94                | 1,984.35  | 25,877            | 16.89                                  |                  |                |                     |
|       | Pantai Bonati  | 2,534.00                | 907.43  | 18,454            | 20.34                                  |                  |                |                     |
|       | KKPA 1 (2424 SH)   | 3,864.00                | 3,357.64  | 66,768            | 19.89                                  |                  |                |                     |
|       | KKPA 4 (1372 SH)   | 2,676.19                | 2,659.86  | 45,909            | 17.26                                  |                  |                |                     |
|       | TOTAL  | 15,151.19               | 11,201.95                                       | 191,184           | 17.91                                  |                  |                |                     |
|       | *Projected FFB production for 12 months of certificate (06 July 2018 to 05 July 2019).           |                         |   |                   |  |                  |                |                     |
| 1.8.4 | Estimate of Certified Palm Product Claim   |                         |   |                   |  |                  |                |                     |
|       | Name of Mill   | Capacity (tonnes/ hour) | FFB Processed (tonnes/year)                     | CPO               |  | Palm Kernel      |                | Supply Chain Module |
|       |  |                         |   | Out put (tonnes)  | Extraction (%)                         | Out put (tonnes) | Extraction (%) |                     |
|       | Angsana Factory  | 60                      | 191,184   | 42,199            | 22.00                                  | 9,590            | 5.00           | IP                  |
|       | *Projected CSPO and CSPK production for 12 months of certificate (06 July 2018 to 05 July 2019). |                         |   |                   |  |                  |                |                     |
|       |  |                         |   |                   |  |                  |                |                     |
| 1.9   | Other Certifications   |                         |   |                   |  |                  |                |                     |
|       | ISO 9001:2008  |                         |   | -                 |  |                  |                |                     |
|       | ISO 14001: 2004  |                         |   | -                 |  |                  |                |                     |
|       | OHSAS 18001:2007   |                         |   | -                 |  |                  |                |                     |
|       | ISCC   |                         |   | -                 |  |                  |                |                     |

|  |  |                       |                    |                 |                |  |  |           |
|--|--|-----------------------|--------------------|-----------------|----------------|--|--|-----------|
| Others   |  | ISPO 2015 by TUV Nord |                    |                 |                |  |  |           |
|  |  |                       |                    |                 |                |  |  |           |
| 1.10   | Time Bound Plan                                  |                       |                    |                 |                |  |  |           |
| 1.10.1   | Time Bound Plan for Other Management Units       |                       |                    |                 |                |  |  |           |
|  | Management Unit                                  |                       | Supply Base        | Time Bound Plan | HGU on Process |  | Location   | Status    |
|  | Mill   | Time Bound Plan       |                    |                 | Ha             | Time Bound Plan                        |  |           |
|  | INDONESIA  |                       |                    |                 |                |  |  |           |
|  | Sekunyir.<br>PT. Indotruba<br>Tengah             | 2010                  | Sekunyir           | 2010            |                |  | Seruyan and<br>West<br>Kotawaringin<br>District –<br>Central<br>Kalimantan | Certified |
|  |  |                       | Seruyan            | 2010            |                |  |  | Certified |
|  | Manggala.<br>PT. Tunggal<br>Mitra<br>Plantations | 2010                  | Manggala 1         | 2010            |                |  | Rokan<br>Hilir District<br>– Riau  | Certified |
|  |  |                       | Manggala 2         | 2010            |                |  |  | Certified |
|  |  |                       | Manggala 3         | 2010            |                |  |  | Certified |
|  | Bukit Ajong<br>PT. Sime Indo<br>Agro             | 2010                  | West               | 2010            | 1,652          | 2019                                   | Sanggau Di<br>strict –West<br>Kalimantan                                   | Certified |
|  |  |                       | East               | 2010            |                |  |  | Certified |
|  |  |                       | Sei Mawang         | 2018            |                |  |  | -         |
|  |  |                       | East Plasma        | 2010            |                |  |  | Certified |
|  |  |                       | West Plasma        | 2010            |                |  |  | Certified |
|  | Teluk Siak.<br>PT Aneka Inti<br>Persada          | 2011                  | Teluk Siak         | 2011            | 421.31         | 2020                                   | Pekanbaru,<br>Siak District<br>– Riau                                      | Certified |
|  |  |                       | Pinang<br>Sebatang | 2011            |                |  |  | Certified |
|  |  |                       | Aneka Persada      | 2011            |                |  |  | Certified |
|  | Sungai Pinang.<br>PT. Bina Sains<br>Cemerlang    | 2012                  | Sungai Pinang      | 2012            | 308.25         | 2020                                   | Musi<br>Rawas Distr<br>ict – South<br>Sumatera                             | Certified |
|  |  |                       | Bukit Pinang       | 2012            |                |  |  | Certified |
|  | Pemantang.<br>PT. Teguh<br>Sempurna              | 2011                  | Pemantang          | 2011            |                |  | Seruyan and<br>East<br>Kotawaringin<br>District –<br>Central<br>Kalimantan | Certified |
|  |  |                       | Kawan Batu         | 2011            |                |  |  | Certified |
| Hatan Tiring                                     |  |                       | 2011               | Certified       |                |  |  |           |
| Batang Garing                                    |  |                       | 2011               | Certified       |                |  |  |           |
| Alur Dumai.<br>PT Lahan Tani<br>Sakti            | 2011   | Alur Dumai            | 2011               |                 |                | Rokan<br>Hilir District<br>– Riau      | Certified  |           |
| Teluk Bakau.<br>PT.<br>Bhumireksa<br>Nusa Sejati | 2011   | Teluk Bakau           | 2011               |                 |                | Indra Giri<br>Hilir District<br>– Riau | Certified  |           |
|  |  | Nusa Perkasa          | 2011               |                 |                |  | Certified  |           |
|  |  | Nusa Lestari          | 2011               |                 |                |  | Certified  |           |
| Mandah<br>PT.<br>Bhumireksa<br>Nusa Sejati       | 2014   | Mandah                | 2011               |                 |                | Indra Giri<br>Hilir District<br>– Riau | Certified  |           |
|  |  | Rotan Semelur         | 2011               |                 |                |  | Certified  |           |
| Angsana Mini*)                                   | 2011   | KKPA-1                | 2013               |                 |                | Tanah                                  | Certified  |           |

|  |      |                    |      |       |      |   |           |
|--|------|--------------------|------|-------|------|---|-----------|
| PT Sajang Heulang                      |      | PT.SHE             |      |       |      | Bumbu District – South Kalimantan                           |           |
|  |      | Pantai Bonati      | 2011 |       |      |   | Certified |
| Angsana. PT Ladangrumpun 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-1      |
| Gunung Aru. PT Bersama Sejahtera Sakti | 2011 | Gunung Aru         | 2011 | 765   | 2020 | 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 | Sungai Cengal      | 2011 | 1,162 | 2020 | 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. PT Paripurna Swakarsa     | 2012 | Binturung          | 2012 | 1,120 | 2020 | Kotabaru District – South Kalimantan                        | Certified |
|  |      | Pondok Labu        | 2012 |       |      |   | Certified |
|  |      | Rampa              | 2012 |       |      |   | Certified |
|  |      | Sesulung           | 2012 |       |      |   | Certified |
| Selabak *) PT Swadaya Andhika          | 2012 | Selabak            | 2012 | 63    | 2020 | 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                                 | 2012 | Ladang             | 2012 | 1,639 | 2020 | Muaro Jambi   | Certified |

|   |      |                                   |      |       |      |  |                            |
|---|------|-----------------------------------|------|-------|------|--|----------------------------|
| Panjang.<br>PT Bahari<br>Gembira Ria                    |      | Panjang<br>Plasma BGR             | 2020 |       |      | District<br>Jambi  | -                          |
| Rantau Panjang.<br>PT Guthrie<br>Pecconina<br>Indonesia | 2012 | Rantau Panjang                    | 2012 | 4,133 | 2020 | 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 | 2018 |       |      |  | -<br>(Not yet)             |
| Blang Simpo.<br>PT Perkasa<br>Subur Sakti               | 2013 | Tamiang (PT PPP)                  | 2013 | 1,286 | 2020 | 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.<br>PT Mitra<br>Austral<br>Sejahtera                | 2020 | MAS 1                             | 2018 |       |      | Sanggau District – West Kalimantan                             | -                          |
|   |      | MAS 1                             | 2018 |       |      |  | -                          |
|   |      | MAS 1                             | 2018 |       |      |  | -                          |
|   |      | Plasma MAS                        | 2020 |       |      |  | -                          |
| Lembiru.<br>PT Sandika<br>Nata Palma                    | 2014 | Lembiru                           | 2014 |       |      | Ketapang District – West Kalimantan                            | Certified                  |
|   |      | Awatan                            | 2014 |       |      |  | Certified                  |
|   |      | Karya Palma                       | 2018 |       |      |  | Audited ST-1               |
|   |      | KKPA SNP                          | 2020 |       |      |  | -                          |
|   |      | Pelanjau (PT BAL)                 | 2018 |       |      |  | Audited ST-2<br>(May 2018) |
|   |      | Sungai Putih (PT BAL)             | 2018 |       |      |  | Audited ST-2<br>(May 2018) |
|   |      | Baturus (PT BAL)                  | 2019 |       |      |  | -                          |
|   |      | KKPA BAL                          | 2020 |       |      |  | -                          |
| <b>MALAYSIA</b>   |      |                                   |      |       |      |  |                            |
| Sg Dingin<br>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<br>SOU 2                                     | 2011 | Chersonese                        | 2011 |       |      | Kuala Kurau, Perak   | Certified                  |
|   |      | Holyrood                          | 2011 |       |      |  | Certified                  |
|   |      | Kalumpang                         | 2011 |       |      |  | Certified                  |
|   |      | Tali Ayer                         | 2011 |       |      |  | Certified                  |
| Elphil<br>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<br>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<br>SOU 17          | 2010 | Kempas           | 2010 |  | Jasin, Melaka          | Certified |
|                           |      | Kemuning         | 2010 |  |                        | Certified |
|                           |      | Tangkah          | 2010 |  |                        | Certified |
| Diamond Jubilee<br>SOU 18 | 2011 | Bukit Asahan     | 2011 |  | Jasin, Melaka          | Certified |
|                           |      | Diamond Jubilee  | 2011 |  |                        | Certified |
|                           |      | Serkam           | 2011 |  |                        | Certified |
| Pagoh<br>SOU 19           | 2014 | Pagoh            | 2014 |  | Muar, Johor            | Certified |
|                           |      | Lanadron         | 2014 |  |                        | Certified |
|                           |      | Pengkalan Bukit  | 2014 |  |                        | Certified |
|                           |      | Welch            | 2014 |  |                        | Certified |
| Chaah<br>SOU 20           | 2010 | North Labis      | 2010 |  | Chaah, Johor           | Certified |
|                           |      | Cha'ah           | 2010 |  |                        | Certified |
|                           |      | Sg Simpang Kiri  | 2010 |  |                        | Certified |
| Gunung Mas<br>SOU 21      | 2010 | Gunung Mas       | 2010 |  | Kluang, Johor          | Certified |
|                           |      | Kempas Klebang   | 2010 |  |                        | Certified |
|                           |      | Bukit Paloh      | 2010 |  |                        | Certified |
|                           |      | Yong Peng        | 2010 |  |                        | Certified |
| Bukit Benut<br>SOU 22     | 2011 | Bukit Benut      | 2011 |  | Kluang, Johor          | Certified |
|                           |      | CEP Niyor        | 2011 |  |                        | Certified |
|                           |      | Lambak / Elaeis  | 2011 |  |                        | Certified |
| Ulu Remis<br>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<br>SOU 24         | 2011 | CEP Rengam       | 2011 |  | Layang-layang, Johor   | Certified |
|                           |      | Kulai            | 2011 |  |                        | Certified |
|                           |      | Layang           | 2011 |  |                        | Certified |
|                           |      | Seri Pulai       | 2011 |  |                        | Certified |
| Sandakan Bay<br>SOU 26    | 2008 | Tun Tan Siew Sin | 2008 |  | Sandakan, Sabah        | Certified |
|                           |      | Tunku            | 2008 |  |                        | Certified |
|                           |      | Tigowis          | 2008 |  |                        | Certified |
|                           |      | Sentosa          | 2008 |  |                        | Certified |
|                           |      | Saguliud         | 2008 |  |                        | Certified |
| Melalap<br>SOU 27         | 2011 | Melalap          | 2011 |  | Tenom, Sabah           | Certified |
|                           |      | Sapong           | 2011 |  |                        | Certified |
| Binuang<br>SOU 28         | 2009 | Tingkayu         | 2009 |  | Kunak, Sabah           | Certified |
|                           |      | Sungang          | 2009 |  |                        | Certified |



|                                 |      |                                |      |  |  |                                    |              |
|---------------------------------|------|--------------------------------|------|--|--|------------------------------------|--------------|
|                                 |      | Jelata Bumi                    | 2009 |  |  |                                    | Certified    |
|                                 |      | Binuang                        | 2009 |  |  |                                    | Certified    |
| Giram<br>SOU 29                 | 2009 | Mostyn                         | 2009 |  |  | Kunak, Sabah                       | Certified    |
|                                 |      | Giram                          | 2009 |  |  |                                    | Certified    |
| Merotai<br>SOU 30               | 2009 | Imam                           | 2009 |  |  | Tawau, Sabah                       | Certified    |
|                                 |      | Merotai                        | 2009 |  |  |                                    | Certified    |
|                                 |      | Table                          | 2009 |  |  |                                    | Certified    |
|                                 |      | Tiger                          | 2009 |  |  |                                    | Certified    |
| Lavang<br>SOU 31                | 2011 | Belian                         | 2011 |  |  | Bintulu, Serawak                   | Certified    |
|                                 |      | Kelida                         | 2011 |  |  |                                    | Certified    |
|                                 |      | Lavang                         | 2011 |  |  |                                    | Certified    |
|                                 |      | Lavang (SE)                    | 2011 |  |  |                                    | Certified    |
|                                 |      | Rasan                          | 2011 |  |  |                                    | Certified    |
| Rajawali<br>SOU 32              | 2011 | Rajawali                       | 2011 |  |  | Bintulu, Serawak                   | Certified    |
|                                 |      | Samudera                       | 2011 |  |  |                                    | Certified    |
|                                 |      | Semarak                        | 2011 |  |  |                                    | Certified    |
|                                 |      | Bayu                           | 2011 |  |  |                                    | Certified    |
| Derawan<br>SOU 33               | 2011 | Takau                          | 2011 |  |  | Bintulu, Serawak                   | Certified    |
|                                 |      | Damai                          | 2011 |  |  |                                    | Certified    |
|                                 |      | Derawan                        | 2011 |  |  |                                    | Certified    |
|                                 |      | Sahua                          | 2011 |  |  |                                    | Certified    |
| Pekaka<br>SOU 34                | 2011 | Chartquest                     | 2011 |  |  | Bintulu, Serawak                   | Certified    |
|                                 |      | Dulang                         | 2011 |  |  |                                    | Certified    |
|                                 |      | Peroh                          | 2011 |  |  |                                    | Certified    |
|                                 |      | Pekaka                         | 2011 |  |  |                                    | Certified    |
|                                 |      | Ruai                           | 2011 |  |  |                                    | Certified    |
| LIBERIA                         |      |                                |      |  |  |                                    |              |
| Grand Cape Mount                | 2017 | Matambo<br>(2,500 Ha)          | 2017 |  |  | Grand Cape Mount, Liberia          | NPP May 2011 |
|                                 |      | Grand Cape Mount<br>(2,372 Ha) | 2017 |  |  |                                    | NPP May 2011 |
|                                 |      | Zodua<br>(264)                 | 2017 |  |  |                                    | NPP May 2011 |
|                                 |      | Bomi<br>(3,128 Ha)             | 2017 |  |  | Bomi, Liberia                      | NPP May 2011 |
|                                 |      | Lofa<br>(2,254 Ha)             | 2017 |  |  |                                    | NPP May 2011 |
| P & G<br>(New Britain Palm Oil) |      |                                |      |  |  |                                    |              |
| Poliamba                        | 2012 | Kara                           | 2012 |  |  | Kevieng, New Ireland Province, P&G | Certified    |
|                                 |      | West Coast                     | 2012 |  |  |                                    | Certified    |
|                                 |      | Nalik                          | 2012 |  |  |                                    | Certified    |
|                                 |      | Noatsi                         | 2012 |  |  |                                    | Certified    |
|                                 |      | Madak                          | 2012 |  |  |                                    | Certified    |
|                                 |      | North<br>(Smallholders)        | 2012 |  |  |                                    | Certified    |
|                                 |      | South<br>(Smallholders)        | 2012 |  |  |                                    | Certified    |

|                                  |      |                                |      |  |                                      |           |
|----------------------------------|------|--------------------------------|------|--|--------------------------------------|-----------|
|                                  |      | West<br>(Smallholders)         | 2012 |  |                                      | Certified |
| Tetere                           | 2011 | Tetere                         | 2011 |  | Gudaicanal,<br>Solomon Island        | Certified |
|                                  |      | Ngalimbiu                      | 2011 |  |                                      | Certified |
|                                  |      | Mbalisuna                      | 2011 |  |                                      | Certified |
|                                  |      | West Zone<br>(Smallholders)    | 2011 |  |                                      | Certified |
|                                  |      | Central Zone<br>(Smallholders) | 2011 |  |                                      | Certified |
|                                  |      | MBA East<br>(Smallholders)     | 2011 |  |                                      | Certified |
|                                  |      | MBA West<br>(Smallholders)     | 2011 |  |                                      | Certified |
|                                  |      |                                |      |  |                                      |           |
| Sangara,<br>Sambiripa &<br>Mamba | 2013 | Sangara                        | 2013 |  | Higaturu,<br>Popondetta, Oro,<br>P&G | Certified |
|                                  |      | Sumberipa                      | 2013 |  |                                      | Certified |
|                                  |      | Ambogo                         | 2013 |  |                                      | Certified |
|                                  |      | Embi                           | 2013 |  |                                      | Certified |
|                                  |      | Mamba                          | 2013 |  |                                      | Certified |
|                                  |      | Sorovi<br>(smallholders)       | 2013 |  |                                      | Certified |
|                                  |      | Igora<br>(smallholders)        | 2013 |  |                                      | Certified |
|                                  |      | Saiho<br>(smallholders)        | 2013 |  |                                      | Certified |
|                                  |      | Aeka<br>(smallholders)         | 2013 |  |                                      | Certified |
|                                  |      | Ilimo<br>(smallholders)        | 2013 |  |                                      | Certified |
|                                  |      |                                |      |  |                                      |           |
|                                  |      |                                |      |  |                                      |           |
| Gusap                            | 2010 | Dumpu                          | 2010 |  | Madang, P&G                          | Certified |
|                                  |      | Surinam                        | 2010 |  |                                      | Certified |
|                                  |      | Jephcott                       | 2010 |  |                                      | Certified |
|                                  |      | Gusap                          | 2010 |  |                                      | Certified |
|                                  |      | Paddox                         | 2010 |  |                                      | Certified |
|                                  |      | Ngaru                          | 2010 |  |                                      | Certified |
|                                  |      | Madang VOP<br>(smallholders)   | 2010 |  |                                      | Certified |
|                                  |      | Morobe VOP<br>(smallholders)   | 2010 |  |                                      | Certified |
| Hagita                           | 2013 | Giligili                       | 2013 |  | Milne Bay, P&G                       | Certified |
|                                  |      | Hagita                         | 2013 |  |                                      | Certified |
|                                  |      | Waigani                        | 2013 |  |                                      | Certified |
|                                  |      | Sagarai                        | 2013 |  |                                      | Certified |
|                                  |      | Padipadi                       | 2013 |  |                                      | Certified |
|                                  |      | Mariawatte                     | 2013 |  |                                      | Certified |
|                                  |      | East Gurney                    | 2013 |  |                                      | Certified |
|                                  |      | West Gurney                    | 2013 |  |                                      | Certified |
|                                  |      | East Sagarai                   | 2013 |  |                                      | Certified |
|                                  |      | West Sagarai                   | 2013 |  |                                      | Certified |

|  |      |  |      |  |  |                  |           |
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| • Mosa<br>• Kumbango<br>• Kapiura<br>• Namumdo<br>• Waraston | 2008 | Bebere   | 2008 |  |  | West New Britain | Certified |
|  |      | Kumbango   | 2008 |  |  |                  | Certified |
|  |      | Togulo   | 2008 |  |  |                  | Certified |
|  |      | Dami   | 2008 |  |  |                  | Certified |
|  |      | Waisisi  | 2008 |  |  |                  | Certified |
|  |      | Kautu  | 2008 |  |  |                  | Certified |
|  |      | Karausu  | 2008 |  |  |                  | Certified |
|  |      | Moroa  | 2008 |  |  |                  | Certified |
|  |      | Bilomi   | 2008 |  |  |                  | Certified |
|  |      | Loata  | 2008 |  |  |                  | Certified |
|  |      | Haella   | 2008 |  |  |                  | Certified |
|  |      | Garu   | 2008 |  |  |                  | Certified |
|  |      | Daliavu  | 2008 |  |  |                  | Certified |
|  |      | Sapuri   | 2008 |  |  |                  | Certified |
|  |      | Malilimi   | 2008 |  |  |                  | Certified |
|  |      | Rigula   | 2008 |  |  |                  | Certified |
|  |      | Nomundo  | 2008 |  |  |                  | Certified |
|  |      | Navarai / Karato ME  | 2008 |  |  |                  | Certified |
|  |      | Volupai . Lotomgam / Natupi / Goruru   | 2008 |  |  |                  | Certified |
|  |      | Lolokoru   | 2008 |  |  |                  | Certified |
|  |      | Silovoti   | 2008 |  |  |                  | Certified |
|  |      | LSS Hoskin (1,877 Smallholders)  | 2008 |  |  |                  | Certified |
|  |      | VOP East (1,815 Smallholders)  | 2008 |  |  |                  | Certified |
|  |      | VOP Central (1,958 Smallholders)   | 2008 |  |  |                  | Certified |
|  |      | VOP West (1,277 Smallholders)Kaulong / Akamie / Pusiki / Repamira / Sakapei / KDC ME (21 large smallholders) | 2008 |  |  |                  | Certified |
|  |      | LSS Kapiura (847 Smallholders)   | 2008 |  |  |                  | Certified |
|  |      | VOP Kapiura (551 Smallholders)   | 2008 |  |  |                  | Certified |

Sime Darby has achieved 34 management units in Malaysia, 24 management units in Indonesia, 10 management units in Liberia that RSPO certified. Total management unit in Sime Darby Plantation Bhd are 34 in Malaysia, 25 in Indonesia and 10 in Liberia. In the year of 2017 there are two Mill that are no longer operating, and for the supplying base (Estate) is diverted to a mill that is still operating and has been certified RSPO.

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 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.

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

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|        | 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. |
| 1.10.2 | <b>Progress of Associated Smallholders and Out growers for Certifiable Standard.</b>   |
|        | <i>The Certificate Holder did not have associated with Independend Smallholder &amp; Growers.</i>  |

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| <b>2.0</b>     | <b>ASSESSMENT PROCESS</b>  |
| <b>2.1</b>     | <b>Assessment Team</b>   |
| <b>ASA 1.2</b> | <p>1. <b>Satria Adi Putra (Lead Auditor Witnessed)</b>. Indonesian citizen, Diploma III majoring in Palm Oil Plantation. Have experience of work more than six years since 2009 as the operational staff of private oil palm plantations in Indonesia. Training have been followed including Occupational Health and Safety Expert, Orang Utan and Wildlife Management, ISPO Auditor Training, RSPO Awareness, IHT Potential Mapping and Conflict Resolution in Production Forests, OHSAS 18001, SA 8000, RSPO Lead Training, Lead Auditor Training for ISO 9001, ISO 14001, ISO 17021, ISO 17065, ISO 19011, ISO 22000,. During this audit, he support to verify Best Management Practices, Environment, HCV, and GHG.</p> <p>2. <b>Trismadi Nurbayuto (Lead Auditor Witnessing)</b>. Indonesian Citizen. Diploma of Forest Management from Forestry Faculty; Associate Degree of Economic from Economic and Management. He has experienced as field assistant on oil palm plantation year of 2008. Therefore he has experienced as HCV and SEIA Assessor on 2010-2013. He has been followed HCV identification and management training; ISO training (9001;14001; 22000); SA 8000, ISPO Lead Auditor's training; Safety Expert; RSPO Lead Auditor's, OHS Auditors by Government Regulation No 50 year of 2012; SCCS, and RSPO Next. He has been conducted audit on ISPO and RSPO scheme since year of 2013 as an Auditor on several aspect as environment, OHS, Legality, Best Management Practices, Social, Worker Welfare, Conflict Resolutions, Long term Business Plan and Supply Chain on Palm Oil Mill.</p> <p>3. <b>Brigitta Prita (Auditor)</b>. 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 &amp; Proforest. She has been audit experience ISPO &amp; RSPO since April 2013 in the environmental, conservation, waste management and worker welfare aspects. During this audit, she verify Legal, Social and SCCS</p> <p>4. <b>Bayu Yogatama (Auditor)</b>. Bachelor of Forestry, Department of Forest Resources Conservation and Ecotourism, Bogor Agricultural University. Has attended the ISO 9001: 2015 Quality Auditor / Lead Auditor Course Quality Management System (QMS) course and ISO 19011: 2011 Guidelines for Auditing Management System, ISPO Lead Training, SA 8000, RSPO Lead Training, IHT RSPO NPP, IHT RSPO RaCP, IHT ISO 17021, and IHT ISO 17065. Having experience working in plywood field as Inspector in foreign private company. Currently working for an independent certification body. During this audit, he verify worker welfare, transparency, and long term business plan and OHS.</p> |
| <b>2.2</b>     | <b>Assessment Methodology, Assessment Process and Locations of Assessment</b>  |
| <b>2.2.1</b>   | <b>Figure of person days to implement assessment</b>   |
| <b>ASA 1.2</b> | <p>Number of auditors : 3 auditor and 1 auditor trainee</p> <p>Number of days for <b>ASA-1.2</b> at site : 5 days</p> <p>Number of working days for <b>ASA-1.2</b> at site : 15 Working days</p>   |
| <b>2.2.2</b>   | <b>Assessment Process</b>  |
| <b>ASA 1.2</b> | <p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT Ladangrumpun Subur Abadi to the requirements of Indonesian National Interpretation of RSPO Principles and Criteria 2013, endorsed September 2016 and Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014, Revised June 2017 (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 information; and (3) field observation, aiming to observe directly the sufficiency of implementation on site.</p> <p>Some opportunities for improvement of the results (ASA-3) delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase (ASA-1.3).</p>  |

Improvement of findings from surveillance assesment findings were observed by auditors at this ASA-1.2 assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of ASA-1.2.

|                |  |
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| <b>2.2.3</b>   | <b>Locations of Assessment</b>   |
| <b>ASA 1.2</b> | <p><b>Gunung Sari Estate.</b></p> <ol style="list-style-type: none"> <li><b>Housing Division II.</b> Observation and interview regarding facilities and infrastructure housing area.</li> <li><b>Daycare.</b> Observation and interview with babysitter related activities in daycare.</li> <li><b>Playgroup.</b> Observation and interview with teachers related activities in playgroup.</li> <li><b>Central warehouse.</b> Observation and interview related management in central warehouse.</li> <li><b>Fuel tank.</b> Observation and interview related management of fuel tank.</li> <li><b>Oil Store.</b> Observation and interview with officer related management of oil.</li> <li><b>Chemical store.</b> Observation and interview related management of chemical.</li> <li><b>Fertilizer store.</b> Observation and interview related management of fertilizer.</li> <li><b>Fire extinguisher.</b> Observation related management of fire extinguisher.</li> <li><b>Block Spraying System and Block Manuring System.</b> Observation and management of spraying and manuring system.</li> <li><b>Workshop.</b> Observation and interview related activities in workshop.</li> <li><b>Landfill block F20-21 Division II.</b> Observation related management of domestic waste.</li> <li><b>Boundary pole BPN No.1 Blok F32-33.</b> Observation related condition and maintenance of boundary pole.</li> <li><b>Supporting pole BPN No.12 Blok F26/27 Division II.</b> Observation related condition and maintenance of supporting pole.</li> <li><b>Policlinic.</b> Observation and interview related management of medical waste, and activities in clinic.</li> <li><b>Block E26. Pesticide/weeding application (Glyphosate) in palm circle.</b> Observation and interview with Foreman and 6 pesticide Applicators towards technical, manpower, OHS, environment and conservation aspects.</li> <li><b>Nursery.</b> Observation and interview with foreman, water pump operator regarding to OHS, environment and best practices aspects.</li> <li><b>Block I20.</b> Observation the EFB application location with dosage 140 – 200 Kg per plants.</li> <li><b>Block F24. Harvesting.</b> Observation and interview with Foreman and 3 Harvesters team towards technical, manpower, OHS, environment and conservation aspects.</li> <li><b>Block I20. BOB.</b> Observation of BOB condition.</li> <li><b>Block H20. Oryctes control with sidametrin (cypermethrin) application.</b> Observation and interview with Foreman and 10 pesticide Applicators towards technical, manpower, OHS, environment and conservation aspects.</li> <li><b>Block B22. Erosion Poles monitoring.</b> observation of erosion pole conditions.</li> <li><b>Landfill Block F21, Division II.</b> Observation about landfill condition such as potential hazard in areal, burning trash, distance from housing, and hazardous waste.</li> <li><b>Block I20.</b> Observation of legal boundary conditions No. 8</li> <li><b>Block H22.</b> Observation of legal boundary conditions No 5</li> <li><b>Replanting Area and River, Block H/I 20, Division II.</b> Observation related replanting program and HCV area</li> <li><b>Conservation Area/Sebamban River, Block E23, Division II.</b> Observation related HCV and management.</li> </ol> <p><b>KKPA 1</b></p> <ol style="list-style-type: none"> <li><b>Block J11/J12. Pesticide/weeding application (Glyphosate) in palm circle.</b> Observation and interview with Foreman and 4 pesticide Applicators towards technical, manpower, OHS, environment and conservation aspects.</li> <li><b>Block H13. Lose fruit picking activity.</b> Observation and interview with foreman and 3 workers (manuring team) regarding manpower, OHS and environment.</li> <li><b>Block K11.</b> Observation the EFB application location with dosage 140 – 200 Kg per plants.</li> <li><b>Block L27/L28.</b> Observation the road maintenance activity, there are three workers who maintenance road as manual.</li> </ol> |

5. **Block K11.** Observation of BOB condition.
6. **Housing KKPA1** Observation and interview regarding facilities and infrastructure housing area.
7. **Mosque** Observation for public facility like water source, and the other.
8. **Landfill J02 Div 1** Observation related management of domestic waste.
9. **Fire extinguisher.** Observation related management of fire extinguisher.
10. **Daycare.** Observation daycare management, clean water facility, and interview with worker about payment.
11. **Fertilizer warehouse.** Observation related to management of agrochemical material and waste, MSDS, emergency response facilities and the types of fertilizer used.
12. **Fire Fighting.** Observation and simulation the emergencies response facilities.
13. **Agrochemicals Warehouse.** Observation related to management of agrochemical material and waste, MSDS, emergency response facilities and the types of pesticides used.
14. **Genset (Electricity).** Observation for waste management, and interviews related to workers facility, electricity, domestic waste, sources offresh water, socialization of company policy and complaint mechanism.
15. **Water resources.** Observation water management
16. **Landfill block J02 Division 1.** Observations related to the implementation procedures of domestic waste bins and disposal site.
17. **Workshop.** Observations and interviews related to wages and overtime, waste management activities, OHS implementations and health inspections
18. **Hazardous waste warehouse.** Field observations related to the fulfillment of the attributes health and safety, recording, and the implementation of compliance requirements hazardous waste temporary warehouse, wages and complaint mechanism.
19. **Block Spraying System** Observation of washing and storage of PPE and spray equipment

### Angsana POM

1. **Weight bridge.** Observation and interview the personnel in charge related to FFB received and implementation of SCCS System.
2. **Grading Area.** Observation and interview the personnel in charge related to mechanism of FFB grading and implementation of SCCS System
3. **Administration room.** Verification of SCCS implementation and interview the personnel in charge
4. **Water Treatment Plant (WTP).** Observation and interview related to water consumption, OHS implementation, checking flow meter condition.
5. **Empty Bunch Area (EBA).** Observations and interviews related to the management of EFB.
6. **Effluent Pond.** Observations related to the management of effluent, including implementation of OHS.
7. **Chemical Store.** Observation related to hazardous material handling, environment, and including OHS implementation.
8. **Hazardous Waste Storage.** Observation related to hazardous waste management, and including OHS implementation.
9. **General Storage.** Observation related to stock material and PPE.
10. **Station of Loading Ramp.** To observe and interview with 1 Operator towards technical, maintenance, manpower, OHS and environment aspects.
11. **Station of Sterilizer.** To observe and interview with 1 Operator towards technical, maintenance, manpower, OHS and environment aspects.
12. **Station of Nut and Kernel.** To observe and interview with 2 Operator towards technical, maintenance, manpower, OHS and environment aspects.
13. **Station of Press.** To observe and interview with 1 Operator towards technical, maintenance, manpower, OHS and environment aspects.
14. **Station of Engine Room.** To observe and interview with 1 Operator towards technical, electricity installation and maintenance, manpower, OHS and environment aspects.
15. **Station of Boiler.** To observe and interview with 2 Operator towards technical, maintenance, manpower, OHS and environment aspects.
16. **Workshop.** To observe and interview with Foreman and 1 Welder towards technical, maintenance, manpower, OHS and environment aspects.
17. **Fire Fighter Store & Hydrant Simulation.** To observe readiness of emergency facility in Angsana Factory.
18. **Housing.** Field observations the facilities and infrastructure provided for employee welfare, environmental hygiene and sanitation.



19. **Water Treatment Plant.** Observation and interview with security related personnel understanding over the applicable SOP, the implementation of occupational health and safety, medical examination, trainings from company and worker welfare
20. **Workshop.** Observation and interviews related to the competence of workers, implementation OHS (including medical check up), employment, waste management and complaint mechanism.
21. **Agrochemical Storage.** Observation and interview with security related personnel understanding over the applicable SOP, the implementation of occupational health and safety, medical examination, trainings from company and worker welfare.
22. **WWTP.** Based on field observation in WWTP pond, was not found leaks and overtopping to ditch and rivers
23. **Hazardous Storage.** Observation and interviews related to hazardous waste management, OHS implementation, employment and complaint mechanism.
24. **POME, Block B30 Division I.** Observation related land application

**Stakeholder**

- **Labour and Transmigration Agency of Tanah Bumbu District.** Interviews related to Occupational Safety and Health, Employment and Industrial Relations.
- **Environment Agency of Tanah Bumbu District.** Interviews related to environmental documents, environmental permits, environmental management and monitoring reporting, emission source management and environmental pollution issues, etc.
- **Plantation Department of Tanah Bumbu District.** Interviews related to the assessment of plantation business; Owned business license (capacity and area of the estate), partnership with the community, corporate obligations of existing business licenses, peatland management, regional status, land use change, overlapping areas, land fires, etc.
- **Gender Committee.** Interview with gender committee related gender committee activity and issue.
- **Labor Union.** Interview with labor union member related worker welfare.
- **Sembangan Baru Village** Interview the secretary of village and community representation related to social interaction between company and community surround, and another social issues.
- **Angsana Village.** Interview the secretary of village and community representation related to social interaction between company and community surround, and another social issues.
- **Bayan Sari Village.** Interview the head of village and community representation related to social interaction between company and community surround, and another social issues.
- **FFB Transport.** Interview with contractor related contractor payment and complaint mechanism.
- **CPO and PK Transport.** Interview with contractor related contractor payment and complaint mechanism.

