

*Roundtable on Sustainable Palm Oil Certification
RSPO*

[✓] Surveillance

Name of Management Organisation : Rantau Palm Oil Mill, PT Laguna Mandiri subsidiary of Sime Darby Plantation Bhd
 Plantation Name : PT Laguna Mandiri: Rantau Estate, Matalok Estate, KKPA Sungai Cengal
 PT Swadaya Andika: Randi Estate, Selabak Estate, Sangkoh Estate
 PT Langgeng Muaramakmur: Lanting Estate
 Location : Village of Rantau, Sub District of Pamukan Utara, District of Kotabaru, Province of Kalimantan Selatan, Indonesia
 Certificate Code : **MUTU-RSPO/009**
 Date of Initial Registration : 30 December 2011
 Date of Certificate Issue : 06 February 2017 Date of License Issue : 06 February 2020
 Date of Certificate Expiry : 29 December 2021 Date of License Expiry : 29 December 2020

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
ASA-1.3	08 to 11 October 2019	Sandra Purba (Lead Auditor), Rizliani Aprianita Hasibuan, Afiffuddin, Briyogi Shadiwa	Leonada	Ardiansyah

Assessment	Approved by MUTUAGUNG LESTARI on:
ASA-1.3	30 December 2019

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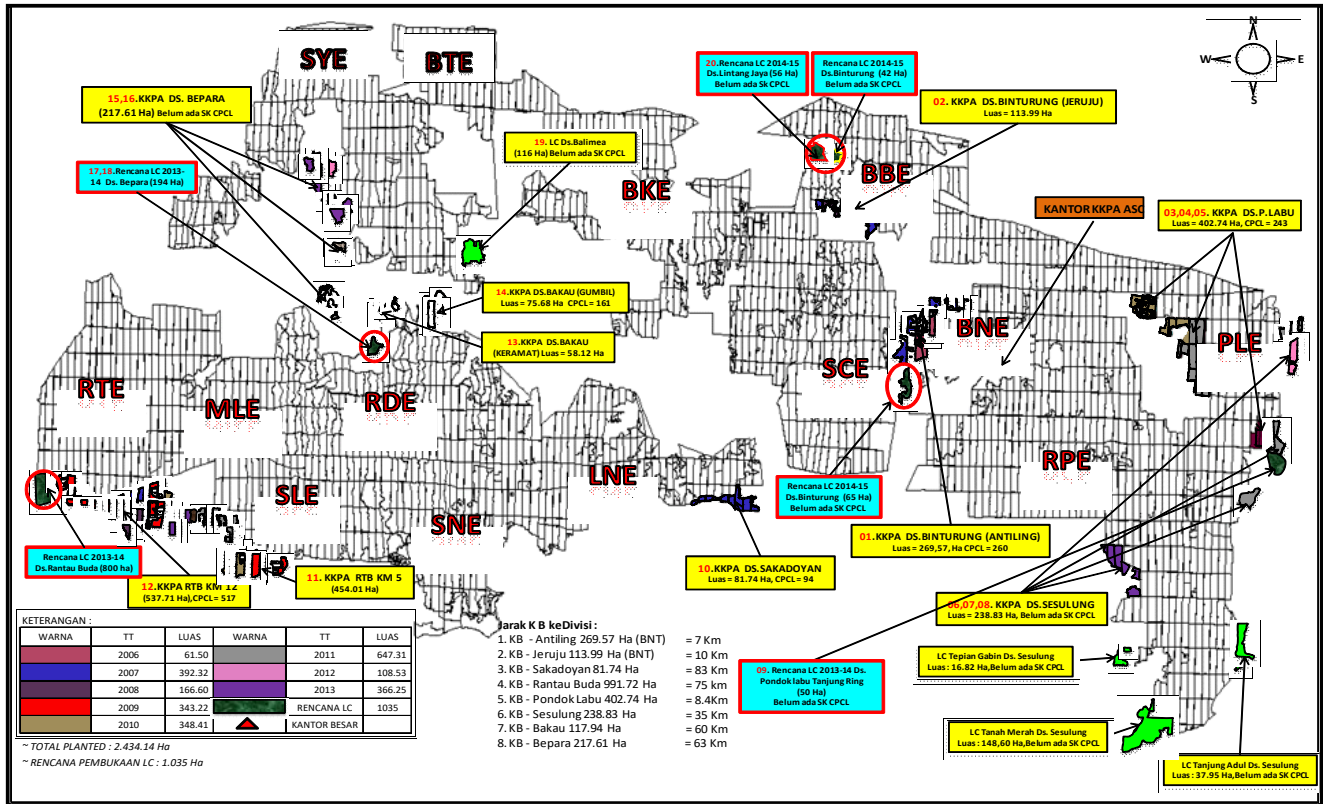
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Figure 1. Location Map of PT Laguna Mandiri, Kotabaru Regency, Kalimantan Selatan Province