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| <b>2.3</b>     | <b>Stakeholder Consultation and Stakeholders Contacted</b>   |
| <b>2.3.1</b>   | <b>Summary of stakeholder consultation process.</b>  |
| <b>ASA 1.2</b> | <p>Summary of stakeholder consultation process</p> <p>Consultation of stakeholders for PT Ladangrumpun Subur Abadi was held by:</p> <p>Public Notification <a href="http://www.mutucertification.com">www.mutucertification.com</a> on 3 September 2018.</p> <p>Public consultation meeting with internal stakeholders by interviews and local stakeholders conducted by visits to villages and interviews with local peoples.</p> <ol style="list-style-type: none"> <li>1. Public consultation by interview with government agencies in Tanah Bumbu District on 18 September 2018.</li> <li>2. Public consultation by interview with locals of the nearby village on 18 September 2018.</li> <li>3. Consultation meeting and interview with Internal Stakeholder (labour union, worker cooperative, and gender committee) on 18-20 September 2018.</li> <li>4. Communication by email with NGO (Wahana Lingkungan Hidup Indonesia (WALHI), World Wild Fund (WWF), aliansi masyarakat adat nusantara (AMAN) and Sawit Watch on September 10, 2018.</li> </ol> <p>Numbers of input from stakeholders were clarified by PT Ladangrumpun Subur Abadi</p> |
| <b>2.3.2</b>   | <b>Stakeholder contacted</b>   |
|                | <b>Please find appendix 1</b>  |



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| <b>2.4</b>     | <b>Determining Next Assessment</b>   |
| <b>ASA 1.2</b> | The next visit <b>ASA-1.3</b> will be determined 8-12 month after date of certificate. |

### 3.0 ASSESSMENT FINDINGS

#### 3.1 Summary of Assessment Report of the RSPO Certification

MUTUAGUNG LESTARI has conducted an assessment of Angsana POM - PT Ladangrumpun Suburabadi – Subsidiary of Sime Darby Plantation Berhad operation consisting of one (1) mill and five (5) oil palm estates.

During the assessment, there were Four (4) Nonconformities were assigned against Major Compliance Indicators; Two (2) nonconformities were assigned against Minor Compliance Indicators and and Two (2) opportunities for improvement were identified.

Further explanation of the non-conformities raised and corrective actions taken by the company are provided in section 3.5. The company has already prepared and implemented the corrective actions that had been reviewed and accepted by Auditors in form of documentation evidences e.g. (document record/photographic/etc). Those corrective actions taken that consist of Four (4) Major non-conformities had been closed, Two (2) Minor non-conformities still open and two (2) opportunities for improvement shall be verified during next assessment.

MUTUAGUNG LESTARI found that Angsana Pom – PT Ladangrumpun Subur Abadi, subsidiary of Sime Darby Plantation Berhad. complied with the requirements of Indonesian National Interpretation of RSPO Principles and Criteria 2013, Endorsed by BOG on September 2016 and RSPO Supply Chain Certification Standard for Organization seeking or holding certification. Adopted by the RSPO Board of Governors on 21<sup>st</sup> November 2014, revised on June 2017 (General COC & Module D for CPO Mill).

Therefore MUTUAGUNG LESTARI Recommends RSPO Certification of compliance is continue.

| Ref Std.                                       | VERIFICATION RESULT of MUTU-Certification  |  |
|--|--|--|
| <b>PRINCIPLE #1 COMMITMENT TO TRANSPARENCY</b> |  |  |
| <b>1.1</b>                                     | <b>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.</b>  |  |
| <b>1.1.1</b>                                   | <p>Certificate holder has the latest list of stakeholder for period of 2018 (update on August 2018), consist of government parties (Sub District, District, and Province), surrounding village, internal stakeholder, mass media, NGO, and schools. The list of stakeholders will updated once a year or if there is a revision.</p> <p>In accordance with the Information Request Revision 02 SOP which was ratified on February 1, 2016, the company has a list of information that can be accessed by relevant stakeholders namely Area Land Clearing, mature / immature area, Infrastructure List, IUP, AMDAL, Land Use Certificate, OHS Plan, Plan and Review of Environmental and Social Impact Assessments, HCV, Pollution Reduction and Prevention Plans, etc.</p> <p>Based on the results of public consultations with the assisted village (KKPA-1), it is known that smallholders can access information such as production and income in KKPA.</p> <p>Beside that, based on the results of public consultations with the CPO/PK transport contractor, the village and Tanah Bumbu district office, it is known that the company has carried out socialization regarding the information request mechanism by submitting a request for information. Based on the results of interviews with CPO transport contractors and PKs, it is known that the company has conducted socialization regarding information requests.</p> |  |
| <b>1.1.2</b>                                   |  |  |

The company has indicated the Information Request Procedure for Revision 02 effective date 01 February 2016 which describes the procedure for responding to stakeholders properly. The SOP explains that the time period for responding to requests for information from stakeholders, if it does not require approval from the Head of Department is 7 days. Meanwhile if you need approval from the Head Department, the time period to respond is 30 days.

- The results of a public consultation with the Head of the Environmental Planning Section, the Department of Environment of Tanah Bumbu District, found that there was a Letter from DLH dated 08 August 2018 to PT LSI containing responses to complete the requirements for making the DELH document at PT LSI.
- The results of the study of the incoming mail register and PT LSI outgoing mailings have not recorded any incoming letters and responses from management.
- The results of interviews and management's responses stating a letter from the DLH of Tanah Bumbu District that has not been responded to will immediately be responded to as soon as possible.

However, not all requests and responses to information requests have been responded to in accordance with the procedures owned. However, not all requests and responses to information requests have been responded to in accordance with the procedures owned. This is a **non-conformity No.2018.01**.

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| 1.1.2 | Status: Non-conformity NC.2018.01 with major category |  |
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**1.2**  
**Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.**

**1.2.1**  
In accordance with the Information Request Revision 02 SOP which was ratified on February 1, 2016, the company has a list of information that can be accessed by relevant stakeholders namely Area Land Clearing, mature / immature area, Infrastructure List, IUP, AMDAL, Land Use Certificate, OHS Plan, Plan and Review of Environmental and Social Impact Assessments, HCV, Pollution Reduction and Prevention Plans, etc. In addition, Sime Darby Plantation has a website that informs public documents.

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|  | Status: Comply |  |
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**1.3**  
**Growers and millers commit to ethical conduct in all business operations and transactions.**

**1.3.1**  
SOP Code of Conduct No. 440 / HRM-COC / 07 which was passed on May 24, 2007 and the SOP was made in Indonesian. The SOP explains that the company has a continuous commitment to building long-term, mutually beneficial relationships with stakeholders, such as optimally increasing shareholder value. Treating employees equally, does not distinguish ethnicity, religion and race in all aspects. Providing products and services with the best standards, honest and ethical, paying attention to customer complaints. Make a positive and beneficial contribution to improving the quality of life of the community. Do not carry out political activities and are not affiliated with political parties and do not contribute anything to political activities and are not allowed to give, offer or accept anything of value that can be categorized as bribery to or from customers, angry providers & services or government officials and other parties so that they can influence the desired decision.

Based on the results of interviews with CPO transport contractors and PK, it is known that the workers already know the company's code of ethics and have been socialized by the company every year.

|  |                |  |
|--|----------------|--|
|  | Status: Comply |  |
|--|----------------|--|

## PRINCIPLE #2 COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS

**2.1**  
**There is compliance with all applicable local, national and ratified international laws and regulations.**

**2.1.1**  
List of laws and regulation which adopted as reference for oil palm plantation activities in PT Ladangrumpun Suburabadi (PT LSI), PT Sajang Heulang (PT SHE) and KKPA Sajang Heulang are documented in Evaluation of Laws and Regulations Pursuance 2017 for Sebampan Area, Strategic Operation Unit (SOU) 4 Angsana which currently renamed as Area Controller Kalimantan Selatan Sebampan (ACKSS). The document issued by Assistant of Environment Safety and Health (ESH) Department on July 5<sup>th</sup> 2017. The list has covers land and works legality, manpower, occupational health and safety (OHS),

environment and best management practices (BMP) aspects. The document has describes principle and criteria related to the laws/regulation, title of law/regulation, respective section or article, key point or explanation of the articles, status of pursuance or compliance and remarks. Compilation and monitoring of laws and regulations were under responsibility of ESH Department, Area Sebampan. Compilation and master copy (hard and soft) of laws and regulations from all Department has stored in Plantation Service Department (PSD), where located in Banjarmasin, Province of Kalimantan Selatan.

#### **Manpower, OHS and agronomy**

- Implementing minimum wages of Tanah Bumbu District for period 2018
- Conducting zero burning method
- Planting seeds which produced from government certified seeds producers in Indonesia
- Adopting integrated pest management
- Using pesticides listed in Pesticides Commission of Department of Agriculture on period 2016
- Reporting OHS Committee (P2K3) Quarter report to Manpower Agency, etc.

The company was proposed revision of OHS Committee structure of PT LSI and PT SHE to the related agency dated 6 September 2018. And also proposed extensions of OHS expert license (Sudarsono) dated 18 August 2018 by PT Kautsar Prima. However the company to be consider to follow up all progress to the relevant agencies. #OFI

Beside that, the company has already shown the licence for qualified worker such as:

- No. Reg.1048.OPK3-PUBT-B.I/X/2016 valid to 31 October 2021 (Boilerman).
- No. Reg.225/PJK3/F/6/2014/PO valid to 27 July 2019 (Chargeman)

The company has shown documents providing information to agencies regarding routine reports such as:

- First Semester RKL-RPL report on 10 August 2018 to the Environmental Agency of Tanah Bumbu and to the Province of South Kalimantan
- Report on the Use and Utilization of HGU on July 9, 2018 to the Land Agency of Tanah Bumbu (No. Letter 189 / LSI / UM / PSD / VI / 2018.
- Report on PT LSI's Hazardous Waste Material for the period January - March 2018 to the Environmental Agency of Tanah Bumbu on April 16, 2018.

#### **2.1.2; 2.1.4**

Monitoring and update of laws and regulations is carried out by ESH Department. Procedure of laws and/or regulations pursuance are presented in several documents, i.e. Procedure No. 724/TQEM-SPMS/09 about guideline of sustainable plantation management, No. 301/SHE-HKM-05/11, No. 701/TQEM-ESH/10 dated March 6<sup>th</sup> 2012 about legal requirements, No. 031/LMI-2011.PUUP-021/2011 dated March 2012 and No. 043/LMI-PH/2010 dated December 16<sup>th</sup> 2012 about regulation requirements. Annual update and evaluation of laws and regulations pursuance is distributed by Department of PSQM-ESH to the Chairman of ACKSS. Evaluation report has issued by Assistant ESH Sebampan in July 17<sup>th</sup> 2018. All documents mentioned above are available to all levels of management. This is confirmed founded during field visit to Gunung Sari Estate, KKPA 1 Estate and Angsana Factory Office.

According to Laws and Regulations Pursuance of ACKSS for Period 2018 dated July 17<sup>th</sup> 2018, it was informed that from June 2017, there are 2 new laws/regulations being updated, such as Decree of Governor of Kalimantan Selatan (SK) No. 188.44/0492/KUM/2017 dated October 27<sup>th</sup> 2017 about Minimum Wages of Tanah Bumbu District for period 2018 and ATR Ministerial Regulation Number 7 of 2017 about Setting and Procedures for Determining Business Rights.

#### **2.1.3**

The ESH Department through ESH Assistant has conducting evaluation of laws and regulations pursuance related to quality production aspect while legal aspect was conducted by PSD Department. The assessment and evaluation has conducted annually. This is in accordance with procedure No. 701/TQEM-ESH/10 dated March 6<sup>th</sup> 2012 about legal requirements. According to evaluation of laws and regulation pursuance of Sebampan Area for period 2018 dated July 17<sup>th</sup> 2018, it was informed that from 146 laws and regulations listed, with exceptional for soil peat management regulations, the pursuance (compliance) has 98% already implemented, while the rest are considered as not applicable. Evaluation of compliance with regulations implemented by ESH and PSD including for contractors.

**Status: Comply**

### 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 Certificate Holder has document of land use legalities, consist of:

PT Ladangrumpun Suburabadi

- Land Use Right Certificate (HGU) No. 19, 8 July 1999 covering an area of 5,909 Ha.
- Land Use Right Certificate No. 43, 25 June 2004 covering an area of 45.50 Ha.
- Land Use Right Certificate No. 44, 25 June 2004 covering an area of 112 Ha.
- Land Use Right Certificate No. 45, 25 June 2004 covering an area of 10.50 Ha.

Total area with Land Use Rights is 6,077 Ha.

Pantai Bonati Estate - PT Sajang Heulang, the land title document owned consists of:

- Land Use Right Certificate No. 26, 4 December 2000, covering an area of 150 Ha.
- Land Use Right Certificate No. 27, 4 December 2000 covering an area of 56 Ha.
- Land Use Right Certificate No. 28, 4 December 2000 covering an area of 200 Ha.
- Land Use Right Certificate No. 35, 4 May 2002 covering an area of 2.128 Ha.

The total area with Land Rights is 2,534 Ha.

Legal rights for plasma is 6,540 ha such as KKPA 1 (3,864 ha for 2,501 farmers) and KKPA-4 (2,676.19 ha for 2,740 farmers). The total scope of the certification for PT LSI: 6,077 + Pantai Bonati Estate (PT SHE): 2,534 + KKPA 1 & 4: 6,540.19 = 15,151.19 Ha.

#### Observed evidence by Auditor:

Based on the document area for 2018 period, it is known that there are differences in the area of land legality area with the following details:

| Location                           | Area Statement on 2018 period | Extensive in Certificate (Legal Rights) | Difference        |
|------------------------------------|-------------------------------|---|-------------------|
| Smallholders 1 Estate full managed | 4,073.60 ha                   | 3,864 ha                                | -209.60 ha        |
| Smallholders 4 Estate full managed | 2,667.73 ha                   | 2,676.19 ha                             | +8.46 ha          |
| PT LSI                             | 6,082.59 ha                   | 6,077 ha                                | -5.59 ha          |
| Pantai Bonati Estate               | 2,534.00 ha                   | 2,534 ha                                | 0                 |
| Total                              | <b>15,357.92</b>              | <b>15,151.19</b>                        | <b>-206.73 ha</b> |

#### Non-Conformance Description:

The Certificate Holder has not been able to show land ownership documents covering 206.73 ha. **This is nonconformance No.2018.02 with Major category.**

#### 2.2.2.

The certificate holder has procedure of Boundary Stone Maintenance SOP Boundary Poles Maintenance (LGL-LSI/06/17). These procedure as guidance for maintenance all of boundaries stones periodically. The company shows a boundary stone of PT LSI with an area of 1: 20,000 consisting of BPN 1, BPN 2, BPN 3, BPN 4, BPN 5, BPN 6, BPN 7 and BPN 8.

The company shows the monitoring of land use title boundaries in 2018 conducted on March 29<sup>th</sup>, 2018 and September 10<sup>th</sup>, 2018 with details:

- BPN 1 location of MR F 33/32 is in good condition.
- BPN 2 location MR F 26 is in good condition.
- BPN 3 location of MR F / G 24 is in good condition.
- BPN 4 locations G / H 23 are in good condition.
- BPN 5 locations G / H 23 are in good condition.

- BPN 6 location H / I 22 is in good condition.
- BPN 7 locations PRGG / I.22 are in good condition.
- BPN 8 locations PRGG / I.20 are in good condition.

Based on field observations in block K 13 KKPA or block F 32-33, the condition of BPN No. 1 was in well maintained. Field observations in the F26 / 27 Division II block, the LSI No.12 boundary stone was in well maintained condition and Field observations in Block G12 KKPA 1, the area is bordered by Angsana Village.



Note: Boundary Stone Number 1.

### 2.2.3 and 2.2.5.

Occupational Land Acquisition Procedure (No. 343 / PSD-OKUP / 10), is through the stages of negotiation between the company and the party claiming the land. Based on interviews with Bayansari Village Head, Angsana Village Secretary, and Sembanban Baru Village Secretary, it is known there is no issues of land conflict among the Certificate Holder with another party in surround of plantation area. The compensation area has been compensated.

### 2.2.4.

Based on interviews with Bayansari Village Head, Angsana Village Secretary, and Sembanban Baru Village Secretary, it is known there is no issues of land conflict among the Certificate Holder with another party in surround of plantation area. The compensation area has been compensated.

The company shows a map of area statement, mine site and local communities' area for August 2018 with detail bellows:

#### **Pantai Bonati Estate.**

- The mining area in Division 1 is 1,000.2 ha.
- The mining area in Division 2 is 595.52 ha.
- The total mining area is 1,595.76 ha.

#### **Angsana Estate.**

- The mining area in Division 3 is 448.16 ha

#### **Gunung Sari Estate.**

- The mining area in Division 3 and 2 is 548.26 ha.

#### **KKPA-1 Estate.**

- The mining area in KKPA 1 - Estate is 415.42 ha.

There is the process of settlement to the coal mining company. Problems with overlapping HGU land with Mining Business Permits have been resolved through land use agreement agreements.

### 2.2.6.

The Certificate Holder had policy issue by Chairman of SOU (Strategic Operating Unit) 04 Angsana on 1 September 2015. These Policy related to Prohibition of Contractually Army using, The main point the policy was explained:

- In the operation of plantation and mill, the company was refer to Indonesian regulation



- The company will not using of Contractually Army in conflict resolution
- The company will not tolerance of anarchism in conflict resolution process

Based on interview with Bayansari Village Heads, Angsana Village Secretary and Sebanban Baru Village Secretary, there was no indication of the use of para-military and mercenaries' army on plantations.

**2.2.1 Status: Non-conformance NC.2018.02 with major 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.

Based on document verification of High Conservation Value Identification and Social Impact Assessment in PT Ladangrumpun Suburabadi and PT Sajang Heulang included Smallholder (KKPA), stakeholder consultation with National Land Agency of Tanah Bumbu and stakeholder consultation with the Head of Village, Informal Leader and the communities/smallholders in Bayansari, Angsana Village and Sebanban Baru Village that know there is no area of the company was under of customary right. During the ASA 1.2, there is no land compensation process, the compensation process has been done in the early period of plantation development.

The process of identifying, negotiating and providing compensation for land is carried out in consultation between representatives of the company and the landowners. The company has established a Public Service Department as the person in charge of communicating with the surrounding community.

**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 mentioned that long term management plan was arranged by estate and/or factory units, which presented in several documents, for example Angsana Factory PT Ladangrumpun Suburabadi (PT LSI) budget projection for 2018/2019 to 2022/2023, Gunung Sari Estate PT Ladangrumpun Suburabadi cost summary for 2018 to 2023 and KKPA-1 Estate cost/budget summary for 2018 to 2023. Factory longterm program has covers FFB processed, production (CPO, OER, KER), processing cost (manpower, maintenance, machine operational, WTP, WWTP, laboratory, etc.), by products (EFB, mill effluent or POME), administration cost, products (CPO and PK) price projection and revenue. Furthermore, estate long-term program has covers hectarages, crop production estimation, administration cost, estate operational cost (harvesting, manuring, upkeep, road maintenance, etc.), conservation, replanting cost, maintenance cost, transportation cost, as well as manpower cost.

The Certificate Holder stated that those long-term business plan mentioned above are subjected to be changed and reviewed annually by the respective management such as Mill or Estate Manager, General Manager (GM), Senior GM (Head Region), Head Plantation Officer (HPO) and Chief Finance Officer (CFO) through considering actual trends and dynamic situation which predicted could be changed in the future. Furthermore, management unit stated that there were no presence of peat areas, further plan for estate expansion or new planting and processing capacity, as well as smallholder development project. Department of PSQM together with Estate and Factory Management has responsibility to ensure that all technical implementation has in accordance with procedure, which aims to reach optimum output for budget fulfillment purposes through monitoring, training and socialization.

##### 3.1.2

PT Ladangrumpun Suburabadi management unit shows replanting program and its realization which presented in replanting program for 2015/2016 to 2032/2033. For example, total replanting in Gunung Sari Estate was about 2,481.59 ha. Since first planting in KKPA-1 has conducted in 2000, hence, replanting is expected to be carried out in 2025. Realization of replanting in Gunung Sari Estate for 2018 is 63.88 ha. The results of document verification up to October 2018 have only carried out 63.88 Ha of uprooted and chopped activities, but planting has not been determined.

According to soil map, it was informed that there were no presence of peat soil within PT LSI and PT SHE operational areas.

Hence, replanting was 100 % conducted in mineral soil areas. Moreover, based on interview with Plantation (Estate Crop) Agency of Tanah Bumbu District, it was informed that replanting has conducted by adopting zero burning method. Issues of land clearing through burning method were never been reported by stakeholders (local communities, NGO, Government Agencies, etc.).

**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

There were no revision on the current procedure of oil palm agronomy and processing. The company has procedure (SOP) of oil palm Agronomy for Minamas Plantation Group which presented in document of Agricultural Reference Manual Policy No. 110/EST-ARM/13 dated September 1<sup>st</sup>, 2013, signed by the Head of Plantation Upstream Indonesia. Based on Agronomy SOP's document reviews, field observation and interview with two foreman and five harvesters in Block F24 Gunung Sari Estate, it could be concluded that the harvesters was able to explain and demonstrate the harvesting process in accordance with SOP, such as ripeness criteria, frond stacking and the use of personal protection equipment (PPE). Furthermore, based on field observation and interview with ten pesticide applicators in Block H20/21 Gunung Sari Estate it could be concluded that the workers were able to explain and demonstrate its job in accordance with the SOP, such as considering wind flows during spraying process, pesticides and weeds target, prohibited areas to be sprayed (for example conservation area and riparian zone, which were marked with yellow poles and yellow mark on the palm trunks), PPE's to be used as well as its management.

Moreover, procedure for oil palm processing from FFB acceptance to dispatch of CPO and PK are presented in document of Minamas Plantation palm oil mill guidelines Part I and Part II, policy No. 130/POD-FAC/07 and No. 110/POD-FAC/07 Chapter I. furthermore, there are also another policies related with oil palm processing, for example: Policy No. 14x/PTK-TRP/2004, No. SOP-SLF-01/2010 and No. 721/TQEM-PKA/08. Based on field observation to security post, weigh bridge station, loading ramp station, processing stations, power station (Generator), workshop, WTP and WWTP in Angsana factory (ASF), it could be concluded that all processing activities has implemented in accordance with the procedures.

Based on SOP documents review, it could be concluded that the oil palm agronomy and processing procedures were still relevant with current situation and covers all main aspects from the field to the factory. All SOP's were available in Bahasa. Furthermore, based on observation to estate and mill office, it could be concluded that the respective SOP's were well distributed by PSQM officers.

##### 4.1.2

Update and procedure documents distribution control to the respective units were conducted by PSQM Department. For monitoring and consistency purposes of procedure implementation, some mechanism had been carried out by PT LSI and PT SHE, such as Monthly Estate/Factory Manager reports which presented in Angsana Factory Manager Process Control report, Gunung Sari Estate Management Committee Meeting and KKPA-1 Estate Management Committee Meeting, Semester Plantation Advisory Visit report by Agronomy team from Head Office, Semester Mill Advisory Visit report by Head Office team from Kuala Lumpur, Semester performance qualitative report by Head Office team, Annual RSPO and ISPO internal and external audit. For example, Plantation Advisory and Mill Advisory visit were carried out in June 27<sup>th</sup> – 29<sup>rd</sup> 2017. Observation results has documented and delivered via online to head office management for personal performance scoring purposes. This monitoring included those carried out by contractors.

##### 4.1.3

Estates and Factory management operational activities has monitored, documented and regularly reported, for example as shown in documents of production report, monthly Factory Manager report, monthly and semester FFB production report, manuring report, daily harvesting notes, Foreman notes and daily work plan. The report mentioned in the former has informed raw data, analysis and mentioned summary notes. Furthermore, Estate and Factory operational records has also recorded on program namely System Application Product and Processing (SAP) which updated on daily basis. All critical parameter points describes were need to be response and follow up by the respective person in charge (PIC) through action plan immediately. Progress of action plan were reported and submitted directly to the upper ordinate. Later on, each (priority) points were discussed, analyze and presented in monthly meeting by respective Manager. Explanation of Plantation Advisory (PA) and Mill Advisory (MA) is presented as follows:



- PA report has covers mature palm performance which focused on production, harvesting quality, pruning, field upkeep, soil and water conservation, road maintenance, integrated pest management and machinery maintenance, etc. according to the report, it was informed that overall, estates rating performance in PT LSI and PT SHE were considered as Good. Report has no mention on critical point towards agronomy practices, but quality of works such as field upkeep and fertilizer application quality were need to be improved through field checking directly by the Assistant and Manager.
- MA report has covers processing quality, safety aspects and product quality. Last report mentioned that there were no critical point towards oil palm processing quality. Daily monitoring on product quality has evaluated every month through Mill minutes meeting.

### 4.1.4.

Until ASA 1.1, the Angsana POM did not receive FFB from noncertified sources. The FFBs was process was supplied from own estate consist of Angsana & Gungung Sari Estate (under manage of PT Ladangrumpun Suburabadi), Pantai Bonati Estate and KKPA 1 & 4 Estate (under manage of PT Sajang Heulang, under the same holding of Minamas Plantation and was certified).

**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.

Procedure of soil fertility management was presented in document policy No. 110/EST-ARM/13 Part 8 about manuring. SOP mentioned that manuring recommendation must be based on leaf and soil sampling analysis. Leaf sampling and soil sampling analysis should be carried out once and every five years, respectively. Both analysis has carried out by Minamas Research Centre (MRC) in Pekanbaru, Riau. Parameter measured on leaf analysis are macronutrient (N, P, K, Ca, Mg and Mn) and micronutrient (Fe, B, Zn and Cu) content (in %) while in soil analysis are nutrient retention (pH, % organic-C, CEC), available nutrient (N-total, P-total, available-P, K-dd and Mg-dd), soil properties (texture, drainage class, rooting depth), etc. Visual assessment of palm vigor land field condition by Agronomist was also carried out every 6 months to monitoring nutrient status change.

#### 4.2.2

The company has been recording fertilization activities in the document of recommendation vs realization of fertilizing data 2017/2018. All fertilizer that apply are based on the fertilizer recommendation that set by MRC. For example: NK Blend has been applied in GSE with area 1,000.15 Ha and total of fertilizer is 388,062 Kg. Based on Fertilizer Report (MMCM - August 2018), its known that the fertilizer applied in accordance with the recommendation such as application of Rock Phosphate at KKPA 1 with total fertilizer used is 16414 kg for 60 hectare.

#### 4.2.3.

Procedure of soil fertility management was presented in document policy No. 110/EST-ARM/13 part 8 about manuring. SOP mentioned that manuring recommendation must be based on leaf and soil sampling analysis. Leaf sampling and soil sampling analysis should be carried out once and every five years, respectively. Leaf and soil sampling were not conducted on the projected replanting areas (about 2 years before replanting). The previous NCR no. 2017.02 has been closed out, the certification unit was shown semi detail soil survey period of 2018 to 2023 in KKPA PT Sajang Heulang. The soil suitability class are S2-wa/rc/nr, S2-wa/nr, S2-wa/nr/eh, S3-wa, S3-rc and S3-wa/rc. Based on soil analysis in KKPA PT SHE sighted that the soil fertility should added by N, P, K with balance dosage. The certification unit also sighted leaf sampling unit result in GSE and KKPA-1 Estate on April 2017, for example: LSU result in Block K101, Division 1 KKPA-1 Estate with percentage of ASH: 8.87 %; N: 2.68%; P: 0.165; K: 1.149 %; Mg: 0.27% and B: 9.6%. Based on this document, nonconformance No. 2017.02 has been closed out.

#### 4.2.4.

The Certification unit was implement EFB and effluent to the land, until August 2018 in the KKPA-1 Estate there are EFB application with volume 4,637,770 Kg with area: 124 Ha. While EFB application in GSE is 599.83 MT with area 15.96 Ha. The Company also conducted recycling of replanting residue; it is seen during a field visit in the replanting area of Gunung Sari Estate, Block F014. The company carried out replanting mechanically without combustion method except chipping method, the results of the chopped palm plant are reassembled in pile line in the field.

**Status: Comply**

### 4.3

#### Practices minimize and control erosion and degradation of soils.

##### 4.3.1.

The CH has able to shows semi detail soil survey map with scale 1:45,000 for PT LSI and PT SHE which derived from soil survey report, conducted by MRC team in February 2016 and 2018, respectively. The report informed that there were no presence of peat soil and fragile soils within PT LSI and PT SHE operational areas. Main limitation of soil properties for oil palm cultivation were due to low fertility, soil drainage properties and soil erosion. To overcome this situation, several strategy had been implemented by estate management such as fertilizer application has follows MRC agronomist recommendation, adopting EFB mulching application on replanting areas and low fertility areas, land application by POME, frond stacking parallel to the contour line or U-shape on the flat to undulating areas, to maintain soft grasses and selective weeding which aims to retain soil moisture. Company implementation towards soil limitation has explained in Criteria 4.2

##### 4.3.2

According to semi detail soil survey report, it was informed that there were no presences of steep slope area (>40 %) or fragile area. In order to minimize land erosion, surface run-off and leaching on rolling to hilly area, MRC has recommend some agronomy input such as maintaining LCC or soft grasses, vertiver grass planting, selective weeding, terraces planting system, silt pit installation and frond stacking parallel to the slope. This recommendation had applied as confirmed during field visit to terraces (hilly) areas in Block B22 Angsana Estate (Soil Erosion Monitoring Pole location).

Policy No. II-04/MRC-SOP/10 dated may 25<sup>th</sup>, 2010 about soil erosion measurement guidelines contended that to measure the effectiveness of minimizing level of erosion through frond stacking, EFB mulching application and terraces, monitoring of erosion pole in Block B22 Division 1, Block C27 Division 2 and Block B23, C22 and C23 Division 3 PT LSI should be carried out every month. According to the record in 2018, soil erosion in PT LSI were zero. This is due to satisfactory land cover condition. This is confirmed during field visit to hilly areas in Angsana Estate.

##### 4.3.3

Program of road maintenance has found on annual budget plan which is included on Budget of transportation cost. Road maintenance activities were consist of manual maintenance such as cover crop clearance, surface reparation through gravels, road grader and compaction. Record of program realization in August 2018 informed that road maintenance in KKPA-1 are 53.79 Km main road, 70.20 Km collection road. Based on field observation, it was found that road conditions were satisfactory and easily passable by FFB, CPO and PK transporter unit (tank-truck and dump-truck). For example: Block L27/L28, Division 3, KKPA-1 Estate sighted that there are manual road maintenance conducted by 3 persons. The CH also has have heavy machineries to conduct road maintenance activities such as Grader GD510 R-1 and GD511 A, Tractor Loader Backhoe and Compactor Vibrator SV512D.

##### 4.3.4;4.3.5

Based on information from estate management, verification on HCV report on November 2010 as well as soil survey and land feasibility study for period 2016-2021 report of PT LSI, PT SHE and SHE KKPA, it could be concluded that there were no presence of peat soils within PT LSI and PT SHE operational areas. Hence, these Indicator is not applicable.

##### 4.3.6.

According to soil survey report for PT LSI and PT SHE which conducted by MRC team in February 2016 and 2018, respectively, it was informed that there were no presence of peat soil and fragile soils within PT LMI and PT SHE operational areas. Main limitation of soil properties for oil palm cultivation were due to low fertility, soil drainage properties and soil erosion. To overcome those limitations mentioned above, several strategy had been conducted by estate management unit, such as:

- To suppress surface run-off and leaching through U-shape and parallel to the contour line pruned fronds placement on flat to undulating and hilly contour areas, respectively.
- Selective weeding which aims to enhance organic matter and retaining soil moisture.
- Soil texture and nutrient recovery through by-products (EFB and POME) application.
- Manuring management through leaf and soil nutrient analysis, which recommended by Agronomist from MRC team, maximizing fertilizer use efficiency (to choose suitable fertilizers type, time of application and placement).
- For soil and water conservation, planting of land cover crop such as *Mucuna bracteata* has already implemented on immature areas in Angsana Estate PT LSI which planted in 2015/2016.

Those strategies above were presented in procedure No. 110/EST-ARM/13 dated September 16<sup>th</sup> 2013.

Status: Comply

#### 4.4

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

##### 4.4.1

The company has shown that water management includes the following:

- Processing effluent with WWTP which will be used for applications in the oil palm plantation area as a source of nutrients
- Monitoring the water quality of the Sebampan river (upstream and downstream) per semester
- Periodically monitoring the quality of liquid waste
- Monitoring the quality of LA, non-LA monitoring and wells
- Making biopori, silt pit, road silt pit, EFB application, form of u shape midrib, making individual terrace, water gates and planting nephrolepis
- Analyze land in LA and Non LA blocks once a year

The forms of management such as processing wastewater with WWTP which will be used for applications in the oil palm plantation area as a source of nutrients, monitoring the water quality of the Sebampan river (upstream and downstream) per semester, periodically monitoring the quality of liquid waste, etc.

##### 4.4.2

The company has shown procedure No. PM 0300 February 2, 2010 concerning watershed protection. There should be no chemical treatment of the watershed, maintenance is done manually, when replanting the palm oil at the river boundary (50 meters left and right) can not be replanted. Gradually, woody plants were planted in the riparian river, such as *Mahoni*, *Tengkawang*, *Meranti*, *Ulin*, *Jalindung*, etc.

Based on the results of field visits to the Block E23 Division II Gunung Sari Estate, it is known that the company has carried out river border maintenance including in the replanting area by marking the border area of the river (yellow paint), installation of signposts/notification boards for river border areas and planting of plants woody.

##### 4.4.3

The company has carried out the management of factory wastewater by processing wastewater in the WWTP.

The WWTP is equipped with an aerobic and anaerobic pool (a total of 8 ponds) so that the wastewater flowing into the flatbed (land use in the form of land applications) is in accordance with the standard quality standards set by the government (BOD <5000 mg / l).

Utilization of waste on land in the form of land applications has received permission from the Regent, Head of BLH Tanah Bumbu District with Decree No. 660.4 / 10 / LCPKS / 2018 dated 28 August 2018 (the permit period is valid for 3 years).

The company has periodically tested factory wastewater in the inlet and outlet ponds. The test results are recorded in the report on the implementation of the semester RKL/RPL and the monthly Test Results Report. The parameters tested were pH, BOD5, COD, Oil & Fat, Cadmium, Copper, Lead and Zinc. The results of the 2018 wastewater testing period carried out by the Tanah Bumbu Government Environmental Laboratory and accredited by KAN. The results for example in June 2018 included pH = 7.35, Total Suspended Solids = 320 mg / l, Temperature = 25°C, and BOD = 566.24 mg / l. Based on these data it is known that there are no test results that are above the quality threshold in accordance with KepmenLH No. 28 of 2003.

##### 4.4.4

The company has demonstrated procedures, monitoring and evaluation regarding the measurement and use of factory water and production that has been approved by the Mill Manager, based on these data, it is known that the average water consumption (September 2018 - August 2018) per ton of FFB is 2.1 m<sup>3</sup> / tons of FFB. This is still above the water use budget determined by the company. The justification for this is partly due to the high use of domestic water used for estate water supply. The evaluation actions provided are by making efficient use of water and carrying out maintenance regularly for production machines.

Status: Comply

#### 4.5

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

#### 4.5.1.

The Certification Holders has committed to implement integrated pest management (IPM) which presented in procedure of ARM Policy No. 110/EST-ARM/13 Chapter 15 about plant protection which covers early warning system, census and analysis, biological and chemical pest population management and monitoring. The estate management has a program of integrated pest management and its realization which presented in monthly committee meeting report, for example as follows:

- Census of bagworm, leaf eating caterpillar, rat, tirathaba, wild boar, ganoderma, termite and oryctes in Gunung Sari Estate PT LSI on July and August 2018. The oryctes infestation were above the threshold limits, and some indicates zero pest incidence.
- Census of bagworm, leaf eating caterpillar, rat, tirathaba, wild boar, ganoderma, termite and oryctes in KKPA-1 Estate PT SHE on July and August 2018 were below the threshold limits, and some indicates zero pest incidence. Hence, there were no pesticide application in September 2018
- For biological control, the company has conducting beneficial plants for leaf eating caterpillar populaion control. Up to August 2018, it was recorded that totaling about 911 m of *Cassia cobanensis*, 100 m of *Antigonon leptopus* in KKPA-1 Estate. Furthermore, up to August 2018, it was recorded that totaling of *Turnera subulata* about 11.40 Km in Division 1, 20.50 Km in Division II and 4.15 Km in Division III Gunung Sari Estate.
- The CH has also adopting barn owl for rat population control. According to barn owl box (BOB) record, it was informed that units of BOB had been installed on Divisi1, Divisi 2 and Divisi 3 Gunung Sari Estate, respectively. Furthermore, there is only 25 unit of BOB were installed in KKPA-1. Based on observation to Block K11, Division 1 KKPA-1 Estate and Block I20 GSE, it was found presence marks of barn owl such as rat bones and feathers.
- In order to avoid Pest & Disease (include weeds) resistance and prophylactic uses of pesticide, estate management had substitute and/or rotate the use of pesticides for the same target, for example, in term of broad leaf control such as *Ageratum conyzoides*, *Boreiva alata* and *Mikania micranta*, the use of Meta Prima 20 WG (Methyl Metsulfuron) could be substitute with Basta 150 SL (Ammonium Glufosinat) or Kenlon 480 EC (Triclophyr Butoksi Ester). Moreover, biological control has also adopted as mentioned above.

Based on field observation at Blcok K11 (Barn Owl Box), KKPA 1 Estate and Block H20 (cypermethrin application), GSE. It was obtained information that the IPM has been implemented on the field in accordance to IPM records.

#### 4.5.2.

The Certification Holders has conducting several trainings which aims to maintain workers knowledge and skills towards P&D management, for example as follows:

- Training of integrated pest management subject beneficial plants dated 14 January 2018 in KKPA-1.
- Training of safety briefing, OHS for pesticide applicators team, HCV, buffer zone and gender committee, conducted on 10 February 2018, attended by 15 pesticide applicators in Gunung Sari Estate.

Based on interview with pesticide (insecticide) applicators in Block J11-J12 KKPA-1 Estate, sighted that they can explain about IPM and pesticide application procedure.

Status: Comply

#### 4.6

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

#### 4.6.1

Procedure ARM Policy No. 110/EST-ARM/13 Chapter 15 about plant protection mentioned that the use of agrochemical should be based on census analysis evaluation when the level of incidence is more than threshold limits. In order to avoid P&D (include weeds) resistance and prophylactic uses of pesticide, estate management had substitute and/or rotate the use of pesticides for the same target, for example, in term of broad leaf control such as *Ageratum conyzoides*, *Boreiva alata* and *Mikania micranta*, the use of Meta Prima 20 WG (Methyl Metsulfuron) could be substitute with Basta 150 SL (Ammonium Glufosinat) or Kenlon 480 EC (Triclophyr Butoksi Ester).

According to observation to agrochemicals warehouse and record of pesticide application, list of pesticide used in 2018 for PT LSI and PT SHE, it could be concluded that all pesticides listed are registered in the book of pesticide commission 2016 issued by Department of Agriculture, Republic of Indonesia. Unit management stated that justification of pesticide uses shall be based on census analysis. For example, high incidence of oryctes attack was noted in Block H20 GSE in July 2018. Hence, there is recommendation of Sentrin 50 EC in the respective Block to be applied in August 2018.

Based on field observation and interview with two foreman and 10 pesticide applicators in Block J11/J12, KKPA-1 Estate and Block H-20, GSE, it could be concluded that the workers were able to explain and demonstrate its job in accordance with the SOP, such as justification of pesticide usage, considering wind flows during spraying, pesticide mixing, pesticides and its



target, prohibited areas to be sprayed (for example conservation area and riparian zone, which were marked with yellow poles and/or yellow mark on the palm trunks) as well as PPE's to be used as well as its management. Pesticide applicators has also mentioned that pregnant and breastfeeding women are prohibited to works related with agrochemicals.

#### 4.6.2

Record of pesticide used is presented in document of pesticide uses record and monthly manager report or monthly committee meeting. For example, up to August 2018, the active substance use from Kenlon (Triklorpir Butoksi Etil Ester) for brad leaf and narrowleaf control in GSE and KKPA-1 Estate were about 0.16 and 0.08 l/ha, respectively.

Estate management unit has records the uses of pesticide includes technical aspects. For example, Pesticide Kenlon 480 EC (Triklorpir Butoksi Etil Ester) has LD<sub>50</sub> ORAL: 1,480 mg/kg in Rats and LD<sub>50</sub> DERMAL: 2,000 mg/kg in Rabbits. Total Kenlon applied in GSE and KKPA-1 Estate from January to August 2018 were about 139 and 2,624 liter, respectively; with active ingredients applied were 0.16 and 0.08 liter/ha, respectively. This information has added on the report.

#### 4.6.3

Program and realization of pest management was presented in monthly committee meeting report which describes census, biological control, pesticide application, for example as follows:

- Census of bagworm, leaf eating caterpillar, rat, tirathaba, wild boar, ganoderma, termite and oryctes in Gunung Sari Estate PT LSI on July and August 2018. The oryctes infestation were above the threshold limits, and some indicates zero pest incidence.
- Census of bagworm, leaf eating caterpillar, rat, tirathaba, wild boar, ganoderma, termite and oryctes in KKPA-1 Estate PT SHE on July and August 2018 were below the threshold limits, and some indicates zero pest incidence. Hence, there were no pesticide application in September 2018
- For biological control, the company has conducting beneficial plants for leaf eating caterpillar populaion control. Up to August 2018, it was recorded that totaling about 911 m of *Cassia cobanensis*, 100 m of *Antigonon leptopus* in KKPA-1 Estate. Furthermore, up to August 2018, it was recorded that totaling of *Turnera subulata* about 11.40 Km in Division 1, 20.50 Km in Division II and 4.15 Km in Division III Gunung Sari Estate.
- The CH has also adopting barn owl for rat population control. According to barn owl box (BOB) record, it was informed that units of BOB had been installed on Division 1, Division 2 and Division 3 Gunung Sari Estate, respectively. Furthermore, there is only 25 unit of BOB were installed in KKPA-1. Based on observation to Block K11, Division 1 KKPA-1 Estate and Block I20 GSE, it was found presence marks of barn owl such as rat bones and feathers.
- In order to avoid Pest & Disease (include weeds) resistance and prophylactic uses of pesticide, estate management had substitute and/or rotate the use of pesticides for the same target, for example, in term of broad leaf control such as *Ageratum conyzoides*, *Boreiva alata* and *Mikania micranta*, the use of Meta Prima 20 WG (Methyl Metsulfuron) could be substitute with Basta 150 SL (Ammonium Glufosinat) or Kenlon 480 EC (Triclophyr Butoksi Ester). Moreover, biological control has also adopted as mentioned above.

Based on document verification known that pesticide using has been minimized by the management unit, for example Ken Up was used amount 1,378 Litre on 2017. While there are only 726 Litre on 2018. Therefore there are no a prophylactic use for pests.

#### 4.6.4

Based on pesticide used records in 2018 for Gunung Sari Estate and KKPA-1 Estate which presented in Indicator 4.6.1 and 4.6.2, it could be concluded that there is pesticides listed in WHO Appendix 1B (Warfarin and Cumatetralyl during previous 5 year) for replanting activity; however there is no using of paraquat since year of 2008. Based on field observation to the chemical stores and review of bin card at GSE and KKPA-1 Estate sighted that there are no paraquat using during last year.

#### 4.6.5

The company has guide the use of pesticides which is documented within Inter Office Mail (IOM) from VP I, Head- Minamas Research Centre, No: MRC/VP I –Sr.Mgr UPD /0452 / XII/ 2015 regarding of Recommendations on Pest Control, Disease and Weed for budget 2016 - 2017 which describes the procedure of pest control / disease and weeds without causing damage and economic loss. The company has also conducted training for spray workers related to spraying techniques.

Based on interviews with the spray workers in Block E26, Gunung Sari Estate and Block J11, KKPA-1 Estate, it is known that spray team members have understood the procedures for the use of pesticides in their work. The workers have been able to explain and demonstrate how to use pesticides properly and safely. Includes how to use and handle risks in accordance with the material safety data sheets (MSDS). Based on field observation at Block H20, GSE and Block J11, KKPA-1 Estate sighted that all pesticide operators was using appropriate PPE's in accordance to MSDS and risk identification, such as: safety glasses, respirator, apron, rubber gloves, and rubber boot.

**4.6.6**

Based on the field visit to the agrochemical warehouse of KKPA-1 and Gunung Sari Estate, it is known that agrochemical storage has been conducted in accordance with the procedure. Pesticides or chemicals have been neatly arranged, there are Hazardous Material symbols, Hazardous Material label, MSDS, and Fire Extinguisher. Pesticides or chemicals storage operator have been wearing PPE while working.

Based on field visit to Hazardous Waste Storage in KKPA-1 unit, no pesticides or chemicals container was found because it has been sent to license Hazardous Waste Storage at KKPA-1 unit. For example delivery Hazardous Waste then submitted to the licensed Hazardous Waste Collector (PT SBA see criteria 5.3.2). While based on field observation to the chemical store at GSE and KKPA-1 sighted that the pesticide handling were in accordance to the best practices and national regulation, for example: there are exhaust fan, hazardous waste symbol, MSDS, first aid, fire extinguisher and also appropriate lighting.

**4.6.7**

Work instruction on pesticide application has follows technique presented in Material Safety Data Sheet (MSDS) of pesticide products, procedure No. PM 0800 dated April 1<sup>st</sup> 2010 about block spraying system (BSS) and Hazard Identification Risk Assessment Determining Control (HIRADC) for estate. Which covers guideline of storage and handling of pesticides, handling of accident and first aid, risk identification, pesticides spills and leaks handling, PPE, physical and chemical properties, reactivity and material stability, toxicology and ecology information, pesticide wastes handling and transportation. Based on field observation at Block H20, GSE and Block J11 there are pesticide application activities, it was obtained information that their food and drinks was placed at the water transport/driver place to minimized the negative risk.

However during the audit activity dated 19 September 2018, there was a fact that six pcs hand knapsack stored in the nursery warehouse, then the company showed documentation that it has transferred to the chemical house. The company has not been able to show evidence that the method of pesticide handling has minimized the risks and negative impacts in accordance to the BSS procedure (PM 0800). **It was raised as nonconformity No. 2018.03.**

**4.6.8.**

Based on field observation and information form estate management, it was informed that there were no pesticide application by plane through the air. All pesticides has applied through spraying both manually and mechanically.

**4.6.9**

The company has conducted training for spray workers in own estates and KKPA-1 smallholders related to spraying techniques. The spray workers have understood the procedures for the use of pesticides in their work. All working tools and pesticide containers for spraying are stored in pesticide storage after washing rinse first. No used containers may be reused or taken home. To maintain the competence and ability of workers, routinely carried out the socialization of the use of pesticides.

**4.6.10**

The company has procedures for managing hazardous waste and non-hazardous waste. PT SHE-KKPA No. Documents: dated RA021 04-01-2012 which were ratified by the Senior Manager and Estate Manager KKPA. In the procedure, it is explained about the procedures for managing hazardous waste, hazardous storage, hazardous building, and hazardous submission to the collecting party.

The company has a record of management and recording of hazardous waste, among others, shown by Gunung Sari Estate Waste Balance Sheet document 2018/2019. The documents contain, among other things, the recording of 20 cans of Ex Chemical waste in August 2018 and 7 cans in September 2018. The planned delivery will take place in November 2018.

The company has also shown Temporary Hazardous Waste permit documents including:

- Hazardous Storage Permit for hazardous waste in Oil Palm Plantation Activities and PT LSI in Bayan Sari Village No. 660.4 / 97 / BLHD / 2015 PT LSI (Angsana Estate) on August 8, 2017 with the permit expiration date until August 8, 2022.
- Hazardous Storage Permit for hazardous waste in Oil Palm Plantation Activities and PT LSI in Bayan Sari Village No. 660.4 / 98 / BLHD / 2015 PT LSI (Gunung Sari Estate) on August 8, 2017 with the permit expiration date until August 8, 2022.
- Hazardous Storage Permit on Oil Palm Plantation Activities and PT SHE Plant in Purwodadi Village No. 660.4 / 123 / BLHD / 2014 (KKPA1) dated September 26, 2014 with the permit expiration date until September 24, 2019.

**4.6.11**

Company has conducted periodic medical surveillance for chemical applicator who work in a high-risk condition on August 2017, the type of examination is spirometri, cholinesterase and physical. Mandiri health care Clinics Kotabaru is the third party who conducted medical examination. The test results showed that all employees who work with chemicals in a healthy condition and no diseases influenced by work in Gunung Sari Estate. However there are one pesticide applicator was mild restriction, she has transferred to other job which is not related with chemical. Interview with workers at Blokc H20 GSE and Block J11 KKPA-1 known that they are never get experience of occupational injury which caused by chemical such as irritation and itching.

**4.6.12**

Company has a policy that prohibits pregnant and breast-feeding women to work with chemical material. Based on interview with spray workers in block J11, KKPA-1 and block E26, GSE; and also in accordance to document verification, known that there were neither pregnant nor breast-feeding woman who work with pesticide. Moreover, company conducts pregnancy test and examination in every month. Audit team also got information that personnel have understood that women worker is not allowed to work with chemical material if they are pregnant or breast-feeding.

**4.6.7** Status: Non-conformance NC.2018.03 with minor category

**4.7**

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

**4.7.1.**

The CH has OHS policy which issued by Head Plantation Upstream Indonesia on December 2011, written in Bahasa. The policy mentioned that the company has committed to provide and maintain a safe and health working environment through effective OHS implementation management which aims to prevent working accident and unhealthy environment on employees, contractor and visitor. Regarding this matter, the CH will conduct:

- Pledge allegiance towards government regulation and guidance.
- Create OHS management in all Units/Departments.
- Formulating, forming, delivering information, implementing and maintaining OHS working system on the CH operational areas.
- Provide training, socialization and share experience to all employees towards effective and efficient working system.
- Continuously to monitor, maintain and update OHS management.

Socialization towards OHS policy has given through safety briefing to all stakeholders before starts working activities and/or field visit. Apart from that, training and socialization of working procedure, PPE, HIRADC and MSDS has also given for specific works implementation.

OHS Plan of OHS Management Working Program 2018 has prepared by Secretary of OHS Committee (P2K3) which approved by the chief of committee. The program has consist of training of OHS, socialization of working procedure and MSDS, monitoring and inspection, evaluation of PPE, extra fooding, symbols, employees health monitoring internal audit and management review.

**4.7.2**

Procedure of HIRAC analysis and identification was presented in document No. 7301/PSQM-ESH/11 dated July 11<sup>th</sup> 2011, issued by GM and PSQM. The CH has identified, measured and formulating OHS management control of all operational activities in the estates and factory, which presented in document of Hazard Identification Risk Assessment and Control (HIRAC). Management unit has able to shows HIRAC for Angsana Factory, PT LSI GSE and KKPA-1 PT SHE, which issued by P2K3 Secretary on 13 June 2017 respectively. HIRAC has describes type of work, hazards analysis, effect, risk analysis (effect, probability, risk and high, medium, low), risk control, residual risk and PIC.

**4.7.3**

The Certification Holders through P2K3 has provide safe working practices by providing socialization and training such as as training of safety pesticide spraying and Personal Protective Equipment (PPE), training of safety briefing, OHS for pesticide applicators team, HCV, buffer zone and gender committee, first aid training and training of fire extinguisher training for emplacement communities. All trainings has attended by respective workers.

Based on field observation on harvesting, spraying activity (GSE & KKPA-1) and operation mill known that the company has provide PPE for worker according to HIRAC and MSDS and PPE has been provide twice a year.

### 4.7.4

Certificate holder has safety and health organization authorized by Manpower Agency No. 566/398/Disnakertrans dated 8 September 2017, with the secretary is a general safety and health expert. Regular meetings are held monthly to discuss issues of safety and health.

### 4.7.5.

CH has SOP for accident reporting is referring to PSQM Memorandum No. 008/PSQM-UM/IX/2013 issued on 6 May 2015. The document has been explained general information and accident handling started of reporting, investigating and investigation report. SOP for emergency response No. 033/BSS-SOP /10 dated 1 April 2010 has been approved by SOU chairman and Unit Manager of estates and mill, explained the steps for handling emergency condition such as work accident, illness and fires fighting. Based on field observation to several activities on the estates, sighted that foreman was provided with first aid kit in accordance to relevant regulations. Based on field observation to the Estates Offices and Angsana POM sighted there are evacuation route during emergency conditions. Therefore based on interview with first aid officer (foreman) on the estates activities, they can explaining about first aid and all potential risk on the field.

### 4.7.6

Has been provided the first aid room facility in the respective divisions, central clinic located in Angsana Estate (serving inpatient, maternity, first aid and health education services). Accident insurance conducted in collaboration with BPJS, all employees are registered for insurance (Permanent Monthly Worker and Contract Worker).

- Based on document verification sighted that all employees (permanent and contract) have been registered in the Social insurances (health and workers). In addition, there is also payment social insurance slip on August 2018.
- Based on interview with head of administration and company doctors, it was obtained information that there are no fatality and heavy work accident during last year, so there are no accident claim to the BPJS.
- The company has agreement with several contractors, for example: CPO transport agreement No 016/Jasapengangkutan/LSI-HSL/2012 with PT Ho Sarana Lestari. In the one of clauses of the work agreement, it was explained that the contractor was obliged to comply with OHS regulations.
- Based on interview with PT Ho Sarana Lestari (contractor owners), it was explained that if there were employees who were sick, all costs would be borne by the contractor. He also were showing sample of medical bill for his workers.

However, the company has not been able to show that all workers have been provided with health services and covered by accident insurance. **It was raised as nonconformity No. 2018.04.**

### 4.7.7

The work accident report has been reported using LTI metric, informing numbers of accident period of 2017/2018, the document inform: Data collection and monitoring (unit management, number of lost time injury (LTI) case, number of non-lost time injury (LTI) case, the total number of accident cases, total working hours, total of frequency rate and severity rate. Based on document verification, there is several LTI such as: 5 days in ASE, 5 days in GSE, 8 days in KKPA-1 and 10 days in KKPA-4.

|       |  |  |
|-------|--|--|
| 4.7.6 | Status: Non-conformance NC.2018.04 with minor category |  |
|-------|--|--|

### 4.8

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

### 4.8.1

The company has a list of employees and contractors of July 2018. The employees list is available to each management unit. The chief of administration of the company has been maintaining that list of employees. For the employees, the company has made a training program of 2018 made by secretary of The OSH Committee. The training program has been done consisting of Harvest Training, Spraying Training, Pests and Diseases Training, First Aid Training, RSPO/ISPO and others.

### 4.8.2



The company has had employees training record, the record is available in the form of minutes, training attendance, and documentation in the form of photographs. In interview with the management, it is known that the training activity has been annually programmed for the employees that is done to maintain and improve employee's competency in accordance with their work. Based on interviews with the spray workers in block J11 (KKPA-1) and block E35 (GSE), it is known that spray team members have understood the procedures for the use of pesticides in their work. The workers have been able to explain and demonstrate how to use pesticides properly and safely; and also they can explain about buffer zone area. Based on interview with the contractors, he was attended on the SCCS socialization on August 2018 at the mill office.

Status: Comply

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

**5.1**

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

**5.1.1**

The company has presented an AMDAL document in 2000, approved by the Minister of Forestry and Plantation, Secretary General as the Center No. EIA Commission. 154 / Menhut - II / 2000 dated 26 December 2000 with an area of  $\pm 26,000$  ha and a mill Capacity of 2 x 60 Ton FFB / Hour.

Besides that, the company has shown UKL / UPL document in 1999, approved by the Head of the Center for Standardization and Environment of the Amdal Commission No.191 / II / DAR-3/1999, September 22, 1999 with a land area of 6,095 and a capacity of 30 tons of FFB / Hour PT Ladangrumpun Suburabadi.

The 2013 UKL / UPL document, approved by the Head of the Regional Environment Agency, Kab. Bamboo Land No. 660/89 / IL / PDL-BLHD / 2013 dated June 21, 2013 with the addition of a capacity of 30 Tons of FFB / Hour to 60 Tons of FFB / Hour at PT Ladangrumpun Suburabadi.

Based on the AMDAL document on the method of data collection, it was stated that the data used in the preparation of the ANDAL consisted of Primary data (from direct survey, observation and sampling, information and interviews with initiators, employees and surrounding residents) and Secondary. In addition, based on EIA data, it is known that it has covered all areas and activities.

**5.1.2; 5.1.3**

The company has an environmental management plan stated in the RKL / RPL document that it has.

The company has shown the RKL and RPL matrix documents for PT LSI which include management of reductions in negative impacts, including:

- Management of air quality / noise from PKS, among others, by installing signboard obligations of workers / visitors using earplug / earmuff in areas of noise > 85 decibels and placement of employee housing from mill ( $\pm 1$  km).
- Management of decreasing river water quality, among others, by monitoring river water quality (upstream and downstream) per semester, monitoring the quality of application waste ponds and monitoring monitoring wells.

The company has also carried out environmental monitoring such as:

- Taking effluent samples (Pool 8) with No. 218/AL/VI/2018. In the document it is known that the quality standard for Palm Oil Industry Effluent Utilization is in accordance with Minister of Environment Decree No.28 of 2003 (BOD testing results 566.29 mg/l).
- Taking domestic pond samples (No.219/AL/VI/2018) is known that Quality Standards are in accordance with the Governor of South Kalimantan Regulation No. 05 of 2007 concerning designation and river water quality standards.

Based on the above data it can be seen that the company has carried out environmental monitoring activities with quality standard results below the prescribed threshold.

Based on the results of the management review in 2018, it is known that all parameters for environmental management and monitoring for Estate and Mill are still relevant/relevant to the actual conditions of the company at this time.

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 shown the PT LSI HCV Identification document dated 30 March 2009 stating that the PT LSI HCV area consists of 2 rivers, namely the Sebamban Baru River 1 (31.51 Ha) and Sebamban 2 River (64.29 Ha) with the total HCV area (PT. LSI) covering 95.8 ha (HCV 1.1 and HCV 4.1).
- In addition, the company has also shown HCV Identification documents for PT Sajang Heulang's KKPA 1-5 Estate in 2012 which stated that the area of KKPA 1 HCV was 54.32 Ha and the area of KKPA 4 was 29.01 Ha. This is not in accordance with the statement area document for the 2018 period which states that the total HCV area is 83.60 Ha.
- In the statement area in ASA 1.1 it is known that the total HCV area in PT SHE (KKPA 1, KKPA 4 and Pantai Bonati) and PT LSI (Gunung Sari Estate and Angsana Estate) is 137.55 ha
- Based on the statement area in the 2018 period, it is known that the total area of HCV PT SHE (KKPA 1, KKPA 4 and Pantai Bonati) and PT LSI (Gunung Sari Estate and Angsana Estate) is 83.60 ha

The company has not been able to show the total management of HCV area in accordance with HCV identification documents owned by the company. Based on the above, this is a **non-conformity No.2018.05**.

#### 5.2.2

The company can show HCV documents and animal species including its management program which is carried out every 6 months and is in accordance with the initial plans for HCV management. Forms of management include patrol activities to avoid illegal hunting, care for HCV signboards and animals, planting and monitoring vegetation, flora and fauna monitoring and socializing HCV and animals to workers and the surrounding community.

The company has shown documents on the implementation of HCV and animal management programs for 2018. Based on a documentary study it is known that monitoring is carried out periodically every month. Based on the results of a visit to the HCV area in Gunung Sari Estate, it was found that the condition of the HCV area remained in good condition, there were no indications of hunting of animals and the condition of the HCV signboard was in good condition and maintained.

#### 5.2.3; 5.2.4

Company has procedure No. AI 0900 April 1, 2010 concerning handling wildlife. The procedure explains that workers and contractors are not permitted to capture, maintain, kill protected animals; not allowed to trade protected or unprotected animals. If it is proven that there is involvement in buying and selling animals, severe penalties will be given, including dismissal / cancellation of the contract.

The company has carried out outreach activities regarding HCV and wildlife to workers, the surrounding community and stakeholders. The training included the dissemination of River Protected Areas on 12 May 2018 in Block K14, attended by 8 KKPA1 spray workers. In addition, based on interviews with contractors and the community, it is known that the company has conducted socialization regarding HCV areas and protected species.

Based on HCV Monitoring (August 2018), it has been implemented effectively such as maintenance of HCV signboard, RTE Species Monitoring and HCV Inspection.

The company has shown observing and monitoring wildlife documents in the HCV area that have identified identification including local names, scientific names, families, the status of Law No.7 of 1999, identification of monitoring and detection (visual, hearing and traces). Monitoring is carried out every month by HCV officers and is known by the Manager. Based on the evidence of improvement provided, **the non-conformity No. 2017.05 stated to have been fulfilled**.

#### 5.2.5

Consistent with Surveillance 1 assessment, Based on the HCV identification document and field visits in the HCV area, there were no identified areas of local community rights on HCV area.

#### 5.2.1

**Status: Non-conformance NC.2018.05 with major category**

### 5.3

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

### 5.3.1; 5.3.2

The company has shown a list of wastes for factories and estates including used batteries, used oil, liquid waste, exhaust emissions, fiber, shells, cloths, ex-workshops, paper, plastic, agrochemical etc.

Based on the results of the field visit to hazardous storage to Angsana POM and Gunung Sari Estate, it is known that the company has stored and managed ex-chemical containers well.

The company has also shown records of collection and disposal of chemical containers including:

- Proof of Transportation Letter No. SJ-SBA 0000068 transportation of hazardous waste from hazardous store of KKPA 1 Estate on April 24, 2018 with transport truck (DA 1090 TQ). Types of waste include used oil (3.23 drums), used batteries (7 pcs), used filters (60 kg), TL lamps (8 pcs), used cloth (0.2 drum) and chemical packaging (137.65 kg)
- Manifest evidence No. 0006499 transportation of TL Lights from hazardous store of KKPA 1 Estate on April 24, 2018 with transport truck (DA 1090 TQ). Types of waste include 8 TL lamps.

### 5.3.3

The company shows the waste management plan recorded in the RKL/RPL document. The management includes POME managed in the WWTP pond and used as liquid fertilizer on the ground (land application). Shell and fiber are used as boiler fuel. EFB were applied as compost on the land. Meanwhile, hazardous waste is stored at licensed hazardous storage. Domestic waste is collected in the trash bin that is provided and disposed of in the Waste Disposal Site.

### Verification 18 September 2018

The company has shown proof of improvement including:

- Proof of socialization / attendance list for safety townhouses in Division 1, 2 and 3 of KKPA-4 on 26 October 2017
- Proof of socialization / attendance list of safety townhouses to employees of main offices, security guards, *PKWT* Mess Estate, traction employees at KKPA-4 on October 26, 2017
- Proof of socialization / attendance list of safety townhouses to staff and contractors at KKPA-4 on 26 October 2017
- Proof of absenteeism and socialization of Hazardous waste management from Angsana Factory on September 16, 2018
- Proof of townhall socialization / safety to 146 Angsana Estate employees
- Evidence of the socialization of PT LSI-SHE's safety officer on September 30, 2017.
- Hazardous waste transport permit for vehicles with DA 1323 WC No Plate from the Director General of Land Transportation on 31 October 2016.
- Townhall safety activity minutes in Division 1 and 2 on October 24, 2017 regarding the management of hazardous waste.
- Minutes of safety activities for townhall to staff, supervision and employees of KKPA-4 on October 24, 2017 regarding the management of hazardous waste.
- Information on hazardous waste to Angsana Estate Manager, Head of Central Warehouse, Spraying Foreman, Path Maintenance Foreman, Immature Foreman and Immature Maintenance Foreman on 18 September 2017.
- Notification / Dissemination of Hazardous Management to Angsana Estate Factory Managers, Staff, Safety Officers and Employees on September 16, 2017 regarding identification of waste sources and their management, preparation of hazardous waste at hazardous storage, sale of hazardous waste to third parties, and socialization related to the oil trap periodically.
- Safety Officer training minutes on 30 September 2017 to all PT LSI and PT SHE safety officers regarding simecard, hazardous waste management, medical waste shipments, domestic waste management and townhall safety.
- Proof of hazardous waste transportation letter from PT Sinar Bintang Albar (Transporter and Collector) for hazardous waste transportation of PT Sajang Heulang (KKPA-1) and Gunung Sari Estate on April 18, 2017.

Based on the evidence of the improvement provided, field verification will be carried out.

Based on the results of the field visit it was found that:

- There are ex Pertamina drums behind the Gunung Sari Estate fertilizer warehouse
- Found paint can behind the traction of Gunung Sari Estate
- There are hazardous waste (cans of paint and used oil jerry cans) at the landfill Gunung Sari Estate
- There are ex-pesticide packaging (*Ken-Up*) which is used for fuel containers (diesel).
- SOP for hazardous waste and non hazardous waste Control (SPO document number: RA012) which has been ratified on 04-01-2012, that hazardous waste must be stored at hazardous storage.

There is not enough evidence that the company has carried out waste management in accordance with the SOP owned.

This is a **non-conformance NC.2017.06 with minor raised to major category.**

|              |  |  |
|--------------|--|--|
| 5.3.3        | Status: Non-conformance NC.2017.06 with minor raised to major category   |  |
| 5.4          | <b>Efficiency of fossil fuel use and the use of renewable energy is optimised.</b>   |  |
| 5.4.1        | <p>Based on field visits, it is known that the company has used shells and fiber for fuel in an effort to reduce the use of fossil fuels. The usage is as follows:</p> <ul style="list-style-type: none"> <li>- May 2018: FFB was processed 23,262 MT, fiber usage was 3,489 MT, shell usage was 1,395 MT. Total renewable energy usage was 0.432 MT / ton FFB.</li> <li>- June 2018: FFB was processed 12.124 MT, fiber usage was 3.018 MT, shell usage was 1.207 MT, and total renewable energy was 0.429 MT / ton FFB.</li> </ul> <p>The Certification Unit can show fossil fuel use (solar) documents for the period June to June 2018. For example:</p> <ul style="list-style-type: none"> <li>- May 2018: FFB was processed 23,262 MT, fossil usage was 977 liters.</li> <li>- June 2018: FFB processed was 20.124 MT, fossil usage was 1.509 liters.</li> </ul> <p>The Certification Unit can show renewable energy efficiency documents (kwh) for the period June to June 2018. For example:</p> <ul style="list-style-type: none"> <li>- May 2018: FFB processed was 23,262 MT, kWh Turbine 493. kWh Turbine per FFB 0.02</li> <li>- June 2018: FFB was processed 20.124 MT, kWh Turbine 468. kWh Turbine per FFB 0.03</li> </ul> |  |
|              | Status: Comply   |  |
| 5.5          | <b>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.</b>   |  |
| 5.5.1; 5.5.2 | <p>Company policy regarding zero burning during land clearing were presented in document of procedure No. 110 / EST-ARM / 13 Chapter 4 about land preparation and No. 724 / TQEM-SPMS / 09 point 5.7.2 about zero burning technique which mentioned that land clearing should be carried out by mechanics and zero burning methods (ex. Push felled, chipping, stacking, etc.).</p> <p>Based on letter of agreement with (SPK) review for replanting works with contractor namely PT Central Pratama Property, it was mentioned that the land clearing in Angsana Estate was carried out through a zero burning method.</p> <p>Based on field observation at Gunung Sari Estate at replanting area, it is known that replanting programs using manual handling such as chipping. The basis, based on the fire incident report (Semester 1 2018), was not a fire incident at PT LSI area.</p>   |  |
|              | Status: Comply   |  |
| 5.6          | <b>Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.</b>  |  |
| 5.6.1; 5.6.2 | <p>The company has recorded all pollution activities / GHG emissions in the identification of pollution sources / GHG emissions documents. The identification of lists of pollution activities includes land clearing, fertilization and spraying, diesel fuel use, transportation, FFB processing, POME etc.</p> <p>The results of document verification and field visits, it is known that the company has made efforts to reduce GHG emissions, such as:</p> <ul style="list-style-type: none"> <li>- The use of fiber and boiler fuel shells.</li> <li>- Utilization of waste water for Land applications.</li> <li>- Utilization of EFB for composting.</li> <li>- Monitoring the physical condition of the WWTP and recorded performance The volume of waste water that is applied.</li> </ul> <p>Based on field visit and justification from management, it is know that an increase of GHG emission. It cause of there are immature plant and replanting at Angsana Estate and Gunung Sari Estate (585.29 Ha).</p>   |  |

**5.6.3**

The company has calculated GHG emissions using the Palm GHG calculator version 3.01. Summary of GHG emission for Angsana POM are listed as follows :

**Summary of Emissions**

| Description | tCO <sub>2</sub> e/tProduct |
|-------------|-----------------------------|
| CPO         | 0.51                        |
| PK          | 0.51                        |

|     |       |
|-----|-------|
|     |       |
| OER | 21.87 |
| KER | 4.72  |

| Land Use                | Ha        |
|-------------------------|-----------|
| OP Planted Area         | 15,151.19 |
| OP Planted on peat      | 0         |
| Conservation (forested) | 179.13    |

| Production                                      | t/yr       |
|---|------------|
| FFB Processed<br>(Own plantation + Third Party) | 266,236.61 |
| CPO Produced                                    | 58,225.97  |

**Summary of Plantation/field emissions and sink**

| Description                              | Own                |                       |                         | Group              |                       |                         | 3 <sup>rd</sup> Party |                       |                         | Total            |
|--|--------------------|-----------------------|-------------------------|--------------------|-----------------------|-------------------------|-----------------------|-----------------------|-------------------------|------------------|
|  | tCO <sub>2</sub> e | tCO <sub>2</sub> e/ha | tCO <sub>2</sub> e/tFFB | tCO <sub>2</sub> e | tCO <sub>2</sub> e/ha | tCO <sub>2</sub> e/tFFB | tCO <sub>2</sub> e    | tCO <sub>2</sub> e/ha | tCO <sub>2</sub> e/tFFB |                  |
| Land conversion                          | 87605.94           | 6.09                  | 0.41                    | 0                  | 0                     | 0                       | 0                     | 0                     | 0                       | 177405.77        |
| CO <sub>2</sub> emission from fertilizer | 11717.05           | 0.71                  | 0.05                    | 0                  | 0                     | 0                       | 0                     | 0                     | 0                       | 7407             |
| N <sub>2</sub> O emission                | 5867.87            | 0.33                  | 0.02                    | 0                  | 0                     | 0                       | 0                     | 0                     | 0                       | 51055.4          |
| Fuel consumption                         | 3197.04            | 0.21                  | 0.01                    | 0                  | 0                     | 0                       | 0                     | 0                     | 0                       | 1977.37          |
| Peat Oxidation                           | 0                  | 0                     | 0                       | 0                  | 0                     | 0                       | 0                     | 0                     | 0                       | 288894.25        |
| Crop sequestration                       | -                  | -9.36                 | -0.63                   | 0                  | 0                     | 0                       | 0                     | 0                     | 0                       | -10391.64        |
| Sequestration in conservation area       | -1573.33           | -0.1                  | -0.01                   | 0                  | 0                     | 0                       | 0                     | 0                     | 0                       | -2452.29         |
| <b>Total</b>                             | <b>-10372.61</b>   | <b>-2.13</b>          | <b>-0.14</b>            | <b>0</b>           | <b>0</b>              | <b>0</b>                | <b>0</b>              | <b>0</b>              | <b>0</b>                | <b>420459.85</b> |

**Summary of Mill emission and credits.**

| Description                                     | tCO2            | tCO2e/tFFB  |
|---|-----------------|-------------|
| POME  | 34375.87        | 0.18        |
| Fuel Consumption                                | 1194.12         | 0.01        |
| Grid Electricity Utilization                    | 0               | 0           |
| Exports of Excess Electricity to Housing & Grid | 0               | 0           |
| Sale of PKS                                     | 0               | 0           |
| Sale of EFB                                     | 0               | 0           |
| <b>Total</b>                                    | <b>35569.99</b> | <b>0.19</b> |

**Palm Oil Mill Effluent (POME) Treatment**

|                                 |       |
|---------------------------------|-------|
| Diverted to compost             | 0 %   |
| Diverted to anaerobic digestion | 100 % |

**POME Diverted to Anaerobic Digestion**

|  |       |
|--|-------|
| Diverted to anaerobic pond                           | 100 % |
| Diverted to methane capture (flaring)                | 0 %   |
| Diverted to methane capture (electricity generation) | 0 %   |

**Palm GHG Calculation Options Using Apply Full Version**

CH has conducted GHG emission calculations period 2017 make use of Calculator Palm GHG version 3.0.1. Accurate data has been put into the RSPO PalmGHG Calculator (Palm GHG version 3.0.1) and has been verified. Summary of net GHG emissions from PalmGHG calculator of the audit report which calculation option is applied full Version for the reporting.