Figure 2. Operational Map of PT Laguna Mandiri



Abbreviations Used

AMDAL	:	<i>Analisis mengenai Dampak Lingkungan</i> (Environment Impact Assessment)
ARM	:	Agricultural Reference Manual
ASA	:	Annual Surveillance Assessment
ASC	:	Area Sungai Cengal
BMP	:	Best Management Practices
BOD	:	Biological Oxygen Demand
BPJS	:	<i>Badan Penyelenggara Jaminan Sosial</i> / Social Insurance
BPN	:	<i>Badan Pertanahan Nasional</i> / National Land Agency
BSS	:	Block Spraying System
CAPEX	:	Capital Expenditure
CEO	:	Chief Executive Officer
CH	:	Certificate Holder
CITES	:	Convention on International Trade in Endangered Species
CPO	:	Crude palm oil
CSPK	:	Certified sustainable Palm Kernel
CSPO	:	Certified Sustainable Palm Oil
CSR	:	Corporate Social Responsibility
EFB	:	Empty Fruit Bunch
EHS	:	Environment, Health and Safety
EIA	:	Environmental Impact Assessment
FFA	:	Free Fatty Acid
FFB	:	Fresh Fruit Bunch
GHG	:	Green House Gas
HCV	:	High Conservation Value
HGU	:	<i>Hak Guna Usaha</i> (Land Title)
HIRAC	:	Hazard identification Risk Assessment Risk and Control
HRM	:	Human Resources Manager
IDR	:	Indonesian Rupiah
IPM	:	Integrated Pest Management
ISPO	:	Indonesia Sustainable Palm Oil
KER	:	Kernel Extraction Rate
KKPA	:	Cooperative of Primary Credit for Members (smallholder scheme)
LAT	:	Lead Auditor Training
LD	:	Lethal Dose
LMI	:	Laguna Mandiri
LMR	:	Langgeng Muara Makmur
LNE	:	Lanting Estate
LSU	:	Leaf Sampling Unit
LUCA	:	Land Use Change Analysis
MLE	:	Matalok Estate
MSDS	:	Material Safety Data Sheet
MSPO	:	Malaysia Sustainable Palm Oil
MT	:	Metric Ton
NGO	:	Non-Government Organization
NPP	:	New Planting Procedure
OER	:	Oil Extraction Rate
OFI	:	Opportunity for Improvement
OHS	:	Occupational Health and Safety
OPEX	:	Operating Expenditure

P2K3	:	<i>Panitia Pelaksana Kesehatan dan Keselamatan Kerja</i> (OHS Guiding Committee)
PA	:	Plantation Advisory
PIC	:	Person In Charge
PK	:	Palm Kernel
PKO	:	Palm kernel Oil
POM	:	Palm Oil Mill
POME	:	Palm Oil Mill Effluent
PP	:	<i>Peraturan Pemerintah</i> / Government Regulaion
PPE	:	Personal Protective equipment
PSA	:	Paripurna Swakarsa
PSD	:	Plantation Sustainable Department
PSQM	:	Plantation Sustainability and Quality Management
PWC	:	PricewaterhouseCoopers
RaCP	:	Remediation and Compensation Procedure
RDE	:	Randi Estate
RKL	:	<i>Rencana Pengelolaan Lingkungan</i> (Environment Management Plan)
RPL	:	<i>Rencana Pemantauan Lingkungan</i> (Environment Monitoring Plan)
RSPO	:	Roundtable Sustainable Palm Oil
RTE	:	Rantau Estate
RTE	:	Rare Threatened Endangered
RTF	:	Rantau Factory
SAA	:	Swadaya Andika
SCA	:	Sungai Cengal Plasma
SCCS	:	Supply Chain Certification Standard
SDP	:	Sime Darby Plantation
SIA	:	Social Impact Assessment
SLE	:	Selabak Estate
SNE	:	Sangkoh Estate
SOP	:	Standard Operational Procedure
SSU	:	Soil Sampling Unit
UKL-UPL	:	<i>Usaha Kelola dan Pantau Lingkungan</i> / Environment management and monitoring plan
WHO	:	World Health Organization
WTP	:	Water Treatment Plant
WWTP	:	Waste Water Treatment Plant