**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; 6.1.3; 6.1.4 & 6.1.5.**

The Certificate Holder has document of Social Impact Assessment. The assessment process was done on November 2009 and the scope of study are impact of plantation and mill operation to workers and community adjacent of plantation area. The assessment and reported was carry out by POLLITO Consultant on November 2009. These document was explained of negative and positive impact of plantation and mill operation to social aspect and the recommendation for negative impact reduction and increasing of positive impact. There was showed also the minutes meeting of consultation process with community surround. The evidence was consist of Attendant List of village member on Focus Group Discussion as phase of data gathering for Social Impact Assessment Report. The Certificate Holder also has document of Social and Environment Impact of Replanting period 2015 till 2018 in Angsana Estate and (133.16 Ha) and Period of 2016 till 2019 in Gunung Sari Estate (529.17 Ha). The assessment process was done by AKSENTA Consultant and aim to knowing of environment and social impact of replanting.

Document for Semester 1 RKL / RPL Implementation Report for 2018. The document has explained the social impacts



monitored and managed, including: Public Concerns & impact of replanting. The certificate holder showed the recapitulation of socio-economic questionnaire for period 2017 by conducting interviews and giving questionnaires to the Sebamban Baru Village Community, Bayansari, Banjarsari, Purwodadi and Pantai Bonati Village. The conclusion is public unrest over coal mining in PT LSI & PT SHE plantations, based on surveys 70% of respondents thought there will be reduction of workers. To anticipate public anxiety about the existence of coal mining, it can be ascertained that the company will not make workers reduction. Addition of workers for harvest will be allocated for maintenance or work at the new replanting.

**Status: Comply**

### 6.2

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

#### 6.2.1

The company maintains the communication with affected stakeholders is listed in company's stakeholders. Communication and consultation mechanism have been done accordance with SOP of Information Request (SOP-02) owned by the company. The SOP is developed by involving affected people and parties. There is an evidence of people participation in SOP of communication and External Complaint Handling; there is approval letter from the people signed by their representative who attended SOP socialization activity.

#### 6.2.2

Based on SOP of Information Request (SOP-02) states that the consultation and communication officer and also aspiration and external complaint officer assigned to Manager of Unit or chief of administration (KTU) or Administration Section Head. On this document, there is information according that doing social cooperation and local authority, maintaining good relation between concerned parties and its particular company to support company program.

#### 6.2.3

The results of the public consultation with government agencies, village secretary Sebamban Baru Village, Angsana Village, and Bayansari village. Verification is done through direct communication and the results of the public consultation said that there is no change in management. Information Record noted in External Communications Logbook. In the logbook there is no information request since the re-certification audit was done, there is only a proposal of aid by the villagers to the company.

**Status: Comply**

### 6.3

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

#### 6.3.1

The Certificate Holder has system for dealing the dispute and complaint received. These system was refer to. SOP for Handling of Employee Complaints (006/LSI-PKK /14) dated 1 January 2014; SOP for Community Complaints Handling (005 / LSI-PKK / 14) dated 1 January 2014; SOP Communication /Community Consulting, No. Policy: 704 / TQEM-ESH / 10, 3 April 2012. The procedure of Communication /Community Consulting was explained that the company will protect the whistleblower and there are no sanction for them. When the cases did not handled enough in estate unit, the cases will continue to next level of management, including to jurisdiction level or another way (including RSPO Grievance), based on the agreement each parties. These procedure was completed with flow chart of Form of Complaint Handling Data. Based on interview with head of Bayansari Village it's known that the stakeholders known mechanism to complaint.

#### 6.3.2

Based on the Complaint Book in two estate sampling (Gunung Sari & KKPA 1 Estate), it is known that during 2017 to September 2018 there are only complaints related to housing facilities, such as the repair of housing facilities of employees and have been followed up by the company. Based on Result of stakeholder consultation with Head of Village, Informal Leader and the communities/smallholders in Banjarsari and Sebamban Lama Village there are a complaint from bayansari village related to land, the complaint presented by stakeholder was delivered and acknowledged by management, but until now the management has not found a new replacement land.

**Status: Comply**

### 6.4

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



**their own representative institutions.**

**6.4.1; 6.4.2 & 6.4.3.**

Occupational Land Acquisition Procedure (No. 343 / PSD-OKUP / 10), is through the stages of negotiation between the company and the party claiming the land by Manager Plantation Services Region and Manager Estate and witnessed by village officials or relevant stakeholders.

The mapping process of land that has been compensated was carried out in the early opening of the plantation and at the time of HCV Identification and Social Impact Assessment, mapping was also an activity carried out by the POLLITO Consultant team and attached to both reports. Based on interviews with Bayansari Village Head, Angsana Village Secretary, and Sembanban Baru Village Secretary, it is known there is no issues of land conflict among the Certificate Holder with another party in surround of plantation area. The compensation area has been compensated.

Based on interview with villagers (Bayansari, Angsana and Sembanban) & document review, There is no new land acquisition process.

**Status: Comply**

**6.5**

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

**6.5.1**

Employee wages are set by decree of the Governor of Kalimantan Selatan No. 188.44/0492/KUM/2017 date 27 October 2017. Wages set appropriate and / or higher than the provisions UMK Payment of employee wages carried out through the mechanism of transfer account (bank transfer) and also through cash. Wages payment evidence is presented in the form of payroll report/paycheck, informing: numbers, employee number, name, tax status, workdays, income (basic, premiums, overtime, allowances, etc., premium harvest, gross wages), deduction (Insurance/BPJS, tax/PPH21, total deduction, etc.), net wages, wages paid and sign the receipt.

Based on the payroll document for Permanent Monthly Worker and Contract Worker for example the period of July 2018 known that the company has been paid the wages in accordance with applicable regulations. It has been verified through interviews with employees. Based on Interview with local contractor (PT Ho Sarana ) Known that contractors workers get salary above the minimum wage for Tanah Bumbu regency, In addition employees are included in insurance (BPJS Kesehatan and Ketenagakerjaan)

**6.5.2**

The Company manages the rights and obligations of employees in the company regulations of 2017-2019 period. It covers the remuneration, working hours, deduction, overtime, illness, holiday rights, reasons for dismissal, period of notice of termination. Company regulations has been explained and socialized by labor unions, last time socialized on 13 January 2018.

Based on the study results of the employees' wages list and interviews with spraying and harvesting employees in residential of Gunung Sari Estate, Angsana POM and KKPA-1, it is known that during this time there was never any difference in the calculation of wages for all employees, the current basic wage granted in accordance with applicable regulations. The results of the public consultation with Labor, Social and Transmigration Agency of Tanah Bumbu District also stated that there are no negative issues related to circuitry wages. Based on interviews with harvest workers, it is known that employees know their rights and obligations.

**6.5.3**

The company has been providing infrastructure and facilities to employees in each management unit. Based on the results of field visits in division 1 emplacement of Gunung Sari Estate, emplacement of Angsana POM, emplacement of KKPA-1, the workers' housing arranged neatly and inhabitable. Electricity comes from generators provided by the company and for Angsana POM emplacement, electricity comes from mill. The company also provides clean water source for Gunung Sari estate and KKPA-1 from reservoir and jet pump, and for Angsana POM housing from mill. The water is clean and can be consumed, but employees also provide bottled water for daily consumption. based on the results of field visits and interviews with employees at the KKPA-1 housing and Gunung Sari Housing, the house is known to be adequate and one house is filled by one family. except for single employees.

Angsana POM and Angsana Estate have a Polyclinic as a health BPJS-1. In KKPA-1 available auxiliary clinic residing in housing. At the auxiliary clinic there is one nurse who has attended *hyperkes* training. There are also stock of medicines. If the patient who goes to the clinic cannot be treated, it will be referred to the Polyclinic residing in Angsana POM housing. The travel time from the clinic to the polyclinic ranges from 30-45 minutes.

The company also provides a kindergarten, elementary School, Junior High School and school bus for the children's education facilities. For other facilities the company also provides Daycare (TPA), religion facilities such as mosques and for employees of other faiths, the company provides a shuttle to their respective places of worship.

### 6.5.4

Based on the results of field visits in division 1 emplacement of Gunung Sari Estate, emplacement of Angsana POM, and emplacement of KKPA-1, it is known that employees can get food easily. There are food sellers around the residential every day. In the housing there are also groceries sell food and bottled water. The Company has also provided support in the form of rice every month to the workers and dependents.

**Status: Comply**

### 6.6

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

#### 6.6.1

The Company is committed to being a responsible company in terms of giving freedom to unionize to employees at the mill and estates. This commitment is implemented in:

- Social Policy which was approved by the Head of Upstream Indonesian plantation, dated December 2011, one of the points mentioned in, namely: every employee is given the freedom of association, assembly and express their aspiration which not contrary to the company' rules and the employees has rights to form unions.
- Document of Code of conduct No. 440 / HRM-COC / 07 in business ethics and company' commitment that give employees an opportunity to express their opinions and aspirations

Implementation of policy among others, with the establishment of independent union labor by the employees in each unit, for example labor union for Angsana POM registered in labor agency with Register No.: no.565/307/HI/Naker dated 30 May 2017 and for Angsana Estate registered in labor agency with Register No.: SPMASE-DepnakerTanbu/001/III/2014/s dated 17 March 2014 and Register No.: no.565/393/HI/Naker dated 04 July 2017. The policy was written in a language understood by employees (bahasa). Based on Interview with Labor Union known that CH not intervention to the election of workers representative in bipartite.

#### 6.6.2

Union labor of company documented every meeting with the management to discuss employment issues, for example a meeting Independent Workers Union (SPM) in Gunung Sari Estate Minutes of Meeting dated May 28, 2018 with the agenda of discussion on Submission of Problems in the garden related to the planned eviction of the cottage, discussion of financial statements and management of SPM funds, attended by 18 members.

PK - SBSI Angsana Factory PT LSI dated 12 September 2018 was attended by 7 members with the topic of discussion regarding employee Premiums. The points discussed are proposing changes in premiums that have gone back to overtime calculations, because the premium system is in fact which does not refer to the Minister of Manpower and Transmigration 102 / Men / VI / 2009. The decision from the waiting awaits the results of the HRM manager's meeting with the CEO.

**Status: Comply**

### 6.7

**Children are not employed or exploited.**

#### 6.7.1

The Company has policies:

- Social policy stating that Upstream Indonesian plantation not allowed to forced labor or minors workers (children). This policy was approved by the Head plantation Upstream Indonesia on December 2011
- Recruitment of new employee procedure, issued date July 10, 2009, clausal of general policy described that the age of

the employee upon receipt must be at least 18 years old and not more than 40 years old.

Based on the document review of the August 2018 employee list of Angsana POM, Gunung Sari Estate and KKPA-1, in which there is information about the place, date of birth and date of joining the company. In the document there are no workers under the age of 18 years.

Interviews with the workers' representatives in the division 1 emplacement of Gunung Sari Estate, emplacement of Angsana POM, emplacement of KKPA-1, spray workers in H20/21 Gunung Sari Estate, it is known that workers are aware of the policy of applying the age of workers. Workers also stated that the company does not employ children under 18 years of age.

Status: Comply

## 6.8

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

### 6.8.1

The company has had a social policy that was approved by the Head Plantation Upstream Indonesia in December 2011. Several things are designated as the company's commitment, one of which is the fair treatment of all staff in matters relating to recruitment, promotions, restriction and working conditions without regard to personal issues such as race, degrees, ethnicity, gender, skin color, physical, organizational membership, political views, religion or age. The policy has been socialized to staff, employees, contract workers, internship / OJT and contractors PT LSI and PT SHE on January 6, 2018 and 13 January 2018

Interviews with representatives of workers in in the division 1 emplacement of Gunung Sari Estate, emplacement of Angsana POM, emplacement of KKPA-1, spray workers in Block H20/21 Gunung Sari Estate it is known that workers are aware of anti-discrimination policies. Workers also state that the company does not practice discriminatory practices.

### 6.8.2

Based on the results of the document review on the August 2018 employee list of Angsana POM, Angsana Estate and KKPA-1, in which there is information on the areas of origin of workers, religion, sex, and others. In the document is known that workers come from different areas such as, North Sumatra, Java, Kalimantan, Riau, and others. Workers also consist of several different religions, such as Islam and Christianity. The company also does not distinguish between the rights of female and male workers. The rights granted as workers are equal. For the recruitment and appointment process, the company conducts an assessment of the worker, so that the assessment is objective and there are no discriminatory practices.

Interviews with representatives of workers in in the division 1 emplacement of Gunung Sari Estate, emplacement of Angsana POM, emplacement of KKPA-1, spray workers in Block H20/21 Gunung Sari Estate it is known that workers are aware of anti-discrimination policies. Workers also state that the company does not practice discriminatory practices.

### 6.8.3

Document record of employees recruitment stored in each unit of the mill and estate. Its record Contain of application files, recruitment process document (test result) and medical examination record. The company has SOPs for recruitment number 431 / HRM-RCT / 07 dated 24 May 2007 and SOP Recruitment Dated 1 January 2014. The scope of SOP is the recruitment of permanent workers for non-staff as well as staff of headquarters offices and operations staff of mill and estate. Stages of acceptance among others filling in the form labor requirements, then RTD staff check the form, manager RTD verifying man power planning, staff RTD search for candidates according to the qualifications required of existing databases and conduct the selection process if they have to look for new candidates, examination health, signing of the contract and the handover to the relevant departments. Based on document review known that CH hase a new recruitment in 2017 with contract employee status that is valid until 2019. employee determination is based on the employee's skill for work in the loading ramp.

Status: Comply

## 6.9

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

### 6.9.1

The Company has a commitment to be a responsible corporate to protect women workers from sexual harassment treatment and actions. This commitment stated in the gender policy approved by the Head Plantation Upstream Indonesia in April 2011,

written in bahasa. The Company already has a gender committee with members available in each management unit. Based on the results of interviews with the board of the gender committee, it is known that the committee of gender committee has been active in the activities of orphan's donations, immunization activities, religious events and socialization on job security for female workers, especially for women who work on chemicals. In accordance with the prevention policy of pregnant and lactating women to handle pesticides, available in SOP Block Spraying System (no.SOP03 / BSS / SAP / 2016, April 1, 2016) stating children, pregnant or lactating and unhealthy women, not allowed to work (in this case, working as a spraying officer), the company has implemented the policy.

Interviews with representatives of workers in in the division 1 emplacement of Gunung Sari Estate, emplacement of Angsana POM, emplacement of KKPA-1, spray workers in block H20/21, of Gunung Sari Estate it is known that pregnant and lactating female workers that working on chemicals, will be transferred to light work and not related to chemicals.

### 6.9.2

Sighted document of "peraturan perusahaan" of PT LSI and PT SHE 2017-2019 period, mentioned:

- Any women worker who works in the field is in menstruate period will be given a leave (H1) for a maximum of two consecutive days in each month.
- Each women worker is given maternity leave (H2) during the 45 calendar days prior to giving birth and 45 calendar days of post-partum.

The Company also has a Pregnancy Inspection Procedure no.004 / DR-SOP / IV / Pase / 2014 by dr. Nur Hasanah, ASE Central Clinic PT LSI. In the document states that the examination for pregnant women is done through physical examination for pregnant women and pregnancy test (PP test) through urine. The policy is used to detect pregnancy in female workers. It becomes very important for women workers who work with chemicals.

Interviews with representatives of workers in in the division 1 emplacement of Gunung Sari Estate, emplacement of Angsana POM, emplacement of KKPA-1, spray workers in block H20/H21 Gunung Sari estate it is known that workers already know and understand the policies. So far, the company has implemented the policy.

### 6.9.3

Special employee grievance handling mechanisms contained in the Guidelines of Gender Policy Implementation of Minamas Plantation No. Policy 301/SNP-ENV-03/11. Based on Interviews with representatives of workers in in the division 1 emplacement of Gunung Sari Estate, emplacement of Angsana POM, emplacement of KKPA-1, spray workers in block H20/H21 Gunung Sari estate it is known that there has been no sexual assault, sexual harassment and domestic violence that occurred in the company area. However, if this happens, the workers is aware of the procedure for submitting the complaint.

Based on interviews with gender committee in Angsana Estate and Angsana POM, as well as members of the KKPA-1 gender committee, it is known that there has never been any complaint related to sexual immorality, sexual harassment and domestic violence. So that the activities of gender committees have only recently ranged from immunization activities, education about policies relating to the protection of reproductive rights, gender equality, health and safety and religious activities.

|                       |
|-----------------------|
| <b>Status: Comply</b> |
|-----------------------|

### 6.10

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

##### **6.10.1; 6.10.2; 6.10.3; & 6.10.4.**

During Surveillance 1.2 RSPO, all of the FFB supplied to Angsana POM was supplied from two own estate consist of Angsana & Gunungsari Estate (under manage of PT Ladangrumpun Suburabadi), Pantai Bonati Estate and KKPA 1 & 4 Estate (under manage of PT Sajang Heulang, under the same holding of Minamas Plantation and was certified) and KKPA 5.

Based on data verification, its known that pricing mechanisms for FFB from KKPA is according with Plantation Departmen of Tanah Bumbu District Province of South Borneo (No. 525/3604/PS-3/X/2018). Beside that, The company has made payments in accordance with the FFB pricing set by the government. The company shows evidence of FFB payment for the Plasma (August 2018) with a profit sharing system through BRI Bank in the amount of IDR 26,470,631,255.

The company does not accept FFB from outside, but there are contractors for other activities such as:

- Work agreement with number 030 / KKPA-1 / SPK-LKL / II / 17 between KKPA 1 and contractor for transporting FFB from plantations to ASF. Time period is valid from January 1<sup>st</sup>, 2018 – March 29<sup>th</sup>, 2018. There is payment for contractor on March 2018 through checking account and bank voucher number GGE863732 amount to IDR 15,503,796.

Based on interview with CPO & PK Transport (PT Ho Sarana Lestari) the payment has been made in a timely manner and there is no delays

**Status: Comply**

### 6.11

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

##### 6.11.1

The certificate holder shows social work plan period 2018-2019 for Sembanban Baru Village, Bayansari Village, Angsana Village, Karang Indah Village with details below:

- ✓ Rice assistance for the elderly as much as 1,200 kg for each village.
- ✓ Village development assistance IDR 650,000 for each village.
- ✓ Assistance for "Idul Qurban" every one cow per village.
- ✓ Assistance for Independence Day of Republic of Indonesia as much as IDR 500,000 for each village.

Non-routine program.

- ✓ Village development.
- ✓ Religious.
- ✓ Health.
- ✓ Social and cultural.

The company shows external communication documents including assistance such as:

- ✓ Heavy equipment loans on August 18, 2018 for Purwodadi Village.
- ✓ Heavy equipment loans on 29 July 2018 for Bayansari Village.
- ✓ Heavy equipment loans on July 24, 2018 for Angsana Village.
- ✓ Rice assistance for the elderly amounted to IDR 19,771,500 is located in Angsana District, Banjarsari Village and Purwodadi Village in December 2017, January and June 2018.
- ✓ And others.

##### 6.11.2.

The Certificate holder showed a cooperation agreement between the Tuwuh Sari Village Cooperative and PT Sajang Heulang on January 5<sup>th</sup>, 2000. Both parties agreed to make and sign a cooperation agreement in the Framework of Processing and Maintenance of smallholders (KKPA) which is located in Satui District, Kotabaru Sub-district, and South Kalimantan Province with a total area of 4000 ha. The company has a list of members of smallholders farmers for KKPA-4, consists of 1372 farmers and KKPA-1 2424 farmers (land area of 3864 ha).

The company has given CSR in form of village development as much as IDR 650,000,- every village and based on interview with villagers, they have been agreement for plantation development, maintenance, FFB harvesting, Marketing FFB, admintration training, management and teknis for plantations.

**Status: Comply**

### 6.12

#### No forms of forced or trafficked labour are used.

##### 6.12.1

Listed in the social policy approved by Head Plantation Upstream Indonesia December 2011, in section 5 mentioned that Plantation Upstream Indonesia is not allowed to use forced labor or labor under age. All data related to the selection of initial recruitment, saved in the office area and some copies (copy) recorded in each unit respectively. Companies can also show the work agreement signed by both parties to prove that the workers are employed in accordance with the agreement of both parties. Each worker has a copy of the employment agreement. In the work agreement there is no statement that the worker will be charged when an employee resigns before the contract ended.

The result of Public Consultation with Tanah Bumbu Social and Labour Agency, there is no migrant workers and forced labor



identified in the company. Based on the result of a worker's statement, it is known that the workers are hired based on their ability and selection results. On the field practice, there are no issues of discrimination and forced labor. The workers are not forced to work outside of the work hours and there no limit of the communication between the workers and others party. The Company has also prohibited workers from bringing family members who are not employees of the company. Both companies and workers have applied it. Based on Public Consultation with Tanah Bumbu Social and Labour Agency, that knowed there is no migrant workers and forced labor identified in the company. Based on the result of a worker's statement, it is known that the workers are hired based on their ability and selection results. On the field practice, there are no issues of discrimination, forced labor and illegal workers.

#### 6.12.2

New recruitment is known that the recruitment system in PT LSI and PT SHE done according to the needs of the company. Applicants will be selected in advance through a medical examination at the Clinic and file selection (Identity Card and Family Card). Stages recruitment activities include: planning, publication, selection and administration, interviews, medical tests, signing of agreements, as well as placement.

#### 6.12.3

Based on the research document on the list of employees in August 2018 and an explanation of Manager Units, it is known that there are no migrant workers. All the workers come from within the country, apart from the villages around the plantation area, they also came from other provinces, among others: Sumatera Utara, Jawa, Kalimantan, Riau and others. The result of Public Consultation with Tanah Bumbu Social and Labour Agency, there is no migrant / foreign workers and forced labor issues in the company are not identified.

Status: Comply

### 6.13

#### Growers and millers respect human rights

#### 6.13.1

Matters related to the protection of human rights described in the company's social policy which has been endorsed by the plantation upstream in 2011, among others:

- Prohibition of the discrimination based on race, degrees, ethnicity, gender, skin color, physical (defective/imperfect) , a membership organization, political views, religious and/or age
- Prohibition of sexual harassment, violence against women and protect the rights of reproduction for female workers
- Freedom of association
- Prohibition of forced labor and labor under age

Based on interviews with representatives of workers in in the division 1 emplacement of Gunung Sari Estate, emplacement of Angsana POM, emplacement of KKPA-1, spray workers in Block H20/H21 Gunung Sari Estate it is known that employees have understood and know related to human rights policy. There were no cases of human rights violations until the activities took place.

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; 7.1.2; 7.1.3

There was no new planting on the Gunung Sari Estate, Angsana Estate, Pantai Bonati Estate and KKPA-1. While, in KKPA-4 Estate there was a new planting of 64.83 Ha after November 2005.

The Certification Unit already has environmental management and monitoring documents for all estate units (see indicator 5.1.2 and 5.1.3).

Status: Comply

|   |   |
|---|---|
| 7.2   | <b>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.</b>   |
| 7.2.1;7.2.2                                 | <p>There was no new planting on the Gunung Sari Estate, Angsana Estate, Pantai Bonati Estate and KKPA-1. While, in KKPA-4 Estate there was new planting of 64.83 Ha after November 2005.</p> <p>Soil information and management strategies including replanting described indicator 4.3</p>   |
|   | Status: Comply  |
| 7.3   | <b>New plantings since November 2005, have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values.</b>  |
| 7.3.1; 7.3.2; 7.3.3; 7.3.4; 7.3.5           | <p>Based on the statement of the KKPA-4 area, identified new plantings since after November, 2005 on KKPA-4 (December 2006) area of 65 ha. Meanwhile, Sime Darby is the Phase 1 (2014) and Phase 2 (2015) of the RSPO Land Use Change Analysis (LUCA).</p> <p>The Company has already meeting with the RSPO to discuss LUCA. The result of the meeting, in order for the company to create and submit the LUCA timeline for all the affected. The Company already has a LUCA submission timeline. For PT LSI will submission on September 2017 and PT SHE June 2017.</p> <p>Based on email between CH and RSPO, it is know that LUCA was already send. But RSPO, but is still constrained by the review conducted by RSPO (waiting for the LUCA review from the reviewer). This indicator will be observe for next assessment (OFI)".</p> |
|   | Status: Comply  |
| 7.4   | <b>Extensive planting on steep terrain, and/or on marginal and fragile soils, is avoided.</b>   |
| 7.4.1;7.4.2                                 | <p>The CH has information of soil properties which derived from semi detail soil survey report, conducted by MRC team in February 2016 and 2012, respectively. The report informed that there were no presence of peat soil and fragile soils within PT LSI and PT SHE operational areas. Main limitation of soil properties for oil palm cultivation were due to low fertility, soil drainage properties and soil erosion.</p>   |
|   | Status: Comply  |
| 7.5   | <b>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.</b>   |
| 7.5.1.                                      | <p>During Surveillance 1.2 RSPO, PT Ladangrumpun Suburabadi has not carried out plantation expansion or land opening. There is replanting activities at Angsana Estate have been held since 2015 and at Gunung Sari Estate since 2016.</p>  |
|   | Status: Comply  |
| 7.6   | <b>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.</b>   |
| 7.6.1; 7.6.2; 7.6.3; 7.6.4; 7.6.5; & 7.6.6. | <p>During Surveillance 1.2 RSPO, PT Ladangrumpun Suburabadi has not carried out plantation expansion or land opening. There is replanting activities at Angsana Estate have been held since 2015 and at Gunung Sari Estate since 2016.</p>  |
|   | Status: Comply  |
| 7.7   | <b>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.</b>   |



|   |  |  |
|---|--|--|
| 7.7.1, 7.7.2  | Company policy regarding zero burning during land clearing were presented in document of procedure No. 110/EST-ARM/13 Chapter 4 about land preparation and No. 724/TQEM-SPMS/09 point 5.7.2 about zero burning technique which mentioned that land clearing should be conducted by mechanics and zero burning methods (ex. push felled, chipping, stacking, etc.). |  |
| <b>7.8</b><br><b>New plantation developments are designed to minimize net greenhouse gas emissions.</b>   |  |  |
| 7.8.1; 7.8.2  | Based on statement area of PT LSI, it is known was no new plantation developments after August 01, 2014.   |  |
| <b>PRINCIPLE #8 Commitment to continuous improvement in key areas of activity</b>   |  |  |
| <b>8.1</b><br><b>Growers and millers regularly monitor and review their activities and develop and implement action plans that allow demonstrable continuous improvement in key operations.</b>   |  |  |
| <b>8.1.</b><br>Based on field observation it could be concluded that in term of best management practices implementation, several new technology adoption for oil palm agronomy technique and agrochemicals application has noted as follows: <ul style="list-style-type: none"> <li>• Adopting mechanization for upkeep activities (EFB mulching, manuring and pesticide spraying).</li> <li>• Adopting C1R2 (1 Cutter, 1 Carrier and 1 Picker harvesting method in flat to undulating areas to enhance productivity).</li> </ul> <b>Internal Audit RSPO</b> <ul style="list-style-type: none"> <li>- PT Sajang Heulang's RSPO internal audit at KKPA-1 dated 12-13 September 2018 there are 5 non conformities, all nonconformities have been fulfilled dated 15 September 2018.</li> <li>- PT LSI's RSPO Internal Audit dated 3 - 12 September 2018 found 6 non conformities, all of which have been fulfilled on September 17, 2018.</li> <li>- PT LSI's RSPO Management Review dated 7 September 2018 contains the point management review, findings, action plan, PIC and Time Schedule that Mill ASF knows.</li> </ul> |  |  |
| <b>Status: Comply</b>   |  |  |

### 3.2 Summary of Assessment Report of Supply Chain Requirement

#### 3.2.1. General chain of custody requirements for the supply chain

| Clause       | Requirement   |
|--------------|---|
| <b>5.1</b>   | <b>Applicability of the general chain of custody requirements for the supply chain</b>  |
| <b>5.1.1</b> | <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>The certificate holder shows registration and reporting requirements for the appropriate supply chain through the organization that manages the RSPO supply chain with the following details:<br/> Sub License ID: CB60153.<br/> Member Name: Sime Darby Plantation – Angsana POM – PT LSI.<br/> Member ID: RSPO_PO1000000325<br/> RSPO Membership Number: 1-0008-04-000-00 (Sime Darby Plantation Berhad).</p> <p>Transportation service agreement with number 016 / Transportation Services / LSI-HSL / 2012 between the Company and PT HO Sarana Lestari located at Palajau Street, Tanah Bumbu Regency, South Kalimantan Province. The third party in charge of providing the transport services to take and send a palm oil from Angsana Factory to PT Smart - Tarjun. The term of the agreement is from October 23<sup>rd</sup>, 2012 to September 30<sup>th</sup>, 2018.</p> |
|              | <b>Status: Comply</b>   |
| <b>5.1.2</b> | <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>The certificate holder does not buy product certified from RSPO licensed traders, every product of CPO &amp; PK is produced from own estate and sold to the buyer.</p>   |
|              | <b>Status: Comply</b>   |
| <b>5.1.3</b> | <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>The certificate holder shows registration and reporting requirements for the appropriate supply chain through the organization that manages the RSPO supply chain with the following details:<br/> Sub License ID: CB60153.<br/> Member Name: Sime Darby Plantation - Angsana POM - PT LSI.<br/> Member ID: RSPO_PO1000000325<br/> RSPO Membership Number: 1-0008-04-000-00 (Sime Darby Plantation Berhad).</p>   |
|              | <b>Status: Comply</b>   |
| <b>5.1.4</b> | <p>Processing aids do not need to be included within an organization's scope of certification.</p> <p>There is no processing aids in Angsana Factory.</p>   |
|              | <b>Status: Comply</b>   |
| <b>5.2</b>   | <b>Supply chain model</b>   |
| <b>5.2.1</b> |   |

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.

Angsana POM is certified palm oil mill which implement Identity Preserved using Module D-CPO Mill for its supply chain, because this Mill is received FFB's from certified sources only.

**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.

The Certificate Holder just use 1 module of supply chain such as Module D – Identity Preserved.

**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.

The certificate holder showed the manual document of RSPO SCCS with document number SCCS-std / RSPO / PSQM / 03 revised 02 the date of approval on May 11<sup>th</sup>, 2018 by Mill Manager ASF. This procedure describes the CPO Mills module: Identity Preserved.

According to point 5, the people in charge of the supply chain system are:

- Factory Manager: the mill manager is responsible for maintaining and storing all documents, records and notes of the raw material usage; verification of the product status to the vendee; holding proper SCCS training.
- Assistant of PSQM: checking the FFB quality and the raw materials as well as monitoring the product delivery and load/unload.
- Foreman/assistant of Lab: analyzing and testing the quality; maintaining and distributing the result of product and raw material analysis and test.
- Assistant/Senior Assistant/Manager of Bulking: Ensuring the transport of CPO and PK product from POM to bulking.
- Production clerk: recording the administration of the receipt certified FFB and the non-certified one.

Based on interview with office clerk, PSQM Assistant, and production clerk in Mill, they have been know related SCC Procedure.

**Status: Comply**

### 5.3.2

The site shall have a written procedure to conduct annual internal audit

In the RSPO SCCS Manual (RSPO Supply Chain Certification Standard) document No. SCCS-Std / RSPO / PSQM / 02 dated January 02<sup>nd</sup>, 2018 that's described if:

1. The unit must perform internal audits at least annually to ensure:
  - The organization has complied with the requirements of RSPO SCCS and RSPO Document Market Communication and Claim.
  - Effectiveness of implementation and maintenance of standards within the organization.
2. Internal audit is performed at least 2 (two) months prior to the external audit carried out. Non conformity that's founds during internal audits should be included in the issue of corrective action. Internal audit results and all corrective actions in correction should be included in the management review which is conducted at least annually.
3. Internal audits are scheduled and implemented by the PSQM department

The last internal audit activity was conducted on 3-12 September 2018 conducted by PSQM staff, with the results bellows:

- Major SCCS E.2.1 → Management ASF not yet showed production estimate for IP.
- Major COC 5.8.2 → Management ASF not yet conducted SCCS training for RSPO.

This has been Closed date on 13 & 15 September 2018 which is the CH showed production budget IP ASF for period Jul-Des

|  |                                |
|--|--------------------------------|
| 2018 and Jan-Des 2019 and has been showed re training SCCS to personnel ASF include Process Assistant.   |                                |
|  | <b>Status: Comply</b>          |
| <b>5.4</b>   | <b>Purchasing and goods in</b> |
| <b>5.4.1</b><br>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.  |                                |
| Angsana POM does not purchase RSPO certified oil palm products. Angsana POM is the producer of RSPO certified oil palm products.<br><br>Angsana Factory just use 1 module D – Identity Preserved. The sources of material input is comes From FFB certified (Angsana Estate, Gunung Sari Estate, Pantai Bonati Estate, KKPA 1, KKPA 4 and KKPA 5/ PT SHE (has been certified by RSPO)).  |                                |
|  | <b>Status: Comply</b>          |
| <b>5.4.2</b><br>The site shall have a mechanism in place for handling non-conforming oil palm products and/or documents  |                                |
| Based on document verification and field visit in Angsana POM to verify the process from FFB received in mill, CPO and PK produced, the Certificate Holder can demonstrate the process was related IP Module D. The administration of weight bridge has been know related FFB certified comes from 4 estate and 1 estate KKPA -5 (PT SHE). Angsana POM does not purchase RSPO certified oil palm products. Angsana POM is the producer of RSPO certified oil palm products.<br><br>Angsana Factory showed the Manual RSPO SCCS (RSPO Supply Chain Certification Standard) document No SCCS-Std/RSPO /PSQM/02 dated 02 January 2018 for the implementation on Mill. All elements of the applicable supply chain model specified within the procedure.   |                                |
|  | <b>Status: Comply</b>          |
| <b>5.5</b>   | <b>Outsourcing activities</b>  |
| <b>5.5.1</b><br>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.  |                                |
| In the RSPO SCCS Manual (RSPO Supply Chain Certification Standard) document No. SCCS-Std / RSPO / PSQM / 02 dated January 2 <sup>nd</sup> , 2018 point 4.5.3 it is explained that if the unit cooperates with CSPO / CSPK transport with third parties, the following: <ul style="list-style-type: none"> <li>• Third parties must guarantee no contamination of IP and MB products from other contaminants (CPO / PK certified or non-certified residue from outside Supplier), by: <ul style="list-style-type: none"> <li>- Provide a separate transport tool for transporting CSPO IP (commitment set forth in Agreement).</li> <li>- Wash transport tank and make sure the tank is completely clean every time it will carry CSPO IP / MB).</li> <li>- The security guard and the dispatch supervisor must verify the transport tank prior to charging, in a way that ensures all tank contents have been removed and the tank is completely empty.</li> <li>- After filling, the upper manhole is sealed and the bottom valve, and every expenditure hole exists.</li> <li>- The security guard must always verify the seal, and record the data in and out of the means of transportation in accordance with applicable procedures.</li> </ul> </li> </ul> |                                |
| After processed the FFB, facility only sell their certified product (CPO and PK) to the buyer directly. Angsana Factory only using contractor for transporting the CPO and Palm Kernel. Currently Angsana POM have procedure to ensure the certified material (CSPO and CSPK) not being mixed with non-certified product.  |                                |

Transportation service agreement with number 016 / Transportation Services / LSI-HSL / 2012 between the Company and PT HO Sarana Lestari located at Palajau Street, Tanah Bumbu Regency, South Kalimantan Province. The third party in charge of providing the transport services to take and send a palm oil from Angsana Factory to PT Smart - Tarjun. The term of the agreement is from October 23<sup>rd</sup>, 2012 to September 30<sup>th</sup>, 2018.

**Status: Comply**

### 5.5.2

Sites which include outsourcing within the scope of their RSPO Supply Chain certificate shall ensure the following:

- 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.
- d) 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

The certificate holder didn't use outsourcing. All product FFB is comes form own estate and PT SHE who has been certified product. The transporter only responsible for transporting to the buyer. The transporter contract has been explained indicator 5.1.1.

Transportation service agreement with number 016 / Transportation Services / LSI-HSL / 2012 between the Company and PT HO Sarana Lestari located at Palajau Street, Tanah Bumbu Regency, South Kalimantan Province. The third party in charge of providing the transport services to take and send a palm oil from Angsana Factory to PT Smart - Tarjun. The term of the agreement is from October 23<sup>rd</sup>, 2012 to September 30<sup>th</sup>, 2018.

**Status: Comply**

### 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.

Based on Document review the company has the name of contractors such :

#### CPO

- HO sarana Lestari number of transporter 016/Jasa Pengangkutan/LSI-HSL//2012 Located in District of Tanah Bumbu, Povince of South Borneo..

Name and contact detail of contractor has been listed in document of list of Contractor PT Ladangrumpun Suburabadi.

**Status: Comply**

### 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

Yes, this will be observed in the next surveillance.

**Status: Comply**

## 5.6

### Sales and goods out

#### 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

This matter has been listed in Weigh bridge ticket and FFB Letter such as:

#### CPO.

Dispatch with ticket number : 074370

Buyer : PT Golden Hope Nusantara  
 Transporter: CV Rizky Palembang Mandiri  
 Vehicle number: DA 8387ZD  
 Product: CPO Standard (MKS).  
 Net weight : 16,740 kg  
 Date: 18 September 2018.

- Member name : PT Golden Hope Nusantara
- Member ID: RSPO\_PO1000000829
- Category : Refinery

This weighbridge ticket has been mark with RSPO – **Identity Preserved**.

### CPO

Sales Contract with number 00389/LSI/KTR-MKS/LOK/II/2017 sold to PT Golden Hope Nusantara with quantity as much as 1,600,000 kg. Delivery period in December 2017 until January 2018 and number of DO is 000475/00389/12/17/L-LSI-MKS.

### PK

Sales contract with number 00235/LSI/KTR-IKS/LOK/II/2017 sold to PT Laguna Mandiri, with quantity as much as 500,000 kg, delivery period is December 2017. Delivery order number 00257/00235/12/17/L-LSI-IKS. Invoice number 00779/LSI/II/2018 date on 30 December 2017.

- Member name : PT Laguna Mandiri – Rantau Kernel Crushing Plant.
- Member ID: RSPO\_PO1000002787
- Category : Kernel Crushing Plant.

This sales contract has been mark with **RSPO Certified Identity Preserved**.

The company showed conventional trading which has been removed at Palm Trace Platform with volume sold/removed for CSPK is 5,636.6 MT and CSPO is 34,280.88 MT. The remaining volume for CSPK is 5,087.4 MT and for CSPO is 15,051.12 MT (Valid from 9 January 2018 until 8 November 2018).

|  |                       |
|--|-----------------------|
|  | <b>Status: Comply</b> |
|--|-----------------------|

## 5.7 Registration of transactions

### 5.7.1

Supply chain actors who:

- are mills, traders, crushers and refineries; and
- 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

The certificate holder shows registration and reporting requirements for the appropriate supply chain through the organization that manages the RSPO supply chain with the following details:

Sub License ID: CB60153.

Member Name: Sime Darby Plantation - Angsana POM - PT LSI.

Member ID: RSPO\_PO1000000325

RSPO Membership Number: 1-0008-04-000-00 (Sime Darby Plantation Berhad).

|  |                       |
|--|-----------------------|
|  | <b>Status: Comply</b> |
|--|-----------------------|

### 5.7.2

The involved supply chain actors mentioned in 5.7.1 shall do the following actions in the RSPO IT Platform:

- 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.

Angsana Factory is an FFB processing mill to produce CPO and PK. The sources of material input are FFB's only from the certified area. This Mill did not purchased CPO and/or PK from others.

| Transacti<br>on ID       | Shipping<br>Announ<br>cements | Transaction<br>on Date | Buyer<br>Reference<br>Number | Produc<br>t CSPO | Produ<br>ct CSPK | Volume<br>CSPO | Volume<br>CSPK | Model<br>supply<br>Chain | Buyer   |
|--------------------------|-------------------------------|------------------------|------------------------------|------------------|------------------|----------------|----------------|--------------------------|---|
| TR-<br>b119dadf-<br>8f4a | 10/08/20<br>17                |                        | P/GHN/0917<br>/CPO01878      | CSPO             | -                | 2,495.30       | 0              | IP                       | PT<br>Golden<br>Hope<br>Nusanta<br>ra                 |
| TR-<br>bceb76a0-<br>1f3b | 10/08/20<br>17                |                        | P/GHN/0817<br>/CPO01850      | CSPO             | -                | 2,505.51       | 0              | IP                       | PT<br>Golden<br>Hope<br>Nusanta<br>ra                 |
| TR-<br>f42e313a-<br>45d7 | 10/08/20<br>17                |                        | P/GHN/0817<br>/CPO01820      | CSPO             | -                | 1,998.03       | 0              | IP                       | PT<br>Golden<br>Hope<br>Nusanta<br>ra                 |
| TR-<br>82efd680-<br>a069 | 31/08/20<br>17                | -                      |                              | -                | CSPK             | 0              | 685.38         | IP                       | PT LMI<br>-<br>Rantau<br>Kernel<br>Crushin<br>g Plant |
| TR-<br>9b0ac486-<br>5b2f | 20/09/20<br>17                |                        | -                            | CSPO             | -                | 1,596.53       | 0              | IP                       | PT<br>Golden<br>Hope<br>Nusanta<br>ra                 |
| TR-<br>e83b8fb5-<br>dd37 | 20/09/20<br>17                |                        | -                            | CSPO             | -                | 1,495.42       | 0              | IP                       | PT<br>Golden<br>Hope<br>Nusanta<br>ra                 |
| TR-<br>04264665<br>-c85d | 30/09/20<br>17                | -                      |                              | -                | CSPK             | 0              | 316.55         | IP                       | PT LMI<br>-<br>Rantau<br>Kernel<br>Crushin<br>g Plant |
| TR-<br>173bfdab-<br>0ea7 | 29/10/20<br>17                | -                      | P/GHN/1017<br>/CPO01942      | CSPO             | -                | 1,995.72       | 0              | IP                       | PT<br>Golden<br>Hope<br>Nusanta<br>ra                 |



|                  |             |              |                     |      |      |          |        |    |                                       |
|------------------|-------------|--------------|---------------------|------|------|----------|--------|----|---------------------------------------|
| TR-d1274bf3-d009 | 29/10/2017  |              | P/GHN/1017/CPO01923 | CSPO | -    | 2,243.24 | 0      | IP | PT Golden Hope Nusantara              |
| TR-ad564aced995  | 29/10/2017  |              | P/GHN/0917/CPO01902 | CSPO | -    | 1,208.67 | 0      | IP | PT Golden Hope Nusantara              |
| TR-e539ced6-83fa | 31/10/2017  | -            |                     | -    | CSPK | 0        | 884.76 | IP | PT LMI – Rantau Kernel Crushing Plant |
| TR-066a3b30-e4da | 31/12/2017  | -            |                     | -    | CSPK | 0        | 292.28 | IP | PT LMI – Rantau Kernel Crushing Plant |
| TR-fe482f4f-400b | 09 jan 2018 | 25-Jan-18    | P/GHN/1117/CPO02006 | CSPO | -    | 2,491.36 | 0      | IP | PT Golden Hope Nusantara              |
| TR-29b08607-11e6 | 09 jan 2018 | 25-Jan-18    | P/GHN/1117/CPO02024 | CSPO | -    | 1,993.06 | 0      | IP | PT Golden Hope Nusantara              |
| TR-eeef2978-9454 | 31 jan 2018 | 1-Feb-18     | -                   | -    | CSPK | 0        | 494.13 | IP | PT LMI – Rantau Kernel Crushing Plant |
| TR-68d0d1c3-bb58 | 28 feb 2018 | 2 March 2018 | -                   | -    | CSPK | 0        | 327.48 | IP | PT LMI – Rantau Kernel Crushing Plant |
| TR-e9b5bc33-87f8 | 09 jan 2018 | 5-Apr-18     | P/GHN/1217/CPO02054 | CSPO | -    | 1,974.81 | 0      | IP | PT Golden Hope Nusantara              |
| TR-4a3b7969-9fba | 12 jan 2018 | 5-Apr-18     | P/GHN/1217/CPO02071 | CSPO | -    | 1,599.36 | 0      | IP | PT Golden Hope Nusantara              |

|                  |               |                |                     |      |      |          |        |    |                                       |
|------------------|---------------|----------------|---------------------|------|------|----------|--------|----|---------------------------------------|
| TR-65352932-23ac | 31 jan 2018   | 5-Apr-18       | P/GHN/0118/CPO02129 | CSPO | -    | 1,397.06 | 0      | IP | PT Golden Hope Nusantara              |
| TR-95016DF082F4  | 28 Feb 2018   | 5-Apr-18       | P/GHN/0218/CPO02176 | CSPO | -    | 1,498.98 | 0      | IP | PT Golden Hope Nusantara              |
| TR-9b99b352-30a4 | 30 april 2018 | 3 May 2018     | -                   | -    | CSPK | 0        | 502.66 | IP | PT LMI – Rantau Kernel Crushing Plant |
| TR-b6502c40-14cb | 28 Apr 2018   | 16 May 2018    | P/GHN/0418/CPO02294 | CSPO | -    | 1,986.98 | 0      | IP | PT Golden Hope Nusantara              |
| TR-25a13217-42a4 | 28 March 2018 | 24 May 2018    | P/GHN/0318/CPO02218 | CSPO | -    | 1,495.92 | 0      | IP | PT Golden Hope Nusantara              |
| TR-b5600839-ed34 | 31 Mei 2018   | 4-Jun-18       | -                   | -    | CSPK | 0        | 797.69 | IP | PT LMI – Rantau Kernel Crushing Plant |
| TR-c8622b60-62bc | 30 June 2018  | 3 July 2018    | -                   | -    | CSPK | 0        | 499.98 | IP | PT LMI – Rantau Kernel Crushing Plant |
| TR-1dfcee85-6ca3 | 31 July 2018  | 13 August 2018 | -                   | -    | CSPK | 0        | 299.5  | IP | PT LMI – Rantau Kernel Crushing Plant |
| TR-81e81fe6-b3e2 | 04 June 2018  | 15 August 2018 | P/GHN/0618/CPO02385 | CSPO | -    | 1,991.73 | 0      | IP | PT Golden Hope Nusantara              |
| TR-88d6520c-7c06 | 14 June 2018  | 15 August 2018 | P/GHN/0618/CPO02385 | CSPO | -    | 1,987.44 | 0      | IP | PT Golden Hope Nusantara              |
| TR-              | 14 July       | 15 August      | P/GHN/0618          | CSPO | -    | 197.11   | 0      | IP | PT                                    |

|                 |              |                |                      |      |   |                  |                 |    |                          |
|-----------------|--------------|----------------|----------------------|------|---|------------------|-----------------|----|--------------------------|
| be98f6f1-931a   | 2018         | 2018           | /CPO02393            |      |   |                  |                 |    | Golden Hope Nusantara    |
| TR-6fbd6f6-803e | 27 June 2018 | 15 August 2018 | P/GHN/0618 /CPO02400 | CSPO | - | 1,989.26         | 0               | IP | PT Golden Hope Nusantara |
| <b>Total</b>    |              |                |                      |      |   | <b>36,141.49</b> | <b>5,100.41</b> |    |                          |

The company showed conventional trading which has been removed at Palm Trace Platform with volume sold/removed for CSPK is 5,100.41 MT and CSPO is 36,141.49 MT.

The selling product in indicator 1.8.2 based on Data September 2017 until August 2018 (1 year). Data in COC 5.7.2 is data for certificate license of PT LSI. CSPO sold as RSPO Certified product is 36,141.49 MT, CSPK sold as RSPO certified Product is 5,100.41 MT, CSPO Sold as conventional is 10,043 MT and CSPK sold as conventional is 3,922.96 MT.

**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

The Certificate Holder showed program training for SCCS on period 2018-2019. The next program on September 2018. There is identification matrix program SCCS for Grading Tim, Office, Store operator, laboratories officer, security and Mill staff.

**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

The certificate holder shows SCCS training conducted on September 4<sup>th</sup>, 2018 is located in the ASF Meeting Room, participants who attend Staff & Mill Manager, PSQM Staff, Production Administration, dispatch operators, security, safety officers, laboratories, grading with total 22 employees (evidence of attendance documentation).

The company showed that the SCCS training conducted on May 30<sup>th</sup>, 2018 was located at the ASF Meeting Room, the participants who were present consisted of 14 participants (Mill manager, Staff, PSQM / ESH Staff, Security, safety officer and supervision / employees.

Based on interview with Security, office clerk, PSQM Assistant, and production clerk in Mill, they have been know related SCC Procedure.

**Status: Comply**

#### 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

In the RSPO SCCS Manual (RSPO Supply Chain Certification Standard) document No. SCCS-Std / RSPO / PSQM / 02 dated 02 January 2018 at Point 4.9 it is mentioned that:

- The organization shall maintain accurate, complete, up to date and properly accessible reports and records covering all aspects of this RSPO SCCS requirement.

- Retention times for all records are minimum 10 years for financial documents and minimum 2 years for the other than financial documents.

Auditor has verified the document in 2017, for example FFB weighbridge ticket.

**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

In the RSPO SCCS Manual (RSPO Supply Chain Certification Standard) document No. SCCS-Std / RSPO / PSQM / 02 dated 02 January 2018 at Point 4.9 it is mentioned that Retention times for all records are minimum 10 years for financial documents and minimum 2 years for the other than financial documents. Auditor has verified the document in 2017, for example FFB weighbridge ticket.

**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.

In the RSPO SCCS Manual (RSPO Supply Chain Certification Standard) document No. SCCS-Std / RSPO / PSQM / 02 dated 02 January 2018 at Point 4.9 it is mentioned 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.

| Products | Estimation of certified products period of 9 November 2017 until 8 November 2018 (MT) | Actual certified products for period September 2017 – August 2018 (MT) |
|----------|---|--|
| FFB      | 214,487   | 222,704.41   |
| CPO      | 49,332  | 47,767   |
| PK       | 10,724  | 10,200   |

There is FFB from other source (KKPA-5) as much as 40,023.47 tonnes/year and own estate is own estate is 182,680.94 tonnes/year. So the total actual certified volume on September 2017 until August 2018 for FFB is 222,704.41 tonnes/year; CPO Production is 47,767.13 tonnes/year and PK is 100,200.33 tonnes/year.

**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](http://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

In the RSPO SCCS Manual (RSPO Supply Chain Certification Standard) document No. SCCS-Std / RSPO / PSQM / 02 dated 02 January 2018 at Point 4.10 described if

- If available a conversion rate must be applied to provide a reliable estimate of the availability of the number of certified product outputs from the associated inputs. Organizations can set their own conversion values that should be based on

|                      |  |
|----------------------|--|
|                      | <p>prior experience, documented and applied consistently</p> <ul style="list-style-type: none"> <li>- Conversion value determined by marketing jakarta based on data submitted by POM on the basis of FFB processing result, so that the conversion value obtained equal to actual POM and conversion reference by marketing following monthly report period of POM</li> <li>- Conversion values must be updated to ensure accuracy of actual or industry level achievements where appropriate.</li> </ul> <p>During assestment conducted Angsana POM only received and processed of FFB's as material input form estate under scope of certification. This factory did not purchase FFB, CPO and/or PK from others. Therefore, this mill did not using conversion factors.</p>  |
|                      | <p><b>Status: Comply</b></p>   |
| <p><b>5.10.2</b></p> | <p>Conversion rates shall be periodically updated to ensure accuracy against actual performance or industry average if appropriate.</p>  |
|                      | <p>Facility did not using conversion rate.</p> <p>In the RSPO SCCS Manual (RSPO Supply Chain Certification Standard) document No. SCCS-Std / RSPO / PSQM / 02 dated 02 January 2018 at Point 4.10 desribed if Conversion values must be updated to ensure accuracy of actual or industry level achievements where appropriate.</p> <p>During assestment conducted Angsana POM only received and processed of FFB's as material input form estate under scope of certification. This factory did not purchase FFB, CPO and/or PK from others. Therefore, this mill did not using conversion factors.</p>  |
|                      | <p><b>Status: Comply</b></p>   |
| <p><b>5.11</b></p>   | <p><b>Claims</b></p>   |
| <p><b>5.11.1</b></p> | <p>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.</p>   |
|                      | <p>No. Facility did not using logo during communication with stakeholder / customer. The CH never using RSPO symbol or logos. A unique identification number, certificate number and supply chain model are available on relevant documents. Also, the CH using RSPO Palm Trace for communication, transaction, confirmation status and shipping announcement.</p> <p>In the RSPO SCCS Manual (RSPO Supply Chain Certification Standard) document No. SCCS-Std / RSPO / PSQM / 02 dated 02 January 2018 described if the claim has been referred to RSPO Rules on Market Communications and Claims.</p>  |
|                      | <p><b>Status: Comply</b></p>   |
| <p><b>5.12</b></p>   | <p><b>Complaints</b></p>   |
| <p><b>5.12.1</b></p> | <p>The organization shall have in place and maintain documented procedures for collecting and resolving stakeholder complaints.</p>  |
|                      | <p>The Certificate Holder showed the RSPO SCCS manual with the revised number SCCS-Std / RSPO / PSQM / 03 revised 02 date on May 11<sup>th</sup>, 2018 by Mill Manager on point 4.12 related Complaint that explains:</p> <ul style="list-style-type: none"> <li>✓ Stakeholders can complain by making a letter in writing or in the form of an email addressed to MR or verbally by facing MR.</li> <li>✓ Complaints from stakeholders must be followed up by MT either verbally, written letters or emails no later than 1 month after the complaint is received.</li> <li>✓ Complaints related to the appropriate in the form of salaries, benefits, incentives, product compliances, payments must be followed up no later than 14 days after complaints are received.</li> <li>✓ Discussion on the issue of compilation was completed by holding a meeting session between the Manager, head of administration, and Manager Representative.</li> <li>✓ All complaints received and answers given must be recorded and well documented.</li> </ul> |

Based on document, there is the complaint has been follow up by the company.

**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

In the RSPO SCCS Manual (RSPO Supply Chain Certification Standard) document No. SCCS-Std / RSPO / PSQM / 02 dated 02 January 2018 at Point 4.13 described if

1. The organization should establish a management review plan implemented:

- After internal audit.
- Before external audit.
- Minimum once in 12 months (1 year).

2. Input for management review should include the following information:

- Internal audit results of SCCS requirements
- Achievement of production.
- Feedback from customers.
- Status of preventive and corrective actions.
- Follow up on prevention and improvement.
- Changes that can affect the management system.
- Recommendations for improvement.

**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.

The company showed management review was conducted on 7 September 2018 by Head of Administration with details bellows:

1. Internal audit SCCS

- Management PT LSI-ASF has not yet showed Training SCCS.
- Management has not yet showed production estimates IP.

2. Performance of process and ASF Product.

- Target: CPO 22.09 %, FFA: 4.31 % and PK 4.66%.

3. Status of improvement and compliance NC or finding

- Finding internal audit SCCS.

4. Follow up from management review

5. Impact and changing of system.

6. Improvement recommendation.

**Status: Comply**

#### 5.13.3

The output from the management review shall include any decisions and actions related to:

- Improvement of the effectiveness of the management system and its processes.
- Resource needs.

The company has been showed action plan for finding, on 7 September 2018. This management review has explain point management review, finding, action plan, PIC and time schedule. With details bellows :



|  |                       |
|--|-----------------------|
| <ol style="list-style-type: none"> <li>1. The CH has conducted SCCS training.</li> <li>2. The CH has conducted estimate projection IP.</li> <li>3. Status of improvement and compliance NC or finding.               <ul style="list-style-type: none"> <li>- Finding internal audit SCCS.</li> </ul> </li> <li>4. Follow up from management review.</li> <li>5. Impact and changing of system.</li> <li>6. Improvement recommendation.</li> </ol> |                       |
|  | <b>Status: Comply</b> |

## 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 plantation/ estates that are certified against the RSPO Principles and Criteria (RSPO P&C), or against the Group Certification scheme. 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. If a mill process certified and uncertified FFB without physically separating them, then only Module E is applicable.   |                 |                                |                      |           |           |  |  |                |                    |                      |        |        |                |           |           |           |           |           |              |           |           |           |           |           |               |           |           |           |           |          |               |           |           |           |           |           |              |           |           |           |           |           |               |           |         |           |           |           |            |           |         |           |           |           |            |           |           |           |           |           |          |           |           |           |           |           |           |           |           |           |           |           |           |           |           |           |           |           |             |           |           |           |           |           |       |           |           |           |           |           |             |            |  |  |  |  |
| Angsana Factory showed receipt of FFB from the Plantation (Angsana Estate, Gunung Sari Estate, Pantai Bonati Estate, and KKPA 1 & KKPA 4 Estate). The FFB volume entered is dated November 9 <sup>th</sup> , 2017 until September 2018 with the following details:  |                 |                                |                      |           |           |  |  |                |                    |                      |        |        |                |           |           |           |           |           |              |           |           |           |           |           |               |           |           |           |           |          |               |           |           |           |           |           |              |           |           |           |           |           |               |           |         |           |           |           |            |           |         |           |           |           |            |           |           |           |           |           |          |           |           |           |           |           |           |           |           |           |           |           |           |           |           |           |           |           |             |           |           |           |           |           |       |           |           |           |           |           |             |            |  |  |  |  |
| <table><tr><th rowspan="2">Months<br/>(Sept 2017-Ags 2018)</th><th colspan="5">FFB<br/>(tonnes)</th></tr><tr><th>Angsana Estate</th><th>Gunung Sari Estate</th><th>Pantai Bonati Estate</th><th>KKPA 1</th><th>KKPA 4</th></tr><tr><td>September 2017</td><td>3,304.720</td><td>2,640.040</td><td>1,440.244</td><td>6,572.080</td><td>4,222.650</td></tr><tr><td>October 2017</td><td>3,277.270</td><td>2,990.580</td><td>1,708.515</td><td>6,697.810</td><td>4,962.760</td></tr><tr><td>November 2017</td><td>2,737.600</td><td>2,579.060</td><td>1,778.432</td><td>5,325.280</td><td>1,893.93</td></tr><tr><td>December 2017</td><td>2,601.430</td><td>2,081.670</td><td>1,560.921</td><td>3,850.930</td><td>4,222.900</td></tr><tr><td>January 2018</td><td>1,878.600</td><td>1,372.180</td><td>1,427.757</td><td>2,523.470</td><td>2,915.220</td></tr><tr><td>February 2018</td><td>1,291.370</td><td>769.320</td><td>1,097.758</td><td>1,602.720</td><td>1,965.840</td></tr><tr><td>March 2018</td><td>1,504.550</td><td>872.200</td><td>1,110.396</td><td>2,439.630</td><td>1,826.090</td></tr><tr><td>April 2018</td><td>2,041.460</td><td>1,217.540</td><td>1,072.951</td><td>3,936.980</td><td>2,183.890</td></tr><tr><td>May 2018</td><td>3,375.570</td><td>2,103.120</td><td>1,057.117</td><td>6,738.930</td><td>3,639.790</td></tr><tr><td>June 2018</td><td>3,075.420</td><td>1,999.070</td><td>1,084.168</td><td>5,951.810</td><td>3,547.820</td></tr><tr><td>July 2018</td><td>4,257.160</td><td>3,170.460</td><td>2,242.670</td><td>9,738.700</td><td>6,027.200</td></tr><tr><td>August 2018</td><td>3,803.420</td><td>2,849.490</td><td>1,994.350</td><td>8,210.620</td><td>6,315.310</td></tr><tr><td>Total</td><td>33,148.57</td><td>24,644.73</td><td>17,575.28</td><td>63,588.96</td><td>43,723.40</td></tr><tr><td>Grand Total</td><td colspan="5">182,680.94</td></tr></table> |                 | Months<br>(Sept 2017-Ags 2018) | FFB<br>(tonnes)      |           |           |  |  | Angsana Estate | Gunung Sari Estate | Pantai Bonati Estate | KKPA 1 | KKPA 4 | September 2017 | 3,304.720 | 2,640.040 | 1,440.244 | 6,572.080 | 4,222.650 | October 2017 | 3,277.270 | 2,990.580 | 1,708.515 | 6,697.810 | 4,962.760 | November 2017 | 2,737.600 | 2,579.060 | 1,778.432 | 5,325.280 | 1,893.93 | December 2017 | 2,601.430 | 2,081.670 | 1,560.921 | 3,850.930 | 4,222.900 | January 2018 | 1,878.600 | 1,372.180 | 1,427.757 | 2,523.470 | 2,915.220 | February 2018 | 1,291.370 | 769.320 | 1,097.758 | 1,602.720 | 1,965.840 | March 2018 | 1,504.550 | 872.200 | 1,110.396 | 2,439.630 | 1,826.090 | April 2018 | 2,041.460 | 1,217.540 | 1,072.951 | 3,936.980 | 2,183.890 | May 2018 | 3,375.570 | 2,103.120 | 1,057.117 | 6,738.930 | 3,639.790 | June 2018 | 3,075.420 | 1,999.070 | 1,084.168 | 5,951.810 | 3,547.820 | July 2018 | 4,257.160 | 3,170.460 | 2,242.670 | 9,738.700 | 6,027.200 | August 2018 | 3,803.420 | 2,849.490 | 1,994.350 | 8,210.620 | 6,315.310 | Total | 33,148.57 | 24,644.73 | 17,575.28 | 63,588.96 | 43,723.40 | Grand Total | 182,680.94 |  |  |  |  |
| Months<br>(Sept 2017-Ags 2018)  | FFB<br>(tonnes) |                                |                      |           |           |  |  |                |                    |                      |        |        |                |           |           |           |           |           |              |           |           |           |           |           |               |           |           |           |           |          |               |           |           |           |           |           |              |           |           |           |           |           |               |           |         |           |           |           |            |           |         |           |           |           |            |           |           |           |           |           |          |           |           |           |           |           |           |           |           |           |           |           |           |           |           |           |           |           |             |           |           |           |           |           |       |           |           |           |           |           |             |            |  |  |  |  |
|   | Angsana Estate  | Gunung Sari Estate             | Pantai Bonati Estate | KKPA 1    | KKPA 4    |  |  |                |                    |                      |        |        |                |           |           |           |           |           |              |           |           |           |           |           |               |           |           |           |           |          |               |           |           |           |           |           |              |           |           |           |           |           |               |           |         |           |           |           |            |           |         |           |           |           |            |           |           |           |           |           |          |           |           |           |           |           |           |           |           |           |           |           |           |           |           |           |           |           |             |           |           |           |           |           |       |           |           |           |           |           |             |            |  |  |  |  |
| September 2017  | 3,304.720       | 2,640.040                      | 1,440.244            | 6,572.080 | 4,222.650 |  |  |                |                    |                      |        |        |                |           |           |           |           |           |              |           |           |           |           |           |               |           |           |           |           |          |               |           |           |           |           |           |              |           |           |           |           |           |               |           |         |           |           |           |            |           |         |           |           |           |            |           |           |           |           |           |          |           |           |           |           |           |           |           |           |           |           |           |           |           |           |           |           |           |             |           |           |           |           |           |       |           |           |           |           |           |             |            |  |  |  |  |
| October 2017  | 3,277.270       | 2,990.580                      | 1,708.515            | 6,697.810 | 4,962.760 |  |  |                |                    |                      |        |        |                |           |           |           |           |           |              |           |           |           |           |           |               |           |           |           |           |          |               |           |           |           |           |           |              |           |           |           |           |           |               |           |         |           |           |           |            |           |         |           |           |           |            |           |           |           |           |           |          |           |           |           |           |           |           |           |           |           |           |           |           |           |           |           |           |           |             |           |           |           |           |           |       |           |           |           |           |           |             |            |  |  |  |  |
| November 2017   | 2,737.600       | 2,579.060                      | 1,778.432            | 5,325.280 | 1,893.93  |  |  |                |                    |                      |        |        |                |           |           |           |           |           |              |           |           |           |           |           |               |           |           |           |           |          |               |           |           |           |           |           |              |           |           |           |           |           |               |           |         |           |           |           |            |           |         |           |           |           |            |           |           |           |           |           |          |           |           |           |           |           |           |           |           |           |           |           |           |           |           |           |           |           |             |           |           |           |           |           |       |           |           |           |           |           |             |            |  |  |  |  |
| December 2017   | 2,601.430       | 2,081.670                      | 1,560.921            | 3,850.930 | 4,222.900 |  |  |                |                    |                      |        |        |                |           |           |           |           |           |              |           |           |           |           |           |               |           |           |           |           |          |               |           |           |           |           |           |              |           |           |           |           |           |               |           |         |           |           |           |            |           |         |           |           |           |            |           |           |           |           |           |          |           |           |           |           |           |           |           |           |           |           |           |           |           |           |           |           |           |             |           |           |           |           |           |       |           |           |           |           |           |             |            |  |  |  |  |
| January 2018  | 1,878.600       | 1,372.180                      | 1,427.757            | 2,523.470 | 2,915.220 |  |  |                |                    |                      |        |        |                |           |           |           |           |           |              |           |           |           |           |           |               |           |           |           |           |          |               |           |           |           |           |           |              |           |           |           |           |           |               |           |         |           |           |           |            |           |         |           |           |           |            |           |           |           |           |           |          |           |           |           |           |           |           |           |           |           |           |           |           |           |           |           |           |           |             |           |           |           |           |           |       |           |           |           |           |           |             |            |  |  |  |  |
| February 2018   | 1,291.370       | 769.320                        | 1,097.758            | 1,602.720 | 1,965.840 |  |  |                |                    |                      |        |        |                |           |           |           |           |           |              |           |           |           |           |           |               |           |           |           |           |          |               |           |           |           |           |           |              |           |           |           |           |           |               |           |         |           |           |           |            |           |         |           |           |           |            |           |           |           |           |           |          |           |           |           |           |           |           |           |           |           |           |           |           |           |           |           |           |           |             |           |           |           |           |           |       |           |           |           |           |           |             |            |  |  |  |  |
| March 2018  | 1,504.550       | 872.200                        | 1,110.396            | 2,439.630 | 1,826.090 |  |  |                |                    |                      |        |        |                |           |           |           |           |           |              |           |           |           |           |           |               |           |           |           |           |          |               |           |           |           |           |           |              |           |           |           |           |           |               |           |         |           |           |           |            |           |         |           |           |           |            |           |           |           |           |           |          |           |           |           |           |           |           |           |           |           |           |           |           |           |           |           |           |           |             |           |           |           |           |           |       |           |           |           |           |           |             |            |  |  |  |  |
| April 2018  | 2,041.460       | 1,217.540                      | 1,072.951            | 3,936.980 | 2,183.890 |  |  |                |                    |                      |        |        |                |           |           |           |           |           |              |           |           |           |           |           |               |           |           |           |           |          |               |           |           |           |           |           |              |           |           |           |           |           |               |           |         |           |           |           |            |           |         |           |           |           |            |           |           |           |           |           |          |           |           |           |           |           |           |           |           |           |           |           |           |           |           |           |           |           |             |           |           |           |           |           |       |           |           |           |           |           |             |            |  |  |  |  |
| May 2018  | 3,375.570       | 2,103.120                      | 1,057.117            | 6,738.930 | 3,639.790 |  |  |                |                    |                      |        |        |                |           |           |           |           |           |              |           |           |           |           |           |               |           |           |           |           |          |               |           |           |           |           |           |              |           |           |           |           |           |               |           |         |           |           |           |            |           |         |           |           |           |            |           |           |           |           |           |          |           |           |           |           |           |           |           |           |           |           |           |           |           |           |           |           |           |             |           |           |           |           |           |       |           |           |           |           |           |             |            |  |  |  |  |
| June 2018   | 3,075.420       | 1,999.070                      | 1,084.168            | 5,951.810 | 3,547.820 |  |  |                |                    |                      |        |        |                |           |           |           |           |           |              |           |           |           |           |           |               |           |           |           |           |          |               |           |           |           |           |           |              |           |           |           |           |           |               |           |         |           |           |           |            |           |         |           |           |           |            |           |           |           |           |           |          |           |           |           |           |           |           |           |           |           |           |           |           |           |           |           |           |           |             |           |           |           |           |           |       |           |           |           |           |           |             |            |  |  |  |  |
| July 2018   | 4,257.160       | 3,170.460                      | 2,242.670            | 9,738.700 | 6,027.200 |  |  |                |                    |                      |        |        |                |           |           |           |           |           |              |           |           |           |           |           |               |           |           |           |           |          |               |           |           |           |           |           |              |           |           |           |           |           |               |           |         |           |           |           |            |           |         |           |           |           |            |           |           |           |           |           |          |           |           |           |           |           |           |           |           |           |           |           |           |           |           |           |           |           |             |           |           |           |           |           |       |           |           |           |           |           |             |            |  |  |  |  |
| August 2018   | 3,803.420       | 2,849.490                      | 1,994.350            | 8,210.620 | 6,315.310 |  |  |                |                    |                      |        |        |                |           |           |           |           |           |              |           |           |           |           |           |               |           |           |           |           |          |               |           |           |           |           |           |              |           |           |           |           |           |               |           |         |           |           |           |            |           |         |           |           |           |            |           |           |           |           |           |          |           |           |           |           |           |           |           |           |           |           |           |           |           |           |           |           |           |             |           |           |           |           |           |       |           |           |           |           |           |             |            |  |  |  |  |
| Total   | 33,148.57       | 24,644.73                      | 17,575.28            | 63,588.96 | 43,723.40 |  |  |                |                    |                      |        |        |                |           |           |           |           |           |              |           |           |           |           |           |               |           |           |           |           |          |               |           |           |           |           |           |              |           |           |           |           |           |               |           |         |           |           |           |            |           |         |           |           |           |            |           |           |           |           |           |          |           |           |           |           |           |           |           |           |           |           |           |           |           |           |           |           |           |             |           |           |           |           |           |       |           |           |           |           |           |             |            |  |  |  |  |
| Grand Total   | 182,680.94      |                                |                      |           |           |  |  |                |                    |                      |        |        |                |           |           |           |           |           |              |           |           |           |           |           |               |           |           |           |           |          |               |           |           |           |           |           |              |           |           |           |           |           |               |           |         |           |           |           |            |           |         |           |           |           |            |           |           |           |           |           |          |           |           |           |           |           |           |           |           |           |           |           |           |           |           |           |           |           |             |           |           |           |           |           |       |           |           |           |           |           |             |            |  |  |  |  |
| There is FFB from other source (KKPA-5) as much as 40,023.47 tonnes/year and own estate is own estate is 182,680.94 tonnes/year. So the total actual certified volume on September 2017 until August 2018 for FFB is 222,704.41 tonnes/year; CPO Production is 47,767.13 tonnes/year and PK is 100,200.33 tonnes/year.  |                 |                                |                      |           |           |  |  |                |                    |                      |        |        |                |           |           |           |           |           |              |           |           |           |           |           |               |           |           |           |           |          |               |           |           |           |           |           |              |           |           |           |           |           |               |           |         |           |           |           |            |           |         |           |           |           |            |           |           |           |           |           |          |           |           |           |           |           |           |           |           |           |           |           |           |           |           |           |           |           |             |           |           |           |           |           |       |           |           |           |           |           |             |            |  |  |  |  |
|   | 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 certification body (CB) in the public summary of the P&C certification report. For an independent mill, the estimated tonnage of CPO and PK products must be recorded in the RSPO IT platform, supply chain certificate and public summary audit report. This figure represents the total volume of certified oil palm product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced shall then be recorded in each subsequent annual surveillance report

The certificate holder shows estimates of certified CPO & PK products with the following details:

| Products | Estimation of certified products period of 9 November 2017 until 8 November 2018 | Actual certified products for period September 2017 – August 2018 | Actual certified products for period 9 November 2017 until 17 September 2018 |
|----------|--|---|--|
| CPO      | 49,332   | 47,767.134  | 38,854.410   |
| PK       | 10,724   | 10,200.327  | 8,504.579  |

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).