1.0 SCOPE OF THE CERTIFICATION ASSESSMENT			
1.1 Assessment Standard Used			
<ul style="list-style-type: none"> • Indonesian National Interpretation Principle and Criteria RSPO 2013 for Indonesia July 2016, approved RSPO Governors 30 September 2016. • 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) • RSPO Certification System for Principles and Criteria, 14 June 2017 			
1.2 Organisation Information			
1.2.1	Organization name listed in the certificate	Rantau POM, PT Laguna Mandiri subsidiary of Sime Darby Plantation Sdn Bhd	
1.2.2	Contact person	Alagendran Maniam	
1.2.3	Organisation address and site address	RSPO Registered Company : No 2, Plantation Tower Jalan PJU 1A/7 Petaling Jaya, Malaysia 47301 Liaison Office : The Plaza Office Tower, 36 th Floor. Jl. MH Thamrin kav. 28 – 30, Jakarta – 10350	
1.2.4	Telephone	+6221 - 29926000	
1.2.5	Fax	+6221 – 29922686	
1.2.6	E-mail	alagendran.maniam@simedarbyplantation.com	
1.2.7	Web page address	www.simedarby.com	
1.2.8	Management Representative who completed the application for certification	Alagendran Maniam (Head of PSQM Sime Darby Plantation Bhd)	
1.2.9	Registered as RSPO member	1-0008-04-000-00 – 7 September 2004	
1.3 Type of Assessment			
1.3.1	Scope of Assessment and Number of Management Unit	1 Palm Oil Mill (Rantau Factory) and 7 supply bases: Rantau Estate, Matalok Estate, KKPA Sungai Cengal, Selabak Estate, Sangkoh Estate, Randi Estate and Lanting Estate	
1.3.2	Type of certificate	Single	
1.4 Locations of Mill and Plantation			
1.4.1	Location of Mill		
	Name of Mill	Location	Coordinate
			Latitude Longitude
	Rantau POM	Rantau Buda Village, Pamukan Utara Sub District, Kotabaru District, Kalimantan Selatan Province, Indonesia	S 02° 26' 21" E 116° 06' 51"
1.4.2	Location of Certification Scope of Supply Base		
	Name of Supply Base	Location	Coordinate
			Latitude Longitude
	Rantau Estate	Rantau Buda Village, Pamukan Utara	S 02° 26' 42" E 116° 06' 43"

(PT LMI)	Sub District, Kotabaru District, Kalimantan Selatan Province, Indonesia		
Matalok Estate (PT LMI)	Bepara Village, Pamukan Utara Sub District, Kotabaru District, Kalimantan Selatan Province, Indonesia	S 02° 26' 44"	E 116° 06' 43"
KKPA Sungai Cengal (1,382 Smallholders)	Binturung Village, Pamukan Utara Sub District, Kotabaru District, Kalimantan Selatan Province, Indonesia	S 02° 24' 20"	E 116° 21' 44"
Selabak Estate (PT SAA)	Selabak Village, Sungai Durian Sub District, Kotabaru District, Kalimantan Selatan Province, Indonesia	S 02° 26' 32"	E 116° 12' 29"
Randi Estate (PT SAA)	Manunggal Lama Village, Sungai Durian Sub District, Kotabaru District, Kalimantan Selatan Province, Indonesia	S 02° 26' 20"	E 116° 12' 31"
Sangkoh Estate (PT SAA)	Manunggal Lama Village, Sungai Durian Sub District, Kotabaru District, Kalimantan Selatan Province, Indonesia	S 02° 28' 14"	E 116° 14' 15"
Lanting Estate (PT LMR)	Harapan Baru Village, Pamukan Utara Sub District, Kotabaru District, Kalimantan Selatan Province, Indonesia	S 02° 27' 49"	E 116° 17' 01"

1.5 Description of Area Statement

1.5.1	Tenure	
	• State	21,399.26 Ha
	• Community	2,770.30 Ha

HGU PT LMI: 7,720 Ha; HGU PT SAA: 10,429.99 Ha; and HGU PT LMR (Lanting Estate): 3,249.27 Ha

1.5.2 Area Statement

	PT LMI (Ha)	PT SAA (Ha)	PT LMR (Ha)	KKPA Sungai Cengal (Ha)	Total (Ha)
Total area	7,720	10,429.99	3,249.27	2,770.30	24,169.56
Planted area:					
- Mature area	4,801.27	6,224.22	1,967.09	2,594.02	15,586.60
- Immature area	1,917.3	2,188.98	756.82	162.88	5,025.98
Emplacement	103.49	141.43	53.95	13.4	312.27
Mill	34	14.22	-	-	48.22
Road and bridge	304.5	387.74	84.39	-	776.63
HCV Area	98	409.9	277.26	-	785.16
River, Hill, Valley	96.44	166.68	77.9	-	341.02
Pond	-	6.85	-	-	6.85
Nursery	-	30.43	-	-	30.43
Enclave	365	859.54	31.86	-	1,256.4