The certificate holder shows registration and reporting requirements for the appropriate supply chain through the organization that manages the RSPO supply chain with the following details:

Sub License ID: CB60153.

Member Name: Sime Darby Plantation – Angsana POM – PT LSI.

Member ID: RSPO\_PO1000000325

RSPO Membership Number: 1-0008-04-000-00 (Sime Darby Plantation Berhad).

Angsana Factory is an FFB processing mill to produce CPO and PK. The sources of material input are FFB's only from the certified area. This Mill did not purchased CPO and/or PK from others.

| Transaction ID   | Shipping Announcements | Transaction Date | Buyer Reference Number | Product CSPO | Product CSPK | Volume CSPO | Volume CSPK | Model supply Chain | Buyer                    |
|------------------|------------------------|------------------|------------------------|--------------|--------------|-------------|-------------|--------------------|--------------------------|
| TR-b119dadf-8f4a | 10/08/2017             |                  | P/GHN/0917/CPO01878    | CSPO         | -            | 2,495.30    | 0           | IP                 | PT Golden Hope Nusantara |
| TR-bceb76a0-1f3b | 10/08/2017             |                  | P/GHN/0817/CPO01850    | CSPO         | -            | 2,505.51    | 0           | IP                 | PT Golden Hope Nusantara |
| TR-f42e313a-45d7 | 10/08/2017             |                  | P/GHN/0817/CPO01820    | CSPO         | -            | 1,998.03    | 0           | IP                 | PT Golden Hope Nusantara |
| TR-82efd680-a069 | 31/08/2017             | -                |                        | -            | CSPK         | 0           | 685.38      | IP                 | PT LMI – Rantau Kernel   |

|                  |             |           |                     |      |      |          |        |    |   |
|------------------|-------------|-----------|---------------------|------|------|----------|--------|----|---|
|                  |             |           |                     |      |      |          |        |    | Crushin<br>g Plant                        |
| TR-9b0ac486-5b2f | 20/09/2017  |           | -                   | CSPO | -    | 1,596.53 | 0      | IP | PT Golden Hope Nusantara                  |
| TR-e83b8fb5-dd37 | 20/09/2017  |           | -                   | CSPO | -    | 1,495.42 | 0      | IP | PT Golden Hope Nusantara                  |
| TR-04264665-c85d | 30/09/2017  | -         |                     | -    | CSPK | 0        | 316.55 | IP | PT LMI – Rantau Kernel Crushin<br>g Plant |
| TR-173bfdab-0ea7 | 29/10/2017  | -         | P/GHN/1017/CPO01942 | CSPO | -    | 1,995.72 | 0      | IP | PT Golden Hope Nusantara                  |
| TR-d1274bf3-d009 | 29/10/2017  |           | P/GHN/1017/CPO01923 | CSPO | -    | 2,243.24 | 0      | IP | PT Golden Hope Nusantara                  |
| TR-ad564ace-d995 | 29/10/2017  |           | P/GHN/0917/CPO01902 | CSPO | -    | 1,208.67 | 0      | IP | PT Golden Hope Nusantara                  |
| TR-e539ced6-83fa | 31/10/2017  | -         |                     | -    | CSPK | 0        | 884.76 | IP | PT LMI – Rantau Kernel Crushin<br>g Plant |
| TR-066a3b30-e4da | 31/12/2017  | -         |                     | -    | CSPK | 0        | 292.28 | IP | PT LMI – Rantau Kernel Crushin<br>g Plant |
| TR-fe482f4f-400b | 09 jan 2018 | 25-Jan-18 | P/GHN/1117/CPO02006 | CSPO | -    | 2,491.36 | 0      | IP | PT Golden Hope Nusantara                  |

|                  |               |              |                     |      |      |          |        |    |                                       |
|------------------|---------------|--------------|---------------------|------|------|----------|--------|----|---------------------------------------|
| TR-29b08607-11e6 | 09 jan 2018   | 25-Jan-18    | P/GHN/1117/CPO02024 | CSPO | -    | 1,993.06 | 0      | IP | PT Golden Hope Nusantara              |
| TR-eeef2978-9454 | 31 jan 2018   | 1-Feb-18     | -                   | -    | CSPK | 0        | 494.13 | IP | PT LMI - Rantau Kernel Crushing Plant |
| TR-68d0d1c3-bb58 | 28 feb 2018   | 2 March 2018 | -                   | -    | CSPK | 0        | 327.48 | IP | PT LMI - Rantau Kernel Crushing Plant |
| TR-e9b5bc33-87f8 | 09 jan 2018   | 5-Apr-18     | P/GHN/1217/CPO02054 | CSPO | -    | 1,974.81 | 0      | IP | PT Golden Hope Nusantara              |
| TR-4a3b7969-9fba | 12 jan 2018   | 5-Apr-18     | P/GHN/1217/CPO02071 | CSPO | -    | 1,599.36 | 0      | IP | PT Golden Hope Nusantara              |
| TR-65352932-23ac | 31 jan 2018   | 5-Apr-18     | P/GHN/0118/CPO02129 | CSPO | -    | 1,397.06 | 0      | IP | PT Golden Hope Nusantara              |
| TR-95016DF082F4  | 28 Feb 2018   | 5-Apr-18     | P/GHN/0218/CPO02176 | CSPO | -    | 1,498.98 | 0      | IP | PT Golden Hope Nusantara              |
| TR-9b99b352-30a4 | 30 april 2018 | 3 May 2018   | -                   | -    | CSPK | 0        | 502.66 | IP | PT LMI - Rantau Kernel Crushing Plant |
| TR-b6502c40-14cb | 28 Apr 2018   | 16 May 2018  | P/GHN/0418/CPO02294 | CSPO | -    | 1,986.98 | 0      | IP | PT Golden Hope Nusantara              |
| TR-25a13217-42a4 | 28 March 2018 | 24 May 2018  | P/GHN/0318/CPO02218 | CSPO | -    | 1,495.92 | 0      | IP | PT Golden Hope Nusantara              |
| TR-              | 31 Mei        | 4-Jun-18     | -                   | -    | CSPK | 0        | 797.69 | IP | PT LMI                                |

|                  |              |                |                     |      |      |                  |                 |    |                                       |
|------------------|--------------|----------------|---------------------|------|------|------------------|-----------------|----|---------------------------------------|
| b5600839-ed34    | 2018         |                |                     |      |      |                  |                 |    | - Rantau Kernel Crushing Plant        |
| TR-c8622b60-62bc | 30 June 2018 | 3 July 2018    | -                   | -    | CSPK | 0                | 499.98          | IP | PT LMI - Rantau Kernel Crushing Plant |
| TR-1dfcee85-6ca3 | 31 July 2018 | 13 August 2018 | -                   | -    | CSPK | 0                | 299.5           | IP | PT LMI - Rantau Kernel Crushing Plant |
| TR-81e81fe6-b3e2 | 04 June 2018 | 15 August 2018 | P/GHN/0618/CPO02385 | CSPO | -    | 1,991.73         | 0               | IP | PT Golden Hope Nusantara              |
| TR-88d6520c-7c06 | 14 June 2018 | 15 August 2018 | P/GHN/0618/CPO02385 | CSPO | -    | 1,987.44         | 0               | IP | PT Golden Hope Nusantara              |
| TR-be98f6f1-931a | 14 July 2018 | 15 August 2018 | P/GHN/0618/CPO02393 | CSPO | -    | 197.11           | 0               | IP | PT Golden Hope Nusantara              |
| TR-6fbdc6f6-803e | 27 June 2018 | 15 August 2018 | P/GHN/0618/CPO02400 | CSPO | -    | 1,989.26         | 0               | IP | PT Golden Hope Nusantara              |
| <b>Total</b>     |              |                |                     |      |      | <b>36,141.49</b> | <b>5,100.41</b> |    |                                       |

The company showed conventional trading which has been removed at Palm Trace Platform with volume sold/removed for CSPK is 5,100.41 MT and CSPO is 36,141.49 MT.

The selling product in indicator 1.8.2 based on Data September 2017 until August 2018 (1 year). Data in COC 5.7.2 is data for certificate license of PT LSI. CSPO sold as RSPO Certified product is 36,141.49 MT, CSPK sold as RSPO certified Product is 5,100.41 MT, CSPO Sold as conventional is 10,043 MT and CSPK sold as conventional is 3,922.96 MT.

**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

- Complete and up to date procedures covering the implementation of all the elements in these requirements;
- 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 site's procedures for the implementation of this standard.**

The certificate holder showed the manual document of RSPO SCCS with document number SCCS-std / RSPO / PSQM / 03 revised 02 the date of approval on May 11<sup>th</sup>, 2018 by Mill Manager ASF. This procedure describes the CPO Mills module: Identity Preserved.

According to point 5, the people in charge of the supply chain system are:

- Factory Manager: the mill manager is responsible for maintaining and storing all documents, records and notes of the raw material usage; verification of the product status to the vendee; holding proper SCCS training.
- Assistant of PSQM: checking the FFB quality and the raw materials as well as monitoring the product delivery and load/unload.
- Foreman/assistant of Lab: analyzing and testing the quality; maintaining and distributing the result of product and raw material analysis and test.
- Assistant/Senior Assistant/Manager of Bulking: Ensuring the transport of CPO and PK product from POM to bulking.
- Production clerk: recording the administration of the receipt certified FFB and the non-certified one.

**Status: Comply**

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

The Angsana POM only received and process the FFB from Certified Product consist of from two own estates (Angsana and Gunungsari Estate) and from Pantai Bonati Estate (PT Sajang Heulang), KKPA 1 & 4 (Full Managed Smallholder Scheme under manage of PT Sajang Heulang). The Pantai Bonati and KKPA 1 & 4 is under the same holding of Minamas Plantations.

Based interview with Administration of weighbridge, unit management didn't receive FFB From uncertified FFB. CH receive FFB From Own estates (Angsana & Gunung Sari Estate), Pantai Bonati Estate, KKPA 1 & 4 (Smallholders of PT SHE) and KKPA 5 Division 1 From PT SHE.

**Status: Comply**

**D.4**
**Purchasing and goods in**
**D.4.1**
**The site shall verify and document the tonnage and sources of certified FFBs received.**

The Angsana POM only received and process the FFB from Certified Product consist of from two own estates (Angsana and Gunungsari Estate) and from Pantai Bonati Estate (PT Sajang Heulang), KKPA 1 & 4 (Full Managed Smallholder Scheme under manage of PT Sajang Heulang). The Pantai Bonati and KKPA 1 & 4 is under the same holding of Minamas Plantations. This matter has been listed in Weigh bridge ticket and FFB Letter such as:

**KKPA 1.**

Ticket number: 297717

Supplier E485 – E-KKPA 1.

Product FFB a Crop < 24 hours.

Vehicle number: AE8025UK.

DO number: 48518014091.

Date on 18 September 2018, net weight is 6,700 kg. Has been mark with RSPO Certified.

**Gunung Sari Estate.**

Ticket number: 297720

Supplier E425 – Gunung Sari Estate.

Product FFB a Crop < 24 hours.

Vehicle number: DA9304TP.  
DO number: 42518001977.  
Date on 18 September 2018, net weight is 10,430 kg. Has been mark with RSPO Certified.

#### KKPA 5.

Ticket number: 2977718  
Supplier E489 – E-KKPA 5.  
Product FFB a Crop < 24 hours.  
Vehicle number: DA1751ZB.  
DO number: 48918004503.  
Date on 18 September 2018, net weight is 8,780 kg. Has been mark with RSPO Certified.

Status: Comply

#### D.4.2

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

The company shows estimates of certified CPO & PK products with the following details:

| Products | Estimation of certified products period of 9 November 2017 until 8 November 2018 | Actual certified products for period September 2017 – August 2018 | Actual certified products for period 9 November 2017 until 17 September 2018 |
|----------|--|---|--|
| CPO      | 49,332   | 47,767.134  | 38,854.410   |
| PK       | 10,724   | 10,200.327  | 8,504.579  |

Based on the table above, it is known that PK production for the period of September 2017 - August 2018 is **10.200 MT**, the estimated PK product is **10.724 MT**. Based on the explanation, and the Company has the opportunity to inform the addition of a quota to CB before the actual production exceeds the projection (**OFI No.2**).

Status: OFI No.2.

#### 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 real-time basis.

Angsana Factory has showed a monitoring report for RSPO Certified product (FFB, CPO & PK) with details bellow:

| Bulan               | FFB<br>(tones) |                    |                      |           |           | Total     |
|---------------------|----------------|--------------------|----------------------|-----------|-----------|-----------|
|                     | Angsana Estate | Gunung Sari Estate | Pantai Bonati Estate | KKPA 1    | KKPA 4    |           |
| Sept – Nov 2017     | 9,319.59       | 8,209.68           | 6,635.71             | 18,595.17 | 14,281.41 | 57,041.56 |
| Des-Feb 2017        | 5,771.40       | 4,223.17           | 4,086.44             | 7,977.12  | 9,103.96  | 31,162.09 |
| Maret- Mei 2018     | 6,921.58       | 4,192.86           | 3,240.46             | 13,115.54 | 7,649.77  | 35,120.21 |
| Juni – Agustus 2018 | 11,136.00      | 8,019.02           | 5,321.19             | 23,901.13 | 15,890.33 | 64,267.67 |

There is FFB from other source (KKPA-5) as much as 40,023.47 tonnes/year and own estate is 182,680.94 tonnes/year. So the total actual certified volume on September 2017 until August 2018 for FFB is 222,704.41 tonnes/year; CPO Production is 47,767.13 tonnes/year and PK is 100,200.33 tonnes/year.

CPO produce for September 2017 until August 2018 is 47,767.13 tonnes.

PK produce for September 2017 until August 2018 is 10,200.33 tonnes.

### CPO and PK Produces (12 month before audit):

| Month               | CPO (tones) | PK (tones) |
|---------------------|-------------|------------|
| Sep 2017 – Aug 2018 | 47,767.13   | 10,200.33  |

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 separated from non-certified oil palm product including during transport and storage to strive for 100% separation.**

The entire accepted and processed product in Angsana POM comes from RSPO certified own estate. During the audit, Angsana POM does not accept and process FFB from not certified sources. Based on the available document within the system, it reveals that the document consists of fruit delivery note, weighing ticket, Sales Contract and SIME Weigh program application, which explain the source of FFB (Division, harvesting block, cultivation year, number of bunches) to product such as CPO and PK that 100 % is a certified product (RSPO Certified). The entire document that related to product acceptance and processing and transportation process have been marked with stamp 'RSPO Certified' with **RSPO CERTIFIED-Identity Preserved**.

Based on document verification and field visit in Angsana POM to verify the process from FFB received in mill, CPO and PK produced, the Certificate Holder can demonstrate the process was related IP Module D. The administration of weight bridge has been know related FFB certified comes from 4 estate and 1 estate KKPA -5 (PT SHE).

Status: Comply

### 3.3 Conformity Checklist of Certificate and Trademark Use

|                |  |              |
|----------------|--|--------------|
| <b>1.</b>      | <b>Evidence of permission or approval certificate and trademark from Certification Body which submitted by Client</b>                  | <b>X or√</b> |
| <b>ASA-1.2</b> | PT LSI does not use RSPO logo/trademark.   | √            |
|                | <b>Status: Comply</b>  |              |
| <b>2.</b>      | <b>Implementation of certificate and trademark used by Client comply with size and type (shape) against Guideline of trademark Use</b> | <b>X or√</b> |
| <b>ASA-1.2</b> | PT LSI does not use RSPO logo/trademark.   | √            |
|                | <b>Status: Comply</b>  |              |
| <b>3.</b>      | <b>Implementation of Certificate and Trademark is not used on product</b>  | <b>X or√</b> |
| <b>ASA-1.2</b> | PT LSI does not use RSPO logo/trademark.   | √            |
|                | <b>Status: Comply</b>  |              |
| <b>4.</b>      | <b>Controlling of Certificate and Trademark, including withdrawing inappropriate trademark.</b>  | <b>X or√</b> |
| <b>ASA-1.2</b> | PT LSI does not use RSPO logo/trademark.   | √            |
|                | <b>Status: Comply</b>  |              |

### 3.4 Summary of RSPO Partial Certification.

Compliance of the uncertified management units of Sime Darby Plantation 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 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 Bhd are 34 in Malaysia, 25 in Indonesia and 1 in Liberia. Sime Darby Plantation Bhd has informed the Time Bound Plan progress through representative's office in Indonesia. MUTU has considered that Sime Darby Plantation Bhd is comply with the RSPO requirement for Time Bound Plan. The Time Bound Plan was revised and declared by the Sime Darby Plantation 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 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><b>Company Group/Holding Statement:</b><br/>Companies are already doing internal audits. There are internal audit reports for each company.</p> <p><b>Auditor Verification:</b><br/>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"> <li>• Primary forest.</li> <li>• Any area identified as containing High Conservation Values (HCVs).</li> <li>• Any area required to maintain or enhance HCVs in accordance with RSPO criterion 7.3.</li> </ul> | <p><b>Company Group/Holding Statement:</b><br/>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><b>Auditor Verification:</b><br/>Sime Darby Plantation Bhd sent disclosure of liability including LUCA analysis to RSPO Secretariat on 2 December 2014 and 2<sup>nd</sup> revision on 24 June 2016. The companies ensuring reporting of disclosure of liability progress to</p> |

|      |   |   |
|------|---|---|
|      |   | RSPO and according to the CB's correspondence with RSPO Remediation and Compensation.   |
| i.   | Any new plantings since January 1 <sup>st</sup> 2010 must comply with the RSPO New Plantings Procedure.   | <p><b>Company Group/Holding Statement:</b><br/>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.<br/>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.<br/>*Note: RSPO NPP Announcements for SDP can be found at <a href="http://www.rspo.org/certification/new-planting-procedures/public-consultations/page/14">http://www.rspo.org/certification/new-planting-procedures/public-consultations/page/14</a></p> <p><b>Auditor Verification:</b></p> <ul style="list-style-type: none"> <li>• Karya Palma Estate (PT Sandika Natapalma) and Baturus Estate (PT Budidaya Agro Lestari) any new planting after January 1<sup>st</sup> 2010 and due to not conduct NPP.</li> <li>• RSPO NPP process has been completed in 2011 for a new mill in Liberia.</li> </ul> |
| 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><b>Company Group/Holding Statement:</b><br/>Sime Darby (Liberia) Plantation Inc.<br/>Status: Box G - Close for Monitoring<br/>Further details please refer to:<br/><a href="http://www.rspo.org/members/complaints/status-of-complaints/view/46">http://www.rspo.org/members/complaints/status-of-complaints/view/46</a><br/>PT Mitra Austral Sejahtera (Sime Darby Bhd)<br/>Further details please refer to:<br/><a href="http://www.rspo.org/members/complaints/status-of-complaints/view/29">http://www.rspo.org/members/complaints/status-of-complaints/view/29</a></p> <p><b>Auditor Verification:</b><br/>Auditor has verified the supporting evidence of above the company statement.<br/>There are land conflict in :</p> <ul style="list-style-type: none"> <li>• PT Mitra Austral Sejahtera, this issue are remain being resolved with RSPO dispute settlement facilities</li> <li>• PT Bina Sains Cemerlang, this issue was raise on 22 April 2017 and still being process to resolve.</li> </ul>                         |
| iii. | Any Labour disputes are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.  | <p><b>Company Group/Holding Statement:</b><br/>No stakeholder comments or complaints received.</p> <p><b>Auditor Verification:</b><br/>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><i>Company Group/Holding Statement:</i><br/>None noted. No stakeholder comments or complaints received.</p> <p><i>Auditor Verification:</i><br/>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"> <li>• PT Sime Indo Agro 1,652 Ha</li> <li>• PT Aneka Inti Persada 421.31 Ha</li> <li>• PT Bina Sains Cemerlang 308.25 Ha</li> <li>• PT Bersama Sejahtera Sakti 765 Ha</li> <li>• PT Langgeng Muaramakmur 1,162 Ha</li> <li>• PT Paripurna Swakarsa 1,120 Ha</li> <li>• PT Swadaya Andika 63 Ha</li> <li>• PT Bahari Gembira Ria 1,639 Ha</li> <li>• PT Guthrie Pecconina Indonesia 4,133 Ha</li> <li>• PT Perkasa Subur Sakti 1,286 Ha</li> </ul> |
|-----|--|--|

### 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-1.1

|  |  |                        |                            |
|--|--|------------------------|----------------------------|
| <b>NCR No.</b>   | <b>: 2017. 01</b>  | <b>Issued by</b>       | <b>: Oktovianus Rusmin</b> |
| <b>Date Issued</b><br><b>Tanggal diterbitkan</b>   | <b>: 08 September 2017</b>   | <b>Time Limit</b>      | <b>: 07 November 2017</b>  |
| <b>NC Grade</b>  | <b>: Minor</b><br><b>(Recurrence, categorize to 8.1.1)</b>                         | <b>Date of Closing</b> | <b>: 01 November 2017</b>  |
| <b>Standard Ref. &amp; Requirement</b>   | <b>: 2.2.2</b><br><b>Legal boundaries are demonstrated clearly and maintained.</b> |                        |                            |
| <b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i>   |  |                        |                            |
| It has been shown several document consist of: Position of Land Use Right Angsana Estate, Documentation Installation of Boundary Poles of Angsana Estate, monitoring Check of Boundary Poles (December 2016, March 2017 & May 2017. Based on field visit (sampling) for checking the boundary, among others: Field A010 Div. 1 (there is no marker between Angsana Estate and the land of another company), Field B016 Div. 1 (found LD 2), Field A016 (location of LD1 / not found), Field C016 Div. 1 (location of LD 3 / not found). This indicates that there are boundaries of the plantation area of the Certificate Holders that have not been clearly demarcated and maintained. |  |                        |                            |
| <b>Root Cause Analysis</b> <i>(filled by organization audited):</i>  |  |                        |                            |
| The company not yet thoroughly conducted monitoring and maintenance of the boundary poles, because in the North area there is no book of boundary poles list. Monitoring activities that have been conducted in 2016 and 2017 only cover the area in the current boundary poles list and has not done maintenance of the boundary poles thoroughly.  |  |                        |                            |
| <b>Correction</b> <i>(filled by organization audited):</i>   |  |                        |                            |
| <ul style="list-style-type: none"> <li>• Send of letters from the Plantation Service Department to the National Land Agency of South Kalimantan Province concerning Request for a List of Geographical Coordinates of PT Ladangrumpun Suburabadi Landrights on 01 August 2017</li> <li>• Identify the boundaries of the area according to the List of Geographic Coordinates of Business License of PT Ladangrumpun Suburabadi which has been issued by National Land Agency of South Kalimantan Province.</li> </ul>  |  |                        |                            |
| <b>Corrective Action</b> <i>(filled by organization audited):</i>  |  |                        |                            |
| <ul style="list-style-type: none"> <li>• Monitoring the existence of all the boundaries of the PT Ladangrumpun Suburabadi area that is done periodically by the safety officer and the research supervisor and known by the head of the plantation management</li> <li>• Maintain of the wholeof boundary poles every 3 months according to SOP of Maintenance of Boundary Poles No.LGL-LSI / 06/17 and Memorandum of Head Region of South and North Kalimantan No.028 / Head Region / Bjb / VIII / 2015 regarding Boundary Poles , it aims to prevent damage and loss, or removal of the boundary by another party.</li> </ul>  |  |                        |                            |
| <b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i>  |  |                        |                            |
| <b>22 September 2017</b><br>The certificate holder has presented evidence of improvement in the form of Geothermal Coordinate Application Register of PT Ladangrumpun Suburabadi to the Office of National Land Agency of South Kalimantan Province, dated 1 August 2017.<br>Root Cause Analysis of the problem has not been well identified, so the Nonconformance of this indicator is not yet comply (Open)   |  |                        |                            |
| <b>27 October , 2017</b>   |  |                        |                            |

Root Cause Analysis the problem is still the same as before.

Root Cause Analysis The problem has not been well identified, so the Nonconformance of this indicator is not yet comply (Open)

#### 01 November 2017

The certificate holder has shown improvement in the form of a description of the Root Cause Analysis, Corrections & Correction Actions and that have been identified based on the existing Non-Conformity.

Based on the above, the non-conformity of this indicator is fulfilled with **Closed with Observation**.

Follow-up and the consistency will be the auditor's attention on next audit visit.

**Verified by** : **Oktovianus Rusmin**

|  |   |                        |                            |
|--|---|------------------------|----------------------------|
| <b>NCR No.</b>   | : <b>2017.02</b>  | <b>Issued by</b>       | : <b>Mohamad Amarullah</b> |
| <b>Date Issued</b>   | : <b>08 September 2017</b>  | <b>Time Limit</b>      | : <b>ASA 1.2</b>           |
| <b>NC Grade</b>  | : <b>Minor</b>  | <b>Date of Closing</b> | : <b>18 September 2018</b> |
| <b>Standard Ref. &amp; Requirement</b>   | : <b>4.2.3<br/>Records of periodical leaf, soil and visual analysis shall be available.</b> |                        |                            |
| <b>Non-Conformance Description &amp; Evidence observed:</b><br>KKPA-4 management unit is not be able to shows soil sampling analysis results which used as a basis for annual fertilizer recommendation measurement.   |   |                        |                            |
| <b>Root Cause Analysis</b> <i>(filled by organization audited):</i><br>The KKPA-4 land analysis report is not well documented, so that during the audit the document cannot be presented to the Auditor. This can happen because the documentation system at KKPA-4 has not been implemented effectively   |   |                        |                            |
| <b>Correction</b> <i>(filled by organization audited):</i><br>Sending evidence of KKPA-4 soil sample analysis which derived from soil survey report on September 13 <sup>th</sup> 2017.  |   |                        |                            |
| <b>Corrective Action</b> <i>(filled by organization audited):</i> <ul style="list-style-type: none"> <li>- All documents will be well documented by Adm. RSPO KKPA-4</li> <li>- The establishment of the RSPO organizational structure PT. LSI-PT. HE (SOU 4)</li> <li>- At the time of the audit Adm.RSPO and appointed staff assisted by RSPO auditors were required to be in the Audit Room during the audit activities, and ensure that the documents were well received by the Auditor.</li> </ul>  |   |                        |                            |
| <b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i><br><b>13 September 2017</b><br>Management unit has shows semi detail soil survey and land feasibility study for KKPA report, which conducted in 2012. Report has describes physical, biology and chemical properties of soils which were used as parameter on annual fertilizer recommendation measurement. Among parameter tested in soil chemical properties are pH, C/N ration, base saturation, cation exchange capacity (CEC) and dry matter of nutrients (macro and micro) content. Furthermore, physical properties analysis has informs soil structure and texture. According to the report, soil in KKPA-4 has consist of five types, e.g.: Typic Hapludults, Typic Plintudults, Lithic Hapludults, Plinthic Hapludox and Humic Endoaquepts, which covers about 58.6, 19.8, 6.1, 15.1 and 0.4 % of KKPA-4 operational areas, respectively.<br><br>However, root of course analysis and corrective action are not available by CH, hence there is no guarantee that this NCR would not repeatedly found on the next surveillance audit. Hence, this NCR has remain <b>open</b> .<br><br><b>22 September 2017</b> |   |                        |                            |

CH has provide explanation on root of course and corrective action. It was mentioned that the soil analysis data has already presented in soil survey report but not recognized by Auditor. However, management unit was not specifically describes why during audit there were no body available to explain that soil analysis results from soil survey report were used for fertilizer measurement considerations. CH has also required to describes program which shall be implemented by management unit so that this CNR would not repeatedly found on the next surveillance audit. Hence, this NCR has remain **open**.

**27 Oktober 2017**

CH mentioned that to archieve the soil survey analysis report properly would be conducted as corrective action. However, there is no change of explanatin on root of course. Hence, this NCR has still remain **open**.

**Verification 18 September 2018**

The management unit reports a semi-detailed land survey and land suitability for oil palm plants in 2018-2023 at the KKPA PT Sajang Heulang. Explained that land suitability is S2-wa / rc / nr, S2-wa / nr. S2-wa / nr / eh, S3-wa, S3-rc and S3-wa / rc. The suitability of the physical properties of land / land is preferred over its chemical properties, because the chemical properties of the soil are more likely to be modified. Regarding chemical analysis, the evaluation parameters include pH, C / N ratio, base saturation, CEC and availability of nutrients / macro and micro nutrients. While the physical parameters analyzed are the structure and texture of the soil. Some of the soil series analyzed consisted of Typic Hapludults (58.60%); Typic Plintudults (19.80%); Lithic Hapludults (6.10%) 'Plinthic Hapludox (15.10%) and Humic Endoaquepts (0.40%). Agronomic recommendations: improvement in soil fertility, among others: planting cover crops / LCC in incentives, application of EFB 25 tons / ha & administration of fungal mycoriza during transplanting. Nutrient Balance: KKPA PT SHE soil analysis results show that nutrient content, especially alkaline cations are not balanced (K, Na, and Ca), as well as N and P. Addition of N, P and K fertilizers and other fertilizers should be carried out in a balanced dosage the needs of plants and nutrients that come out through harvesting, budding or loss due to leaching, run off and volitilization.

**Auditor Conclusion:**

Based on root problem analysis, corrective, and corrective actions. This non-conformity has been fulfilled.

**Verified by** : **Trismadi N**

|   |  |                 |                     |
|---|--|-----------------|---------------------|
| NCR No.   | : 2017.03  | Issued by       | : Mohamad Amarullah |
| Date Issued   | : 08 September 2017  | Time Limit      | : 07 November 2017  |
| NC Grade  | : Major  | Date of Closing | : 01 November 2017  |
| Standard Ref. & Requirement   | 4.7.2<br>All operations where health and safety is an issue shall be risk assessed, and procedures and actions shall be documented and implemented to address the identified issues. All precautions attached to products shall be properly observed and applied to the workers. |                 |                     |
| Non-Conformance Description & Evidence observed:  |  |                 |                     |
| <ul style="list-style-type: none"><li>CH has provide pesticide Applicators with “carbon grade” mask as a part of PPE, as verified during field observation in Blok 29/30 A0 Divisi 1 Angsana Estate. However, this is not in accordance with MSDS which required “respirator grade” mask as a proper PPE for Applicator.</li><li>Evidence on ear-plug delivery to Operators in Angsana Factory were available. However, based on field observation to several processing stations, i.e. Loading Ramp, Sterilizer, Nut and Kernel, and Boiler, it was found that those Operators were not brings and/or use the ear plug as a part of PPE as mentioned in HIRAC.</li></ul> |  |                 |                     |
| Root Cause Analysis (filled by organization audited):   |  |                 |                     |
| <ul style="list-style-type: none"><li>Unit management has not identified type of mask required or mentioned in pesticides material safety data sheet.</li><li>Assistant has not implementing mechanism of PPE checking through morning briefing, before starts the work.</li></ul>  |  |                 |                     |
| Correction (filled by organization audited):  |  |                 |                     |
| <ul style="list-style-type: none"><li>To identify type or grade of mask for pesticide Applicator, as mentioned in product MSDS, as well as to substitute “carbon grade” mask with “respirator grade” mask.</li></ul>  |  |                 |                     |

- To conduct socialization on completeness and obligation to use proper PPE to all estate and mill workers.

**Corrective Action (filled by organization audited):**

- Conducting routine field checking by Assistant and Safety Officer.
- Implementation of sanction for undisciplined workers whose did not wear complete PPE as required by company.

**Assessor Evaluation and Conclusion (filled by auditor):**
**27 October 2017**

- The CH shows official report on PPE delivery to all pesticide Applicators in Angsana Estate on October 4<sup>th</sup> 2017. PPE delivered are google and respirator mask which suit with MSDS and HIRAC requirement.
- The CH shows evidence on PPE related socialization through list of attendance and picture of socialization which informed as follows:
  - Safety briefing which held in October 21<sup>st</sup> 2017, attended by 15 workshop and 19 process workers.
  - Safety town hall 5.0 which held in October 23<sup>rd</sup> 2017, attended by Manager, Assistant, PSQM/ESH Staff, Safety Officer and 60 workers.