1.6 Planting Year and Cycles

Age profile of planting year								
Planting Year	Hectares (Ha)							
	RTE	MLE	SLE	RDE	SNE	LNE	KKPA	Sub Total
1993	414.16	110.05	-	-	-	-	-	524.21
1994	436.45	-	422.86	-	-	-	-	859.31

1995	-	-	126.84	-	-	-	-	126.84
1996	941.94	291.88	644.13	789.94	82.96	1,051.5	-	3,802.35
1997	519.67	82.45	-	336	653.23	417	-	2,008.35
1998	496.28	810.04	552.28	249.19	347.2	276.91	-	2,731.9
1999	-	237	-	-	-	-	-	237
2000	-	-	-	77.02	346.05	-	-	423.07
2001	-	-	124.04	-	-	-	-	124.04
2006	-	-	116.53	-	60.55	60.36	61.5	298.94
2007	-	-	172.87	65.87	31.41	-	392.32	662.47
2008	-	108	-	-	183.98	-	166.6	458.58
2009	-	-	-	-	-	54.49	345.25	399.74
2010	-	-	-	-	-	59.79	299.39	359.18
2011	-	-	-	-	-	-	619.46	619.46
2012	-	-	-	-	-	-	112.48	112.48
2013	-	-	-	-	-	-	400.09	400.09
2014	-	-	-	-	167.59	-	196.93	364.52
2015	218.10	135.25	171.06	-	144.62	-	-	669.03
2016	-	-	165.8	192.2	-	47.04	-	405.04
Mature	3,026.60	1,774.67	2,496.41	1,710.22	2,017.59	1,967.09	2,594.02	15,586.6
2015	42.04	-	-	-	100.4	-	162.88	305.32
2016	205.23	79.4	213.1	281.8	280.61	304.79	-	1,364.93
2017	329.46	514.75	372.98	180.96	128.6	193.1	-	1,719.85
2018	207.24	120.55	136.8	162.54	43.51	-	-	670.64
2019	277.27	141.36	62.68	59.21	165.79	258.93	-	965.24
Immature	1,061.24	856.06	785.56	684.51	718.91	756.82	162.88	5,025.98
TOTAL	4,087.84	2,630.73	3,281.97	2,394.73	2,736.5	2,723.91	2,756.9	20,612.58

1.6.2	New Planting area after January 2010	± 1,788.70	Ha (KKPA/smallholders area)
1.6.3	Planting Cycle	2 nd Cycle	

1.7 Description of Mill and Supply Base

1.7.1	Description of Mill						
	Name of Mill	Capacity (tons/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel	
Out put (tons)				Extraction (%)	Out put (tons)	Extraction (%)	
	Rantau POM	60	179,453.36	37,179.34	20.72	9,271.39	5,17

** Production data source from October 2018 to September 2019*

1.7.2	Description of Certification Scope of Supply Base						
	Name of Estate	Total Area (Ha)	Planted Area (Ha)	FFB (tons/year)	Yield (tons/ha/ year)	Supplied to Mill	
FFB (tons/year)						%	
	Rantau Estate	4,638	4,087.84	41,710.19	10.20	41,710.19	100
	Matalok estate	3,082	2,630.73	22,562.51	8.58	22,562.51	100
	Selabak Estate	3,757.67	3,281.97	34,798.43	10.60	34,798.43	100
	Randi Estate	2,882.98	2,394.73	23,731.32	9.91	23,731.32	100

Sangkoh Estate	3,789.34	2,736.5	25,293.69	9.24	25,293.69	100
Lanting Estate	3,249.27	2,723.91	23,339.47	8.57	23,339.47	100
Sub Total Own Estates	21,399.26	17,855.68	171,435.61	9.60	171,435.61	100
KKPA Sungai Cengal (1,382 Smallholders)	2,770.30	2,756.90	8,452.75	3.07	8,452.75	100
Sub Total Smallholders	2,770.30	2,756.90	8,452.75	3.07	8,452.75	100
TOTAL	24,169.56	20,612.58	179,888.36	8.73	179,888.36	100