According to explanation above, a suit PPE delivery and evidence of socialization are available. However, mechanism of PPE checking on the Mill before starts to work is not available. Hence, NCR No. 2017.03 has remain **open**.

**01 November 2017**

The CH shows mechanism of PPE checking before starts to work, presented as follows:

- Official report on environment safety and health (ESH) in Angsana Factory. For example, report on September 23<sup>rd</sup> 2017 noted that Engine Room Operator was identified did not bring and wear ear muff. Regarding this matter, warning letter was given to the respective worker. This report signed by PSQM/ESH Staff, Senior Assistant and Mill Manager.
- Form Tool Box Meeting Proses II dated October 9<sup>th</sup>-10<sup>th</sup> 2017 which describes completeness of PPE checking of all operators in Angsana Factory. This checking was conducted at 08.00 to 08.15 am, before starts to work.

Based on root of course analysis and corrective action reviews, as well as correction evidence given, it could be concluded that NCR No. 2017.03 is considered **closed**.

**Verified by** : **Mohamad Amarullah**

|   |  |                 |                     |
|---|--|-----------------|---------------------|
| NCR No.   | : 2017.04  | Issued by       | : Mohamad Amarullah |
| Date Issued   | : 08 September 2017  | Time Limit      | : 07 November 2017  |
| NC Grade  | : Major  | Date of Closing | : 27 October 2017   |
| Standard Ref. & Requirement   | : 4.7.3<br>All workers involved in the operation shall be adequately trained in safe working practices (see Criterion 4.8). Adequate and appropriate protective equipment shall be available to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, and land preparation, harvesting and, if it is used, burning. |                 |                     |
| <b>Non-Conformance Description &amp; Evidence observed:</b><br>Document of HIRAC and MSDS has mentioned that pesticide Applicators shall be equipped with PPE google or face shield. However, based on observation to pesticide applicaion in Block 29/30 Divisi 1 Angsana Estate and Block L48 Divisi 2 KKPA-4 Estate, it was known that PPE google or face shield for pesticide Applicators were not provided yet by Estate Management. |  |                 |                     |
| <b>Root Cause Analysis</b> (filled by organization audited):<br>Estate management unit has not implemneting MSDS and HIRAC requirement towards the use of google and/or face shield as a part of PPE for pesticide Applicators.   |  |                 |                     |
| <b>Correction</b> (filled by organization audited):<br>To provide and deliver PPE google to all pesticide applicators.  |  |                 |                     |
| <b>Corrective Action</b> (filled by organization audited): <ul style="list-style-type: none"><li>To analyze PPE completeness which referred by MSDS and to make sure its implementation.</li></ul>  |  |                 |                     |

- To provide routine checking which conducted by Safety Officer and Assistant.
- Evaluation on google usage towards pesticide Applicators in the OSH meeting.
- Implementation of sanction for undisciplined workers whose did not wear complete PPE as required by company.

**Assessor Evaluation and Conclusion (filled by auditor):**
**27 October 2017**

The CH has shows official letter of PPE delivery to all pesticide Applicators in Angsana Estate on October 4<sup>th</sup> 2017. PPE delivered are google and respirator mask which suit with MSDS and HIRAC requirement. Hence, based on root of course analysis and corrective action reviews, as well as correction evidence given, it could be concluded that NCR No. 2017.04 is considered **closed**. However, consistency of suit PPE provided will be verified on the next surveillance audit.

**Verified by : Mohamad Amarullah**

|  |  |                        |                     |
|--|--|------------------------|---------------------|
| <i>NCR No.</i>                         | : 2017.05  | <i>Issued by</i>       | : Sofyan Hadi Lubis |
| <i>Date Issued</i>                     | : 08 September 2017  | <i>Time Limit</i>      | : ASA 1.2           |
| <i>NC Grade</i>                        | : Minor  | <i>Date of Closing</i> | : 18 September 2018 |
| <i>Standard Ref. &amp; Requirement</i> | <b>5.2.4</b><br><b>Once the management plan is prepared, continuous monitoring documentation and report regarding the status of the RTE and HCVs are affected by the operations of the plantation and palm oil mill shall be available, and the results of monitoring are to be used to follow-up on the improvement of the management plan.</b> |                        |                     |

**Non-Conformance Description & Evidence observed:**

It has been shown that the implementation of HCV and Animal management documents are carried out every month. However, the document does not contain information about identifying the status of protected, rare and rare animals (RTE species), including follow-up for further management plan breeding.

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

There has been no identification of protected, rare and rare animals in accordance with Law No.7 of 1999 in monitoring flora & fauna in the HCV area that is carried out every month because all identification of observed animals is not included in the law.

**Correction (filled by organization audited):**

The flora & fauna monitoring of the HCV area has contained information about local names, Scientific names, families, and identification of animal status in accordance with Law No.7 of 1999.

**Corrective Action (filled by organization audited):**

PSQM will periodically monitor the flora and fauna monitoring form in the HCV area that has been carried out by HCV officers in each estate unit

**Assessor Evaluation and Conclusion (filled by auditor):**
**Verification 18 September 2018**

The company has shown observing and monitoring wildlife documents in the HCV area that have identified identification including local names, scientific names, families, the status of Law No.7 of 1999, identification of monitoring and detection (visual, hearing and traces). Monitoring is carried out every month by HCV officers and is known by the Manager.

Based on the evidence of improvement provided, the non-conformity No. 2017.05 stated to have been fulfilled.



|                    |          |                         |
|--------------------|----------|-------------------------|
| <b>Verified by</b> | <b>:</b> | <b>Satria Adi Putra</b> |
|--------------------|----------|-------------------------|

|  |   |  |                        |   |                          |
|--|---|--|------------------------|---|--------------------------|
| <i>NCR No.</i>   | : | <b>2017.06</b>   | <i>Issued by</i>       | : | <b>Sofyan Hadi Lubis</b> |
| <i>Date Issued</i>   | : | <b>08 September 2017</b>   | <i>Time Limit</i>      | : | <b>ASA 1.2</b>           |
| <i>NC Grade</i>  | : | <b>Minor</b>   | <i>Date of Closing</i> | : | <b>17 December 2018</b>  |
| <i>Standard Ref. &amp; Requirement</i>   | : | <b>5.3.3</b><br><b>A documented waste management plan to avoid or reduce pollution and its implementation shall be available</b> |                        |   |                          |
| <i>Non-Conformance Description &amp; Evidence observed:</i>  |   |  |                        |   |                          |
| 1. Based on field visits, such as: <ul style="list-style-type: none"><li>- Was found Hazardous Waste used paint cans in the final disposal site (TPAS) of KKPA-4.</li><li>- Was found Hazardous Waste rags in the front of Hazardous Waste of Angsana POM.</li><li>- Waste found Hazardous used paint cans in the workshop of Angsana POM.</li><li>- Was found Hazardous Waste agrochemical containers in the housing complex of Division I &amp; II Angsana Estate.</li><li>- Was found used containers and used oil in the generator area of division I &amp; II Angsana Estate.</li></ul> |   |  |                        |   |                          |
| It is not in accordance with the source identification and waste management documents and the SOP related to Hazardous Waste and Non Hazardous Waste (SPO document number: RA012) that has been ratified on 01-04-2012. Hazardous Waste should be stored on the Hazardous Waste Storage.   |   |  |                        |   |                          |
| 1. The Certification Holder uses the transport / truck with no. police DA 1329 IC to send. However, the Certificate holder has not been proven to have licenses from the Ministry of Environment and the Ministry of Land Transportation.  |   |  |                        |   |                          |
| <b>ASA-1.2</b>   |   |  |                        |   |                          |
| <b>Non-Conformance Description (filled by auditor):</b>  |   |  |                        |   |                          |
| There is not enough evidence that the company has carried out waste management in accordance with the SOP owned.   |   |  |                        |   |                          |
| <b>Root Cause Analysis (filled by organization audited):</b>   |   |  |                        |   |                          |
| <ul style="list-style-type: none"><li>- There is no socialization of identification of B3 waste sources to employees as a whole</li><li>- Error writing the DA 1329 IC police number by the KKPA-1 Safety Officer on the manifest due to seeing from a distance after the completion of the transportation of LB3 at KKPA-1 LB3 TPS. The truck police number is supposed to be DA 1323 WC.</li></ul>   |   |  |                        |   |                          |
| <b>ASA 1.2</b>   |   |  |                        |   |                          |
| <ul style="list-style-type: none"><li>- Hazardous waste management has not been managed properly because there has been no evaluation of the understanding and socialization of hazardous waste identification and management that has been carried out, especially for traction officers.</li></ul>   |   |  |                        |   |                          |
| <b>Correction (filled by organization audited):</b>  |   |  |                        |   |                          |
| <ul style="list-style-type: none"><li>- Socialization of identification of hazardous waste sources and management has been carried out to employees, supervision, and staff at Angsana Estate, Angsana Factory and KKPA-4 Estate (Minutes Attached)</li><li>- Attached Letter for Hazardous Transportin at KKPA-1 and GSE hazardous storage in April 2017 as well as Special Transport Operator License Permit Card for Trucks with DA 1323 WC Police numbers</li></ul>  |   |  |                        |   |                          |
| <b>ASA 1.2</b>   |   |  |                        |   |                          |
| <ul style="list-style-type: none"><li>- Regular socialization regarding identification of waste sources and their management</li><li>- PSQM conducts ESH Assessment regularly</li></ul>  |   |  |                        |   |                          |
| <b>Corrective Action (filled by organization audited):</b>   |   |  |                        |   |                          |
| <ul style="list-style-type: none"><li>- Dissemination of identification of hazardous waste sources and their management periodically to all employees and monitoring hazardous waste management periodically.</li></ul>  |   |  |                        |   |                          |

- Correctly write down the police number of the transport truck on the manifest before the hazardous waste transport is complete

#### **ASA 1.2**

- Re-socialization regarding identification of hazardous waste sources and management to traction employees, warehouse officers, main office employees and all GSE staff
- Evaluation of the effectiveness of participants' understanding of hazardous waste management has been evaluated
- Storage of hazardous waste that has not been properly managed has been carried out at the GSE hazardous storage

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

#### **Verification 18 September 2018**

The company has shown proof of improvement including:

- Proof of socialization / attendance list for safety townhouses in Division 1, 2 and 3 of KKPA-4 on 26 October 2017
- Proof of socialization / attendance list of safety townhouses to employees of main offices, security guards, *PKWT* Mess Estate, traction employees at KKPA-4 on October 26, 2017
- Proof of socialization / attendance list of safety townhouses to staff and contractors at KKPA-4 on 26 October 2017
- Proof of absenteeism and socialization of Hazardous waste management from Angsana Factory on September 16, 2018
- Proof of townhall socialization / safety to 146 Angsana Estate employees
- Evidence of the socialization of PT LSI-SHE's safety officer on September 30, 2017.
- Hazardous waste transport permit for vehicles with DA 1323 WC No Plate from the Director General of Land Transportation on 31 October 2016.
- Townhall safety activity minutes in Division 1 and 2 on October 24, 2017 regarding the management of hazardous waste.
- Minutes of safety activities for townhall to staff, supervision and employees of KKPA-4 on October 24, 2017 regarding the management of hazardous waste.
- Information on hazardous waste to Angsana Estate Manager, Head of Central Warehouse, Spraying Foreman, Path Maintenance Foreman, Immature Foreman and Immature Maintenance Foreman on 18 September 2017.
- Notification / Dissemination of Hazardous Management to Angsana Estate Factory Managers, Staff, Safety Officers and Employees on September 16, 2017 regarding identification of waste sources and their management, preparation of hazardous waste at hazardous storage, sale of hazardous waste to third parties, and socialization related to the oil trap periodically.
- Safety Officer training minutes on 30 September 2017 to all PT LSI and PT SHE safety officers regarding simcard, hazardous waste management, medical waste shipments, domestic waste management and townhall safety.
- Proof of hazardous waste transportation letter from PT Sinar Bintang Albar (Transporter and Collector) for hazardous waste transportation of PT Sajang Heulang (KKPA-1) and Gunung Sari Estate on April 18, 2017.

Based on the evidence of the improvement provided, field verification will be carried out.

#### **ASA 1.2**

Based on the results of the field visit it was found that:

- There are ex pertamina drums behind the Gunung Sari Estate fertilizer warehouse
- Found paint can behind the traction of Gunung Sari Estate
- There are hazardous waste (cans of paint and used oil jerry cans) at the landfill Gunung Sari Estate
- There are ex-pesticide packaging (*Ken-Up*) which is used for fuel containers (diesel).
- SOP for hazardous waste and non hazardous waste Control (SPO document number: RA012) which has been ratified on 04-01-2012, that hazardous waste must be stored at hazardous storage.

#### **Verification 17-18 Desember 2018**

The company has shown evidence of improvements including:

- Minutes of handover of hazardous waste items in the form of ex-cans of paint and ex 5-liter jerry cans contained in landfill and handover to GSE hazardous storage. The minutes were made on September 24, 2018 and submitted by the Safety Officer and known by Acting Sr. Assistant.
- Document handover of agrochemical (ken up) packaging on September 20, 2018.
- The hazardous waste handover report is in the form of 48 ex-oil package located behind the GSE fertilizer warehouse and handed over to hazardous storage. In addition, hazardous waste balance documentation is also submitted until

December 2018. Based on the GSE 2018/2019 waste balance document, it is known that the handover of used oil drums has been received and recorded by the GSE hazardous storage in September 2018.

- Minutes of pressing the ex oil drum (which is behind the traction warehouse) and the storage and placement of drums and paint (ex-can) at the hazardous waste on September 22, 2018.
- Minutes and photos of safety briefings to supervision and traction employees regarding hazardous waste management on September 24, 2018. The event was attended by 14 participants.
- Decree Assignment of TPAS-GSE officers (No.GSE-Intrn / 049 / IX / 2018 / s dated 25 September 2018) from the Gunung Sari Estate Manager with the main tasks, among others, monitoring the waste disposal schedule from housing to landfill, checking and condition the location of the landfill every month and report to the assistant who is responsible if the condition of the landfill is full/cannot accommodate the garbage.
- Safety Briefing to GSE employees on September 24, 2018 to all employees, contractors, school children and drivers regarding maintaining environmental cleanliness, recognition of waste and hazardous used goods which fall into the hazardous category, etc.
- Evidence of hazardous waste related safety briefing attendance list to all employees and contractors on September 21, 2018 with 72 participants.
- Documentation in the form of photos of used oil drum storage and hazard socialization and handling of hazardous waste.
- Minutes and photos related to the socialization of hazardous waste handling on September 22, 2018 and attended by 3 participants including safety officer, employee warehouse and P2K3 secretary.
- Documentation in the form of hazardous period balance sheet 2018/2019 which has been updated in accordance with the minutes of hazardous waste handover.

Based on evidence of improvements that have been given, the non-conformity No. 2018.06 is stated to have been fulfilled.

**Verified by** : **Satria Adi Putra**

|  |   |                 |                     |
|--|---|-----------------|---------------------|
| NCR No.  | : 2017.07   | Issued by       | : Sofyan Hadi Lubis |
| Date Issued  | : 08 September 2017   | Time Limit      | : ASA 1.2           |
| NC Grade   | : Minor   | Date of Closing | : 30 October 2017   |
| Standard Ref. & Requirement  | : 5.6.3<br>A monitoring plan and results of regular reporting on emission and pollutants from estate and mill operations using appropriate methods, shall be available. |                 |                     |
| Non-Conformance Description & Evidence observed:   |   |                 |                     |
| The Certification Holder has not been able to show the Greenhouse Gas (GHG) calculation results for the period 2016 using RSPO Palm GHG calculator.            |   |                 |                     |
| Root Cause Analysis (filled by organization audited):  |   |                 |                     |
| The company has not yet calculated GHG PT. LSI period of 2016, due to the limited staff of PSQM Jakarta who can perform the GHG calculation.                   |   |                 |                     |
| Correction (filled by organization audited):   |   |                 |                     |
| The company has been calculated GHG PT.LSI period of 2016 by Staff PSQM Jakarta and has been reported to the RSPO Secretariat on September 26, 2017 (Attached) |   |                 |                     |
| Corrective Action (filled by organization audited):  |   |                 |                     |
| The Company will conduct GHG calculation training to each PSQM Region Staff. In addition, the GHG calculation raw data for                                     |   |                 |                     |

each unit will be collected every January of the next year to the Staff PSQM unit, and will be calculated no later than 2 months after complete raw data is received by PSQM Region Staff.

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

**22 September 2017**

There is no correction evidence at all

The certificate holder has indicated:

- Document power point GHG calculation results for the period 2016.
- Reporting of GHG calculation results evidence to the RSPO Secretariat on September 26, 2017.

**Auditor's Response**

Why there is no information related to FFB processed (t / yr), CPO produced (t / yr), PK produced (t / yr), POME treatment: Divert to compost (%), Divert to anaerobic digestion (%), POME Diverted to anaerobic digestion: Emissions (%), Divert to anaerobic pond (%), & Divert to methane capture (flaring) (%).

Based on the above explanation, NCR 2017.07 stated not yet closed

**30 Oktober 2017**

Angsana Palm Oil Mill and supply bases has calculated GHG emissions for period 2016 using the RSPO PalmGHG calculator, as follow as:

| Emmision per product | tCO2e/tProduct |
|----------------------|----------------|
| CPO                  | 0.41           |
| PK                   | 0.41           |

| Production    | t/yr      |
|---------------|-----------|
| FFB processed | 175371.95 |
| CPO produced  | 39605.33  |
| PK produced   | 8239.59   |

| Extraction | %     |
|------------|-------|
| OER        | 22.58 |
| KER        | 4.7   |

| Land use                    | Ha       |
|-----------------------------|----------|
| Planted area                | 21594.14 |
| Planted on peat             | 0        |
| Conservation (forested)     | 471.51   |
| Conservation (non-forested) | 0        |

**Summary of field emission and Sinks**

| Description                   | Own plantatio |            | Group plantation |            | 3 <sup>rd</sup> party |            |
|-------------------------------|---------------|------------|------------------|------------|-----------------------|------------|
|                               | tCO2e         | tCO2e/tFFB | tCO2e            | tCO2e/tFFB | tCO2e                 | tCO2e/tFFB |
| <b>Emissions Sources</b>      |               |            |                  |            |                       |            |
| Land conversion               | 75268.48      | 0.55       | 0                | 0          | 0                     | 0          |
| CO2 emmisions from fertilizer | 5521.05       | 0.03       | 0                | 0          | 0                     | 0          |
| NO2 emissions                 | 4487.91       | 0.02       | 0                | 0          | 0                     | 0          |
| Fuel comsumption              | 3619.48       | 0.01       | 0                | 0          | 0                     | 0          |
| Peat oxidation                | 0             | 0          | 0                | 0          | 0                     | 0          |

|                                    |           |       |   |   |   |   |
|------------------------------------|-----------|-------|---|---|---|---|
| Sinks                              |           |       | 0 | 0 | 0 | 0 |
| Crop sequestration                 | -103387.6 | -0.61 | 0 | 0 | 0 | 0 |
| Sequestration in Conservation area | -1436.36  | -0.01 | 0 | 0 | 0 | 0 |
| Total                              | -15927.04 | -0.01 | 0 | 0 | 0 | 0 |

**Summary of Mill Emission and Credits**

| <b>Emissions</b>                             | <b>tCO2e</b> | <b>tCO2e/tFFB</b> |
|--|--------------|-------------------|
| POME   | 34375.87     | 0.2               |
| Fuel Consumption                             | 1041.63      | 0.01              |
| Grid Electricity Utilization                 | 0            | 0                 |
| Credits                                      |              |                   |
| Export of Grid Electricity to Housing & Grid | 0            | 0                 |
| Sales of PKS                                 | 0            | 0                 |
| Sales of EFB                                 | 0            | 0                 |
| Total  | 35417.5      | 0.2               |

**POME Treatment**

| <b>Emissions</b>              | <b>%</b> |
|-------------------------------|----------|
| Divert to compost             | 0        |
| Divert to anaerobic digestion | 100      |

**POME Diverted to Anaerobic Digestion**

| <b>Emissions</b>                    | <b>%</b> |
|-------------------------------------|----------|
| Divert to anaerobic pond            | 100      |
| Divert to methane capture (flaring) | 0        |

**Based on the above explanation, NCR 2017.07 stated closed**

**Verified by : Sofyan Hadi Lubis**

|   |   |   |                        |   |                   |
|---|---|---|------------------------|---|-------------------|
| <i>NCR No.</i>  | : | 2017.08   | <i>Issued by</i>       | : | Oktovianus Rusmin |
| <i>Date Issued</i>  | : | 08 September 2017   | <i>Time Limit</i>      | : | 07 November 2017  |
| <i>NC Grade</i>   | : | Major   | <i>Date of Closing</i> | : | 01 November 2017  |
| <i>Standard Ref. &amp; Requirement</i>  | : | 8.1<br>Oil palm plantations and mills regularly monitor and review their activities and develop and implement action plans that allow for real improvements to be sustained in the main operations. |                        |   |                   |
| <i>Non-Conformance Description &amp; Evidence observed (filled by auditor):</i> |   |   |                        |   |                   |

Based on Nonconformities identified at Re-Certification in 2016, the Auditor team considers that there is a recurrent Non-compliance ASA 1.1 as a result of the incomplete implementation of continuous improvement. The non-conformity are:

**Indicator 2.2.2**

Based on field visit (sampling) for checking the boundary, among others: Field A010 Div. 1 (there is no marker between Angsana Estate and the land of another company), Field B016 Div. 1 (found LD 2), Field A016 (location of LD1 / not found), Field C016 Div. 1 (location of LD 3 / not found). This indicates that there are boundaries of the plantation area of the Certificate Holders that have not been clearly demarcated and maintained.

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

Holders of the HGU certificate have not thoroughly carried out monitoring and maintenance activities on boundary stakes, because there are no monument books in the northern region. The monitoring activities that have been carried out in 2016 and 2017 are limited to those contained in the monument book and have not been carried out to maintain the HGU stake thoroughly.

**Correction** *(filled by organization audited):*

- Has sent a letter from the PSD department to the Provincial BPN (Kalimantan Selatan) regarding the Application for the List of Geographic Coordinates of HGU PT.LSI on August 1, 2017
- Identifying the area boundary according to the PT.LSI HGU Geographic Coordinate List that has been issued by the BPN Province of Kalimantan Selatan
- HGU certificate holders will carry out monitoring and maintenance of all stakes in the PT.LSI area including those that are not in the *Buku Tugu*.

**Corrective Action** *(filled by organization audited):*

- Monitoring the existence of all PT. LSI is carried out regularly by the safety officer and research foreman and is known by the plantation manager
- Maintain maintenance of HGU stakes thoroughly every 3 months according to the SOP for BPN Stake Maintenance No. LGL-LSI / 06/17 and Memorandum Head of South Kalimantan Region No.028 / Head Region / Bjb / VIII / 2015 concerning HGU Stakes, this in order to prevent the presence of stakes that are lost / damaged / tilted or stakes displaced by irresponsible parties.

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

**22 September 2017**

The certificate holder has presented evidence of improvement in the form of Geothermal Coordinate Application Register of PT Ladangrumpun Suburabadi to the Office of National Land Agency of South Kalimantan Province, dated 1 August 2017.

Root Cause Analysis of the problem has not been well identified, so the Nonconformance of this indicator is not yet comply (Open)

**27 October , 2017**

Root Cause Analysis the problem is still the same as before.

Root Cause Analysis The problem has not been well identified, so the Nonconformance of this indicator is not yet comply (Open)

**01 November 2017**

The certificate holder has shown improvement in the form of a description of the Root Cause Analysis, Corrections & Correction Actions and that have been identified based on the existing Non-Conformity.

Based on the above, the non-conformity of this indicator is fulfilled with **Closed with Observation**.

Follow-up and the consistency will be the auditor's attention on next audit visit.

**Verified by** : **Oktovianus Rusmin**



|  |          |  |                        |          |                          |
|--|----------|--|------------------------|----------|--------------------------|
| <b>NCR No.</b>   | <b>:</b> | <b>2017.09</b>   | <b>Issued by</b>       | <b>:</b> | <b>Oktovianus Rusmin</b> |
| <b>Date Issued</b>   | <b>:</b> | <b>08 September 2017</b>   | <b>Time Limit</b>      | <b>:</b> | <b>07 November 2017</b>  |
| <b>NC Grade</b>  | <b>:</b> | <b>Major<br/>SCCS</b>  | <b>Date of Closing</b> | <b>:</b> | <b>22 September 2017</b> |
| <b>Standard Ref. &amp;<br/>Requirement</b>   | <b>:</b> | <b>D.2.2</b><br><b>The factory must fulfill all registration and reporting requirements for the right supply chain through organizations that manage the RSPO supply chain (RSPO IT platform or book and claim).</b> |                        |          |                          |
| <b>Non-Conformance Description &amp; Evidence observed (filled by auditor):</b><br><br>Based on <i>Palm Trace</i> data as of 4 September, 2017 it is known that from Quota volume of Certificate Product of Angsana POM period 09 Nov. 2016 to 08 Nov. 2017 are: <b>CPO = 44,265 MT</b> and <b>PK= 8,750 MT</b> . From the quota is known there are still stocks (Remaining Stock) <b>CPO = 34,257.69 MT</b> and <b>PK = 7,142.41 MT</b> . Based on these data that known any production sold (transaction) of Certified Product for <b>CPO = 10,007.31 MT</b> and <b>PK = 1,607.59 MT</b> . The Certificate Holder has not been able to show the data related to Certified Product transaction, which includes the information of Transaction Time, Buyer Name and Transacted Volume. |          |  |                        |          |                          |
| <b>Root Cause Analysis (filled by organization audited):</b><br><br>The delay in sending data of Palm Trace Product from Marketing Minamas in Jakarta to PT LSI Management Unit caused of long bureaucracy   |          |  |                        |          |                          |
| <b>Correction (filled by organization audited):</b><br><br>Have been input the data <i>Palm Trace</i> Product RSPO (CPO & PK) per November 2016 - September 2017 according to data from Marketing Jakarta  |          |  |                        |          |                          |
| <b>Corrective Action (filled by organization audited):</b><br><br>Direct communication with Marketing Department in Jakarta, PSQM Jakarta, PSQM in Local Unit and assisted by local unit logistics team.   |          |  |                        |          |                          |
| <b>Assessor Evaluation and Conclusion (filled by auditor):</b><br><br><b>22 September 2017</b><br>The certificate holder has presented evidence of improvement by completing the Root Cause Analysis, Correction and Corrective Action.<br>Based on the evidence of such improvements, the Non-conformance on this indicator is <b>Closed</b>  |          |  |                        |          |                          |
| <b>Verified by</b>   | <b>:</b> | <b>Oktovianus Rusmin</b>   |                        |          |                          |

**3.5.2 Identification of Findings, Corrective Actions and Observations at ASA-1.2**

|  |   |                        |                           |
|--|---|------------------------|---------------------------|
| <b>NCR No.</b>   | <b>: 2018.01</b>  | <b>Issued by</b>       | <b>: Bayu Yogatama</b>    |
| <b>Date Issued</b>   | <b>: 21 September 2018</b>  | <b>Time Limit</b>      | <b>: 20 December 2018</b> |
| <b>NC Grade</b>  | <b>: Major</b>  | <b>Date of Closing</b> | <b>: 17 December 2018</b> |
| <b>Standard Ref. &amp; Requirement</b>   | <b>: 1.1.2</b><br><b>Records of information requests and responses to requests for information must be available.</b> |                        |                           |
| <b>Evidence observed (filled by auditor):</b> <ul style="list-style-type: none"> <li>- The results of a public consultation with the Head of the Environmental Planning Section, the Department of Environment of Tanah Bumbu Regency, found that there was a Letter from DLH dated 08 August 2018 to PT LSI containing responses to complete the requirements for making the DELH document at PT LSI.</li> <li>- The results of the study of the incoming mail register and PT LSI outgoing mailings have not recorded any incoming letters and responses from management.</li> <li>- The results of interviews and management's responses stating a letter from the DLH of Tanah Bumbu Regency that has not been responded to will immediately be responded to as soon as possible.</li> <li>-</li> </ul>  |   |                        |                           |
| <b>Non-Conformance Description (filled by auditor):</b><br>PT LSI has an Information Request Procedure Revised 02 effective date 01 February 2016 which describes the procedure for responding to stakeholders properly. The SOP explains that the time period for responding to requests for information from stakeholders, if it does not require approval from the Head of Department is 7 days. Meanwhile, if you need approval from the Head Department, the time period to respond is 30 days. However, not all requests and responses to information requests have been responded to in accordance with the procedures owned.   |   |                        |                           |
| <b>Root Cause Analysis (filled by organization audited):</b><br>The process of collecting data from mill units and estate to complete the draft Environmental Evaluation Document (DELH) is being compiled by consultants. The process of collecting data requires time.   |   |                        |                           |
| <b>Correction (filled by organization audited):</b><br>Has been given a response through Letter Number 033 / CEO-KSS / IX / 2018 about the Response to the Completeness Administration DELH of PT. Ladangrumpun Suburabadi   |   |                        |                           |
| <b>Corrective Action (filled by organization audited):</b><br>Communicate both directly and e-mail with Estate Managers and Mill so that data or documents can be obtained and compilation of DELH can be finalized by consultants.  |   |                        |                           |
| <b>Assessor Evaluation and Conclusion (filled by auditor):</b><br><b>Verification 17 December 2018</b><br>The company has shown proof of improvement including: <ul style="list-style-type: none"> <li>- Letter of response to the administrative completeness of PT Sajang Heulang DELH with Number 032-033 / CEO-KSS / IX / 2018 dated September 25, 2018 to the Office of Environment Agency of Tanah Bumbu which explains that the response to the Letter of Environmental Agency of Tanah Bumbu Regency No. 660.1 / 908 / TALING-DELH / DLH / 2018 stated that the draft Environmental Evaluation (DELH) document was being drafted by the consultant, the technical data of PT SHE and PT LSI in the compilation process from plantations and factories and the DELH draft will be reported to DLH immediately Tanah Bumbu Regency.</li> <li>- Introduction Letter No. 7 / SP-CEO KSS / 09/2018 dated 26 September 2018 from PSD Region KKS and was received by the Tanah Bumbu Environmental Agency regarding the response to the administrative requirements of DELH PT SHE and PT LSI.</li> </ul> Based on evidence of improvements that have been given, the non-conformity No. 2018.01 stated to have been fulfilled. |   |                        |                           |
| <b>Verified by</b>   | <b>: Satria Adi Putra</b>   |                        |                           |

|  |  |                                    |                    |
|--|--|------------------------------------|--------------------|
| <i>NCR No.</i>   | : 2018.02  | <i>Issued by</i>                   | : Brigitta Prita   |
| <i>Date Issued</i>   | : 21 September 2018  | <i>Time Limit</i>                  | : 20 December 2018 |
| <i>NC Grade</i>  | : Major  | <i>Date of Closing</i>             | : 17 December 2018 |
| <i>Standard Ref. &amp; Requirement</i>   | <b>2.2.1</b><br><b>Documents that indicate ownership or leasing must be available, history of the tenure of ownership / ownership of land and legal land concession rights</b> |                                    |                    |
| <b>Evidence observed (filled by auditor):</b><br>The company has land legality documents which include:<br>PT Ladangrumpun Suburabadi<br>• No. HGU Certificate 19, July 8, 1999 covering 5,909 Ha.<br>• No. HGU Certificate 43, June 25, 2004 covering an area of 45.50 Ha.<br>• No. HGU Certificate 44, June 25, 2004 covering 112 Ha.<br>• No. HGU Certificate 45, June 25, 2004 covering an area of 10.50 Ha.<br>The total area which has Land Rights of PT Ladangrumpun Suburabadi is 6.077 Ha.<br><br><u>Pantai Bonati Estate - PT Sajang Heulang</u> , documents on land rights owned consist of:<br>• No. HGU Certificate 26, 4 December 2000 covering 150 Ha.<br>• No. HGU Certificate 27, 4 December 2000 covering 56 Ha.<br>• No. HGU Certificate 28, 4 December 2000 covering 200 Ha.<br>• No. HGU Certificate 35, 4 May 2002 covering 2,128 hectares.<br>The total area that has Land Rights is 2,534 Ha.<br><br>While the legal rights for full managed Plasma<br>- KKPA-1 (2,501 farmers) 3,864 Ha<br>- KKPA-4 (2,740 farmers) 2,676.19 Ha<br>The KKPA 1 and KKPA-4 sub total is 6540.19 ha<br><br>The total scope of certification is 15151.19 ha<br><br>Based on the statement area document for the period of 2018 it is known that there are differences in the area of land legality with details as follows: |  |                                    |                    |
| Location   | Area Statement Periode 2018  | Area in Certificate (Legal rights) | Differences        |
| KKPA 1 Estate  | 4,073.60 ha  | 3,864 ha                           | -209.60 ha         |
| KKPA 4 Estate  | 2,667.73 ha  | 2,676.19 ha                        | +8.46 ha           |
| PT LSI   | 6,082.59 ha  | 6,077 ha                           | -5.59 ha           |
| Pantai Bonati  | 2,534.00 ha  | 2,534 ha                           | 0                  |
| Total  | 15,357.92  | 15,151.19                          | -206.73 ha         |
| <b>Non-Conformance Description (filled by auditor):</b><br>The company has not been able to show documents of ownership of a land area of 206.73 ha.   |  |                                    |                    |
| <b>Root Cause Analysis (filled by organization audited):</b><br>There is no validation of checking basic data according to the legality of the land, resulting in a difference.  |  |                                    |                    |
| <b>Correction (filled by organization audited):</b>  |  |                                    |                    |

Validation of examination and approval of basic data on statement area information have been carried out, which data is in accordance with the scope of RSPO certification PT. LSI

**Corrective Action** (filled by organization audited):

Basic info will be validated by the Head of Administration and approval by the Estate Manager before being given to the auditor.

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

**Verification, 14 October 2018.**

The company shows the statement area data for the 2018 period that was signed by the company representative (Estate of each plantation) with the following details:

| Area Statement | Angsana Estate  | Gunung Sari Estate | Pantai Bonati   | KKPA 1         | KKPA 4          | Total            |
|----------------|-----------------|--------------------|-----------------|----------------|-----------------|------------------|
| Mature Area    | 2,159.45        | 1532.21            | 907.43          | 3440.97        | 2659.86         | 10,699.92        |
| Immature Area  | 133.16          | 452.13             | -               | -              | -               | 585.29           |
| Mill           | 34.51           | 8.57               | -               | -              | -               | 43.08            |
| Emplacements   | 29.95           | 36.907             | 16.56           | -              | 8.46            | 91.88            |
| Infrastructure | 82.02           | 107.807            | 157.84          | -              | -               | 347.67           |
| Nursery        | -               | 15                 | -               | -              | -               | 15.00            |
| Mining         | 755.71          | 513.714            | 1,412.17        | 423.03         | -               | 3,104.62         |
| HCV            | 55.2            | 40.6               | -               | -              | -               | 95.80            |
| Occupation     | -               | 120                | 40              | -              | 7.87            | 167.87           |
| <b>Total</b>   | <b>3,250.00</b> | <b>2,826.94</b>    | <b>2,534.00</b> | <b>3864.00</b> | <b>2,676.19</b> | <b>15,151.13</b> |

Based on the data, it was known that there was a change in the HCV area for the previous KKPA 1 area covering 54.32 ha (HCV document) and KKPA 4 covering an area of 29.01 ha (HCV document). Related to this, the company has not been able to show basic info regarding HCV areas in accordance with HCV documents owned by the company in accordance with the RSPO certification system Principle & criteria June 2017, point 4.1.3 " the P & C in the order for a certificate to be awarded. The mill shall develop and implement a plan to ensure that 100% of the scheme for outgrowers are complaint with the standard ".

Based on the explanation above, this non-conformity is stated to have not been fulfilled.

**Verification 17 December 2018**

The company has shown proof of improvement including:

- Acres of basic info (2018) statement that PT LSI's HCV area is 179.13 Ha (spread in Angsana Estate with an area of 55.2 Ha, Gunung Sari Estate with an area of 40.6 Ha and KKPA1 and KKPA 4 covering 83.33 Ha).
- Results of scan of hectare statements that have been approved by local leaders such as Angsana Estate Manager, Gunung Sari Estate Manager, PJS Manager Pantai Bonati Estate, KKPA 1 Manager and KKPA 4 Senior Manager.
- Based on basic data, it is known that the total area for the scope of PT LSI certification is 15,151.19 ha, this is in accordance with the full manage and land legality documents for the core and plasma.

Based on evidence of improvements that have been given, the non-conformity No. 2018.02 is stated to have been fulfilled.

**Verified by** : **Brigitta Prita and Satria Adi Putra**

|                    |                            |                        |                        |
|--------------------|----------------------------|------------------------|------------------------|
| <b>NCR No.</b>     | <b>: 2018.03</b>           | <b>Issued by</b>       | <b>: Bayu Yogatama</b> |
| <b>Date Issued</b> | <b>: 21 September 2018</b> | <b>Time Limit</b>      | <b>: ASA-1.3</b>       |
| <b>NC Grade</b>    | <b>: Minor</b>             | <b>Date of Closing</b> | <b>:</b>               |

|   |   |
|---|---|
| <b>Standard Ref. &amp; Requirement</b>  | <b>: 4.6.7.</b><br><b>The use of pesticides must go through methods that have been proven to minimize risks and negative impacts.</b> |
| <b>Evidence observed (filled by auditor):</b> <ul style="list-style-type: none"> <li>The company has a Block Spraying System (BSS) procedure No. PM 0800 dated April 1, 2010, in which it was explained that to minimize the risks and negative impacts, all work tools and PPE must be washed and stored in the BSS.</li> <li>During the audit activity (September 19, 2018), it was found the fact that there were 6 pcs caps stored in the nursery warehouse, then the company showed documentation that 6 pcs caps were not in the nursery warehouse with information transferred to the chemical warehouse.</li> </ul> |   |
| <b>Non-Conformance Description (filled by auditor):</b><br>The company has not been able to show evidence that the method of handling pesticides has minimized the risks and negative impacts according to the procedures they have.  |   |
| <b>Root Cause Analysis (filled by organization audited):</b>  |   |
| <b>Correction (filled by organization audited):</b>   |   |
| <b>Corrective Action (filled by organization audited):</b>  |   |
| <b>Assessor Evaluation and Conclusion (filled by auditor):</b>  |   |
| <b>Verified by</b>  | <b>:</b>  |

|  |  |                        |                        |
|--|--|------------------------|------------------------|
| <b>NCR No.</b>   | <b>: 2018.04</b>   | <b>Issued by</b>       | <b>: Bayu Yogatama</b> |
| <b>Date Issued</b>   | <b>: 21 September 2018</b>   | <b>Time Limit</b>      | <b>: ASA-1.3</b>       |
| <b>NC Grade</b>  | <b>: Minor</b>   | <b>Date of Closing</b> | <b>:</b>               |
| <b>Standard Ref. &amp; Requirement</b>   | <b>: 4.7.6.</b><br><b>All workers must be provided with health services and protected by work accident insurance</b> |                        |                        |
| <b>Evidence observed (filled by auditor):</b> <ul style="list-style-type: none"> <li>Based on the results of document verification it is known that all employees (SKU and PKWT) have been registered and in the Labor Insurance and Health Insurance. In addition, there is also proof of payment of Labor Insurance and Health Insurance contributions in August 2018.</li> <li>The company is currently collaborating with several contractors, for example: SPK No. CPO transportation activities. 016 / Jasapengangkutan / LSI-HSL / 2012 PT Ho Sarana Lestari. In one of the work agreement clauses, it was explained that the contractor was obliged to comply with OHS related regulations.</li> <li>Based on the results of interviews with contractors PT Ho Sarana Lestari, it was explained that all this time if there were sick employees, all costs would be borne by the contractor. However, the company has not been able to show evidence that all contractor employees have been registered in accident insurance and health insurance.</li> </ul> |  |                        |                        |
| <b>Non-Conformance Description (filled by auditor):</b><br>The company has not been able to show that all workers have provided health services and are protected by accident insurance.   |  |                        |                        |
| <b>Root Cause Analysis (filled by organization audited):</b>   |  |                        |                        |

|   |   |
|---|---|
| <b>Correction</b> <i>(filled by organization audited):</i>            |   |
| <b>Corrective Action</b> <i>(filled by organization audited):</i>     |   |
| <b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i> |   |
| <b>Verified by</b>  | : |

|   |   |   |                        |   |                         |
|---|---|---|------------------------|---|-------------------------|
| <b>NCR No.</b>  | : | <b>2018.05</b>  | <b>Issued by</b>       | : | <b>Satria Adi Putra</b> |
| <b>Date Issued</b>  | : | <b>21 September 2018</b>  | <b>Time Limit</b>      | : | <b>20 December 2018</b> |
| <b>NC Grade</b>   | : | <b>Major</b>  | <b>Date of Closing</b> | : | <b>17 December 2018</b> |
| <b>Standard Ref. &amp; Requirement</b>  | : | <b>5.2.1</b><br><b>Records of HCV assessment results must be available that cover both the planting area and the wider relevant landscape (such as wildlife corridors).</b> |                        |   |                         |
| <b>Evidence observed</b> <i>(filled by auditor):</i> <ul style="list-style-type: none"> <li>The company has shown the PT LSI HCV Identification document dated March 30, 2009 stating that the PT LSI HCV area consists of 2 rivers, namely the Sebambar Baru River 1 (Covering 31.51 Ha) and the River Sebambar 2 (Covering 64.29 Ha) with the total HCV PT area LSI covering an area of 95.8 Ha.</li> <li>In addition, the company has also shown HCV Identification documents for PT Sajang Heulang's KKPA 1-5 in 2012 stating that the area of KKPA 1 HCV is 54.32 Ha and the area of KKPA 4 is 29.01 Ha. This is not in accordance with the statement area document for the 2018 period which states that the total HCV area is 83.60 Ha.</li> <li>In the statement area in ASA 1.1 it is known that the total HCV area in PT SHE (KKPA 1, KKPA 4 and Pantai Bonati) and PT LSI (Gunung Sari Estate and Angsana Estate) is 137.55 ha</li> <li>Based on the statement area in the 2018 period, it was found that the total area of HCV PT SHE (KKPA 1, KKPA 4 and Pantai Bonati) and PT LSI (Gunung Sari Estate and Angsana Estate) was 83.60 ha</li> </ul> |   |   |                        |   |                         |
| <b>Non-Conformance Description</b> <i>(filled by auditor):</i><br>The company has not been able to show the total management of HCV area in accordance with HCV identification documents owned by the company.  |   |   |                        |   |                         |
| <b>Root Cause Analysis</b> <i>(filled by organization audited):</i><br>1. There is no validation of the examination of basic data according to the legality of the land, so that there is a difference.   |   |   |                        |   |                         |
| <b>Correction</b> <i>(filled by organization audited):</i> <ol style="list-style-type: none"> <li>Validation of checks and approval of basic data on statement area information has been carried out, which data is in accordance with the scope of RSPO certification PT. LSI</li> <li>The adjustment of the area of HCV of PT. LSI has been adjusted to an area of 95.8 ha. This is in accordance with the HCV Pollito document PT LSI.</li> <li>An adjustment to the area of HCPA KKPA 1 and KKPA 4 has been made covering an area of 83.33 ha. This is in accordance with the HCV Pollito document PT SHE.</li> </ol>   |   |   |                        |   |                         |
| <b>Corrective Action</b> <i>(filled by organization audited):</i><br>Basic info will be validated by the Head of Administration and approval by the Estate Manager before being given to the auditor  |   |   |                        |   |                         |



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

**Verification, 14 October 2018**

The company has shown improvement documents including:

- Basic Info
- Justification of HCV between HCV assessors and KKPA

Based on these data, it is known that there was a change in the HCV area for the previous KKPA 1 area covering 54.32 ha (HCV document) and KKPA 4 covering an area of 29.01 ha (HCV document). Related to this, the company has not been able to show basic info regarding HCV areas in accordance with HCV documents owned by the company in accordance with the RSPO certification system Principle & criteria June 2017, point 4.1.3 " the P & C in the order for a certificate to be awarded. The mill shall develop and implement a plan to ensure that 100% of the scheme for outgrowers are complaint with the standard ".

Regarding this, the non-conformity No. 2018.05 stated not yet fulfilled.

**Verification 17 December 2018**

The company has shown proof of improvement including:

- Acres of basic info (2018) statement that PT LSI's HCV area is 179.13 Ha (spread in Angsana Estate with an area of 55.2 Ha, Gunung Sari Estate with an area of 40.6 Ha and KKPA1 and KKPA 4 covering 83.33 Ha).
- Results of scan of hectare statements that have been approved by local leaders such as Angsana Estate Manager, Gunung Sari Estate Manager, PJS Manager Pantai Bonati Estate, KKPA 1 Manager and KKPA 4 Senior Manager.

Based on evidence of improvements that have been given, the non-conformity No. 2018.05 is stated to have been fulfilled.

|             |   |                  |
|-------------|---|------------------|
| Verified by | : | Satria Adi Putra |
|-------------|---|------------------|

**3.5.3. Opportunity for Improvement**

| No       | Ref. Std.   | Description  |   |   |  |   |     |        |        |        |    |        |        |       |
|----------|---|--|---|---|--|---|-----|--------|--------|--------|----|--------|--------|-------|
| 1        | 2.1.1   | <p>Observed evidence:</p> <ul style="list-style-type: none"><li>- The company submitted a revision of the P2K3 structure at PT LSI and PT SHE on September 6, 2018 to the Provincial Manpower Agency</li><li>- Submitted an application for the OHS appointment Decree on behalf of Sudarsono on August 18, 2018 through PJK3 PT Kautsar Prima.</li></ul> <p>The company has the opportunity to follow up on the progress of the revised P2K3 structure and the extension of the entire SIO / License.</p>   |   |   |  |   |     |        |        |        |    |        |        |       |
| 2        | 7.3.1   | Consideration LUCA will be follow up   |   |   |  |   |     |        |        |        |    |        |        |       |
| 3        | D.4.2   | <p>Observed evidence:</p> <table><tr><th>Products</th><th>Estimation of certified products period of 9 November 2017 until 8 November 2018 (MT)</th><th>Actual certified products for period September 2017 – August 2018 (MT)</th><th>Actual certified products for period 9 November 2017 until 17 September 2018 (MT)</th></tr><tr><td>CPO</td><td>49,332</td><td>47,767</td><td>38,854</td></tr><tr><td>PK</td><td>10,724</td><td>10,200</td><td>8,505</td></tr></table> <p>Based on the table above it is known that PK production for September 2017 - August 2018 amounted to 10,200 MT, Estimated certified PK products were 10,724 MT. Based on the explanation above, the Company has the opportunity to inform the addition of quotas to CB before actual production exceeds the stipulated projection.</p> | Products  | Estimation of certified products period of 9 November 2017 until 8 November 2018 (MT) | Actual certified products for period September 2017 – August 2018 (MT) | Actual certified products for period 9 November 2017 until 17 September 2018 (MT) | CPO | 49,332 | 47,767 | 38,854 | PK | 10,724 | 10,200 | 8,505 |
| Products | Estimation of certified products period of 9 November 2017 until 8 November 2018 (MT) | Actual certified products for period September 2017 – August 2018 (MT)   | Actual certified products for period 9 November 2017 until 17 September 2018 (MT) |   |  |   |     |        |        |        |    |        |        |       |
| CPO      | 49,332  | 47,767   | 38,854  |   |  |   |     |        |        |        |    |        |        |       |
| PK       | 10,724  | 10,200   | 8,505   |   |  |   |     |        |        |        |    |        |        |       |
|          |   |  |   |   |  |   |     |        |        |        |    |        |        |       |

**3.5.4. Noteworthy Positive Components**

| No | Description   |
|----|---|
| 1  | Has received an ISPO certificate.   |
| 2  | Get zero accident awards for Factory and Pantai Bonati Estate (2017-2018) for the Provincial and National levels. |
| 3  | Has Blue <i>PROPER</i> for period 2016-2017.  |

**3.6 Summary of Arising Issues from Public and Auditor Verification**

| Public Issues<br>(Institution/ NGO/Community)  | Auditor Verification   |
|--|--|
| <p><b>Bayansari Village Head and Regional Consultative Agency of Bayansari.<br/>(Gunung Sari Estate Assisted Village).</b></p> <p>Based on interviews with stakeholders there were positive &amp; negative there are positive &amp; negative things due to the existence of the Company, such as:</p> <p>Positive.</p> <ul style="list-style-type: none"> <li>• Open employment opportunities.</li> <li>• There is heavy equipment loan assistance</li> <li>• Assistance for “Idul Qurban”.</li> </ul> <p><b>Negative.</b></p> <ul style="list-style-type: none"> <li>• The company does not participate or attend “Musrenbang” (Development Planning Consultation) activities.</li> <li>• CSR preparation does not involve local communities.</li> <li>• In 1995-1996 there were ± 150 ha of community land planted by the Company. The company has provided compensation, but the compensation for the loss of land is located in an area outside Bayansari Village.</li> </ul> <p>According to the village community this would be a problem, because the land in Purwodadi Village and Angsana Village would not be able to be managed by Bayansari village (Especially when replanting) This was an obstacle for the Bayansari village (Community Unrest). The community wants a resolution from the Company in this problem.</p> <p>The need for a land agreement between Bayansari Village and related villages (Purwodadi Village and Bayansari Village).</p> <ul style="list-style-type: none"> <li>• The community feels that they are not involved in the mining development agreement. The agreement only involved PT LSI with the Mining Company, the village community assumed that the mining area was a village area. Even though the area is a Company land use title.</li> <li>• The community is not involved in the preparation of social management and monitoring (SIA) impacts.</li> </ul> <p>During now, there is no issue related environmental pollution, and every incoming letter has been responded by the company.</p> | <p>The company has implemented regarding criterion RSPO 6.11 (contribution for local communities).</p> <p>The company will attend the “Musrenbang” activities.</p> <p>The company has making questioners regarding social economic in local communities on 2017. Based on surveys 70% of respondents thought there will be reduction of workers. To anticipate public anxiety about the existence of coal mining, it can be ascertained that the company will not make workers reduction. Addition of workers for harvest will be allocated for maintenance or work at the new replanting.</p> |
| <p><b>Secretary of Angsana Village (Assisted Village KKPA -1).</b></p> <p>Based on interview with stakeholders, the company has given CSR to Angsana Village such as:</p> <ul style="list-style-type: none"> <li>• Heavy equipment lend.</li> <li>• Donations for independence, sports donations and football tournament.</li> <li>• Notification of job opportunities.</li> </ul>   | <p>The company has implemented regarding criterion RSPO 6.11 (contribution for local communities).</p>   |



| <b>Public Issues<br/>(Institution/ NGO/Community)</b>   | <b>Auditor Verification</b>  |
|---|--|
| <ul style="list-style-type: none"> <li>Assistance for "Idul Qurban".</li> </ul> <p>During now, there is no problem related claim and land conflict, no issue related environmental pollution, and every incoming letter has been responded to by the company.</p>   | <p>Based on field visit and interview there is no problem with environmental pollution (Liquid waste &amp; air pollution) and land conflict.</p>   |
| <p><b>Secretary of Sembamban Baru (Angsana Factory Assisted Village).</b></p> <p>Based on interview with the Village Secretary, its known:</p> <ul style="list-style-type: none"> <li>Village communities invite companies to participate in "Musrenbang" activities but for the past 2 years the Company has never attended the event.</li> <li>The community is not involved in the preparation of social management and monitoring (SIA) impacts.</li> <li>During now, there is no problem related claim and land conflict, no issue related environmental pollution, and every incoming letter has been responded to by the company.</li> </ul>           | <p>The company has implemented regarding criterion RSPO 6.11 (contribution for local communities).</p> <p>Based on document review, there is participant from Sembamban Baru Village in the form of questionnaire.</p> <p>Based on field visit and interview there is no problem with environmental pollution (Liquid waste &amp; air pollution) and land conflict.</p>  |
| <p><b>Labor Union</b></p> <ul style="list-style-type: none"> <li>There are no negative issues related to employment and industrial relations.</li> <li>Union and assembly policies have been submitted during the morning briefing.</li> <li>Company regulations are still valid from 2017-2019.</li> <li>Wage determination follows Kalimantan Selatan Province wage, Rp 2,454,672/month</li> <li>There is no coercion to join the union.</li> <li>The routine meeting of members was conducted.</li> <li>All workers has registered on social insurance and health insurance.</li> </ul> <p>There are no discrimination from company and other workers.</p> | <p>There were no significant issues related to dispute between the company and their employees. It was described in Criteria 6.2</p> <p>The Company has provided complaint submission facilities and employee complaints and socialized to workers. This has been further explained in criteria 6.3</p> <p>The company has paid wage in accordance to regulation in criteria 6.5.</p> <p>The company gives the right to form an organization to all workers in accordance with the company policy. This has been further explained in criteria 6.6</p> <p>The company has register and paid the social insurance and health insurance. This has been further explained in indicator 4.7.6.</p> |
| <p><b>Gender Committee</b></p> <ul style="list-style-type: none"> <li>There has been socialization of the policy of the gender committee to employees.</li> <li>The gender committee conducts program activities such as a quarterly meeting on immunization activities, education about policies relating to the protection of reproductive rights, gender equality, health and safety and religious activities.</li> <li>There has never been a case of sexual harassment.</li> <li>There has been socialization of reproductive policies such as maternity leave and H-1 leave.</li> </ul>   | <p>The Company has provided complaint submission facilities and employee complaints and socialized to workers. This has been further explained in criteria 6.3 and 6.9.</p> <p>The Company already has a policy to prevent all forms of sexual harassment and violence. Organizations to protect and implement these policies have been provided by companies by establishing gender committees. This is further explained in criteria 6.9</p>   |

| Public Issues<br>(Institution/ NGO/Community)  | Auditor Verification   |
|--|--|
| <p><b>Labor, Social and Transmigration Agency of Tanah Bumbu District.</b></p> <ul style="list-style-type: none"> <li>• The salary workers have been paid in accordance with governmental provisions / <i>UMK</i>.</li> <li>• Overtime workers in Mill and Estate Unit have been paid in accordance with the applicable provisions. There was no negative issues related to the overtime.</li> <li>• The company has provided housing facilities, clean water, electricity, religious facilities, clinic, transport to school, and sport station for workers.</li> <li>• Gender Committee in Mill and Estate Unit that has registered at the Labor Agency of Tanah Bumbu District.</li> <li>• There are still indications of previous contract workers / <i>PHL</i> in the estate unit.</li> <li>• There was no issue related to child labor and discrimination.</li> <li>• Until now there was no issues related to work accidents.</li> <li>• Labor Agency already know what data or information that can be requested to the company.</li> <li>• Contract workers has been registered at the Labor Agency of Tanah Bumbu District.</li> <li>• Extension of Company Policy / <i>Peraturan Perusahaan</i> has been registered by Labor Agency of Tanah Bumbu District.</li> </ul> | <p>In general all comments given by stakeholders are positive to the environmental aspects. This is in conformity with Criterion 6.5, 6.8, 6.7, 6.9. But related to HIRACT implementation and PPE become to nonconformity at <b>indicator 4.7.2 &amp; 4.7.3</b>.</p>                           |
| <p><b>Plantation Department of Tanah Bumbu District</b></p> <ul style="list-style-type: none"> <li>• The company has obtained <i>Kelas Kebun</i> with B rating in period of 2016.</li> <li>• The company has reported the Plantation Business Progress Report / <i>LPUP</i> for first semester in July 2018.</li> <li>• The company already has fire extinguishers.</li> <li>• The Company has implemented a plasma partnership program (smallholders) with the surrounding villagers.</li> <li>• There was no peatland in land permit / HGU of PT LSI</li> <li>• There are coal mining activities already licensed by relevant government in the land permit / HGU of PT LSI</li> <li>• There was no complain or negative issues are related to the operational activities of the Estate and Mill.</li> </ul>   | <p>In general all comments given by stakeholders are positive to the environmental aspects. This is in conformity with Criterion 1.1, 2.1, 5.5, 6.10, Indicator 6.1.5, 6.11.2</p> <p>There was no significant issues related to negative impact of plantation and mill operation of PT LSI</p> |
| <p><b>Environment Agency of Tanah Bumbu District.</b></p> <ul style="list-style-type: none"> <li>• The Company has environmental documents (AMDAL and UKL/UPL) approved by the relevant government.</li> <li>• The Company has licensed Hazardous Waste Store / <i>TPS LB3</i> approved by the relevant government. <i>TPS LB3</i> located in Mill and Estate.</li> </ul>  | <p>In general all comments given by stakeholders are positive to the environmental aspects. This is in conformity with Criterion 4.4; 4.6; 5.1; 5.2; but related to solid waste management (LB3), RTE species and</p>  |

| Public Issues<br>(Institution/ NGO/Community)  | Auditor Verification  |
|--|---|
| <ul style="list-style-type: none"> <li>The Company has licensed utilization of POME in the land (land application) that which is approved by the relevant government.</li> <li>The Company every 6 months submits the RKL/RPL implementation report. In general, all environmental aspects requested in environmental documents have been managed and monitored, for example: emission quality, noise, water quality, and social aspects.</li> <li>There was no complain or negative issues are related to the operational activities of the Mill and Estate.</li> <li>Container of pesticide must stored in licensed Hazardous Waste Store / <i>TPS LB3</i>, it cannot be used for clean water container, flower pot and trashcan.</li> <li>Environment Agency already know what data or information that can be requested to the company.</li> </ul>                                     | <p>emission monitoring become to nonconformity at indicator 5.2.4; 5.3.3 &amp; 5.6.3</p>  |
| <p><b>FFB Transport</b></p> <ul style="list-style-type: none"> <li>Agreement in the name of Pak Saijo (renewal per 3 months) consists of 10 units (transport units are from the community of Purwodadi Village).</li> <li>PPE is borne by the contractor (Shoes, Helmets and Vests).</li> <li>The implementation of work and payment are in accordance with the applicable agreement.</li> <li>The contractor employee's salary is in accordance with the District Minimum Wage</li> </ul> <p>There are no complaints from contractors to the company. So far, communication has been going well</p>   | <p>Auditor has verified the issue related to contractor payment and complaint mechanism.</p> <p>Auditor also verified the compliance towards criteria 1.3, 4.7, 6.10, and 6.13.</p> |
| <p><b>Head of Worker Union (SPSI Gunung Sari)</b></p> <ul style="list-style-type: none"> <li>There are no issues related to employment</li> <li>There are employee aspirations regarding facilities and infrastructure</li> <li>SPSI members consist of all employees</li> <li>The SPSI meeting was held last 3 months regarding card making</li> <li>The SPSI meeting with the company has been conducted with the subject matter of the discussion on housing improvements, related to which the company will facilitate</li> <li>There were no cases of layoffs.</li> <li>There are no problems related to pensions, all rights have been granted by the company.</li> <li>There are early retirement proposals for as many as 40 people with current progress in managing the company.</li> <li>Workers have been facilitated by health assurance and employment assurance.</li> </ul> |   |



| Public Issues<br>(Institution/ NGO/Community)   | Auditor Verification  |
|---|---|
| <ul style="list-style-type: none"> <li>Retired workers have received benefits in the form of Employment assurance and Manulife.</li> <li>There is no work accident with the fatality phase.</li> <li>The BSS team in Gunung Sari Estate consists of 14 people.</li> <li>The BMS team consisted of 20 people at Gunung Sari Estate.</li> <li>There are no contract workers to apply fertilizer or spray.</li> </ul> <p>Health checks are conducted periodically and the results have been submitted by doctors to employees.</p>   |   |
| <p><b>Head and Secretary (SBSI Angsana POM)</b></p> <ul style="list-style-type: none"> <li>Communication goes well between labor unions and companies</li> <li>The monthly fee for the SBSI is Rp. 20,000 per month.</li> <li>Payment of overtime is carried out according to regulations.</li> <li>The last meeting between companies and labor union related to office employee premium payments was conducted on September 12, 2018 discussing the value of premiums compared to overtime.</li> <li>There are no issues related to employment.</li> <li>There are no problems in paying salaries and overtime</li> <li>There are contract status workers (PKWT) at the Angsana POM Plant, currently in the process of being a permanent employee</li> <li>There are 3 shifts in security / security guards</li> <li>Schedule for shoes is given every 6 months and please be revised</li> <li>Housing conditions that need repairs.</li> <li>Estate access during the rainy season is hampered by flooding.</li> </ul> | <p>Auditor has verified the issue and in accordance with criteria 4.7 and 6.5</p>   |
| <p><b>CPO and PK Transport – PT Ho Sarana Lestari (Local Contractor)</b></p> <ul style="list-style-type: none"> <li>There are socialization related PPE, HCV, Code of Conduct and etc</li> <li>Payment are made every month and there are no significant delays</li> <li>Labor insurance is the responsibility of the contractor</li> </ul> <p>There are no complaints about activities related to cooperative work</p>   | <p>Auditor has verified the issue related to contractor payment and complaint mechanism.</p> <p>Auditor also verified the compliance towards criteria 1.3, 4.7, 6.10, and 6.13.</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> <div style="display: flex; justify-content: space-between; align-items: flex-end;"> <div style="text-align: center;"> <p><b>PT LADANGRUMPUN SUBURABADI</b><br/> <b>PT SAJANG HEULANG</b><br/> <b>Head of PSQM Plantation Minamas Indonesia</b></p>  <p><b><u>Mohamad Pirabaharan</u></b><br/> Tuesday, 18 December 2018</p> </div> <div style="text-align: center;"> <p>Mutuagung Lestari<br/> Lead Auditor</p>  <p><b><u>Trismadi Nurbayuto</u></b><br/> Tuesday, 18 December 2018</p> </div> </div> |

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

| No | Institution/NGO/Community   | Address                    | Phone/Email  | Form of Communication           | Date of Contact                    | Response |    |
|----|---|----------------------------|--|---------------------------------|------------------------------------|----------|----|
|    |   |                            |  |                                 |                                    | Yes      | No |
| 1  | Labor, Social and Transmigration Agency of Tanah Bumbu District.  | Tanah Bumbu District.      | -  | Interview                       | September 18 <sup>th</sup> , 2018. | ✓        |    |
| 2  | Plantation Department of Tanah Bumbu District   | Tanah Bumbu District.      | -  | Interview                       | September 18 <sup>th</sup> , 2018  | ✓        |    |
| 3  | Environment Agency of Tanah Bumbu District.   | Tanah Bumbu District.      | -  | Interview                       | September 18 <sup>th</sup> , 2018  | ✓        |    |
| 4  | National Land Agency (BPN) of Tanah Bumbu District.   | Tanah Bumbu District.      | -  | Interview                       | September 18 <sup>th</sup> , 2018  |          | ✓  |
| 5  | Sawit watch   | Jakarta                    | <a href="mailto:info@sawitwatch.or.id">info@sawitwatch.or.id</a>     | Correspondence by email         | September 10 <sup>th</sup> , 2018  |          | ✓  |
| 6  | Walhi   | Jakarta                    | <a href="mailto:info@walhi.or.id">info@walhi.or.id</a>               | Correspondence by email         | September 10 <sup>th</sup> , 2018  |          | ✓  |
| 7  | WWF   | Jakarta                    | <a href="mailto:Wwf_indonesia@wwf.or.id">Wwf_indonesia@wwf.or.id</a> | Correspondence by email         | September 10 <sup>th</sup> , 2018  |          | ✓  |
| 8  | AMAN  | Jakarta                    | <a href="mailto:rumahaman@cbn.net.id">rumahaman@cbn.net.id</a>       | Correspondence by email         | September 10 <sup>th</sup> , 2018  |          | ✓  |
| 9  | Bayansari Village Head and Regional Consultative Agency of Bayansari.   | Tanah Bumbu District       | -  | Interview                       | September 18 <sup>th</sup> , 2018  | ✓        |    |
| 10 | Secretary of Angsana Village  | Tanah Bumbu District       | -  | Interview                       | September 18 <sup>th</sup> , 2018  | ✓        |    |
| 11 | Secretary of Sembanban Baru   | Tanah Bumbu District       | -  | Interview                       | September 18 <sup>th</sup> , 2018  | ✓        |    |
| 12 | <b>Labor Union</b>  | Tanah Bumbu District       | -  | Interview                       | September 18 <sup>th</sup> , 2018  | ✓        |    |
| 13 | <b>Gender Committee</b>   | Tanah Bumbu District       | -  | Interview                       | September 18 <sup>th</sup> , 2018  | ✓        |    |
| 14 | Local Contractor  | Tanah Bumbu District       | -  | Interview                       | September 18 <sup>th</sup> , 2018  | ✓        |    |
| 15 | CPO & PK Transport  | Tanah Bumbu District       | -  | Interview                       | September 18 <sup>th</sup> , 2018  | ✓        |    |
| 16 | Head Secretary SBSI Angsana POM   | Tanah Bumbu District       | -  | Interview                       | September 18 <sup>th</sup> , 2018  | ✓        |    |
| 17 | Worker Union Gunung Sari  | Tanah Bumbu District       | -  | Interview                       | September 18 <sup>th</sup> , 2018  | ✓        |    |
| 18 | Estate Area<br>• Pesticide applicator 20 Worker<br>• Harvester 4 Worker<br>• Land Application<br>• Empty Bunch applicator 4 Worker<br><br>Angsana Factory | PT Ladangrumpun Suburabadi | -  | Field observation and interview | September 18 <sup>th</sup> 2018    | ✓        | -  |

|   |  |  |  |  |  |  |
|---|--|--|--|--|--|--|
| <ul style="list-style-type: none"> <li>- 1 WTP Operator</li> <li>- 1 WWTP Operator</li> <li>- 1 workshop workers (welder)</li> <li>- 1 Land Application Operator</li> <li>- 2 Boiler Operators</li> <li>- 2 Grading Operators</li> <li>- 1 Engine Room Operator</li> <li>- 1 Kernel Station Operator</li> <li>- 2 Sterilizer Operators</li> </ul> |  |  |  |  |  |  |
|   |  |  |  |  |  |  |

| <b>Appendix 2. Assessment Program</b> |   |                                     |
|---------------------------------------|---|-------------------------------------|
| <b>17 -21 September 2018</b>          |   |                                     |
| <b>Audit Plan</b>                     | <b>PROCESSES / CLAUSES TO BE AUDITED</b>  | <b>AUDITOR</b>                      |
| <b>Monday, 17 September 2018</b>      |   |                                     |
| 05.45 – 08.35                         | <b>Jakarta → Banjarmasin (Garuda GA 530)</b>  | • All Team                          |
| 09.00 – 13.00                         | <b>Banjarmasin → PT LSI</b>   | • All Team                          |
| 13.00 – 15.00                         | <b>Break &amp; Lunch</b>  | • All Team                          |
| 15.00 – 16.00                         | <b>Opening Meeting</b>  | • All Team                          |
| 16.00 – 17.00                         | <b>Verification of Previous Non-conformance, basic information, Time Bound Plan &amp; Partial Certification</b>   | • All Team                          |
| <b>Tuesday, 18 September 2018</b>     |   |                                     |
| 08.00 – 15.00                         | Stakeholders Consultation to Related Agency in Tanah Bumbu District   | • BYG                               |
| 08.00 – 12.00                         | Stakeholders Consultation with Surrounding of Villages  | • BRP                               |
|                                       | Stakeholders Consultation with Gender Committee & Workers Union   | • SAP/TNB                           |
|                                       | Stakeholders Consultation with Local Contractors (CPO & PK Transporter)   | • SAP/TNB                           |
| 12.00 – 14.00                         | <b>BREAK</b>  | <b>ALL Team</b>                     |
| 14.00 – 17.00                         | <b>Field observation to Angsana POM</b> <ul style="list-style-type: none"> <li>Security Post, FFB receiving, CPO &amp; PK Sending/SCCS Aspect).</li> <li>FFB grading, FFB processing, OHS Aspect, Worker Welfare (payments, complaint mechanism).</li> <li>Water Treatment Plant, Schedule Waste, Workshop, Chemical Storage, WWTP, Leachate Water management, Land Application.</li> </ul>   | • BRP<br>• SAP/TNB<br><br>• BYG     |
| <b>Wednesday, 19 September 2018</b>   |   |                                     |
| 08.00 – 12.00                         | <b>Field Observation Gunung Sari Estate</b> <ul style="list-style-type: none"> <li>Manuring, Spraying, Harvesting, EFB application, best agricultural practices, Worker Welfare (payments, complaint mechanism)</li> <li>Hazardous Waste Material (B3) management; Worker facilities (housing, health clinic, clean water, etc), and Fire Fighting facilities, Storage, ect.</li> <li>Land Fill, Legal operational and Conservation Area</li> </ul> | • BYG<br><br>• BRP<br><br>• SAP/TNB |
| 12.00 – 14.00                         | <b>BREAK</b>  | <b>ALL Team</b>                     |
| 14.0 – 17.00                          | • <b>Field observation clarification; document Review and Verification of Previous Non-Conformance Record</b>   | All Team                            |
| <b>Thursday, 20 September 2018</b>    |   |                                     |
| 08.00 – 12.00                         | <b>Field Observation KKPA-1 Estate</b> <ul style="list-style-type: none"> <li>Manuring, Spraying, Harvesting, EFB application, best agricultural practices, Worker Welfare (payments, complaint mechanism)</li> <li>Hazardous Waste Material (B3) management; Worker facilities (housing, health clinic, clean water, etc), and Fire Fighting facilities, Storage, ect.</li> <li>Land Fill, Legal operational and Conservation Area</li> </ul>      | • SAP/TNB<br><br>• BRP<br><br>• BYG |
| 12.00 – 14.00                         | <b>BREAK</b>  | <b>ALL Team</b>                     |
| 14.00 – 17.00                         | • <b>Field observation clarification; document Review and Verification of Previous Non-Conformance Record</b>   | • ALL Team                          |
| <b>Friday, 21 September 2018</b>      |   |                                     |
| 08.00 – 10.00                         | • <b>Closing Meeting</b>  | • ALL Team                          |
| 10.00 – 15.00                         | • <b>PT LSI → Banjarmasin</b>   | • ALL Team                          |

| 17 -21 September 2018     |   |            |
|---------------------------|---|------------|
| Audit Plan                | PROCESSES / CLAUSES TO BE AUDITED       | AUDITOR    |
| Monday, 17 September 2018 |   |            |
| 18.45 – 20.00             | • Banjarmasin → Jakarta (Garuda GA 529) | • ALL Team |