** Production data source from October 2018 to September 2019*

1.7.3 FFB description from other source

Name of sources/Organization (RSPO certified / non-certified)	Type of Organization	Number of smallholders	Production Area (Ha)	Supplied to Mill
				FFB (tons/year)
-	-	-	-	-
TOTAL				-

**Source Production Data on October 2018 to September 2019*

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)
	<ul style="list-style-type: none"> FFB Processed Estate FFB Processed Smallholders CPO Production Palm Kernel (PK) Production 	<p>229,029</p> <p>11,026</p> <p>51,612</p> <p>13,203</p>	<p>171,435.61</p> <p>8,452.75</p> <p>37,179.34</p> <p>9,271.39</p>

1.8.2 Product selling

Tonnage of selling product	Actual selling product for last year (MT)
<ul style="list-style-type: none"> CSPO sold as RSPO certified product CSPK sold as RSPO certified product CSPO sold under other scheme CSPK sold under other scheme CSPO sold as conventional CSPK sold as conventional 	<p>34,274.62</p> <p>9,271.39</p> <p>0</p> <p>0</p> <p>0</p> <p>0</p>

1.8.3 Estimate of Certified FFB Claim

Name of Estates	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/ year)	Yield (tonnes/ha/year)
Rantau Estate	4,638	4,087.84	43,796	10.7
Matalok Estate	3,082	2,630.73	23,691	9.0
Selabak Estate	3,757.67	3,281.97	36,538	11.1
Randi Estate	2,882.98	2,394.73	24,918	10.4

Sangkoh Estate	3,789.34	2,736.5	26,558	9,7
Lanting Estate	3,249.27	2,723.91	24,506	9,0
Sub Total Own Estates	21,399.26	17,855.68	180,007	10.08
KKPA Sungai Cengal (1,382 Smallholders)	2,770.30	2,756.90	8,875	3.2
Sub Total Smallholders	2,770.30	2,756.90	8,875	3.2
TOTAL	24,169.56	20,612.58	188,882	9,2

** Projected FFB production for 30 December 2019 to 29 December 2020*

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 (%)	
Rantau POM	60	188,882	41,554	22	10,389	5.50	IP

** Projected CSPO and CSPK production for 30 December 2019 to 29 December 2020*

1.9 Other Certifications

ISPO certificate from SGS

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		
Sekunzir. PT. Indotruba Tengah	2010	Sekunzir	2010			Seruyan and West Kotawaringin District – Central Kalimantan	Certified
		Seruyan	2010				Certified
Manggala. PT. Tunggal Mitra Plantations	2010	Manggala 1	2010			Rokan Hilir District – Riau	Certified
		Manggala 2	2010				Certified
		Manggala 3	2010				Certified
Bukit Ajong PT. Sime Indo Agro	2010	West	2010			Sanggau District – West Kalimantan	Certified
		East	2010				Certified
		Sei Mawang	2018	57.89	2020		-
		East Plasma	2010				Certified
		West Plasma	2010				Certified
Teluk Siak. PT. Aneka Inti Persada	2011	Teluk Siak	2011			Pekanbaru, Siak District – Riau	Certified
		Pinang Sebatang	2011				Certified
		Aneka Persada	2011				Certified
Sungai Pinang. PT. Bina Sains Cemerlang	2012	Sungai Pinang	2012	308.25	2020	Musi Rawas District – South Sumatera	Certified
		Bukit Pinang	2012				Certified
Pemantang. PT. Teguh	2011	Pemantang	2011			Seruyan and East	Certified
		Kawan Batu	2011				Certified

Sempurna		Hatan Tiring	2011			Kotawaringin District – Central Kalimantan	Certified
		Batang Garing	2011				Certified
Alur Dumai. PT Lahan Tani Sakti	2011	Alur Dumai	2011			Rokan Hilir District – Riau	Certified
Teluk Bakau. PT. Bhumireksa Nusa Sejati	2011	Teluk Bakau	2011			Indra Giri Hilir District – Riau	Certified
		Nusa Perkasa	2011				Certified
		Nusa Lestari	2011				Certified
Mandah PT. Bhumireksa Nusa Sejati	2014	Mandah	2011			Indra Giri Hilir District – Riau	Certified
		Rotan Semelur	2011				Certified
Angsana Mini*) PT Sajang Heulang	2011	KKPA-1 PT.SHE	2013			Tanah Bumbu District – South Kalimantan	Certified
		Pantai Bonati	2011				Certified
Angsana. PT Ladangrumpun Suburabadi	2011	Pantai Bonati	2011			Tanah Bumbu District – South Kalimantan	Certified
		Gunung Sari	2011				Certified
		KKPA-4 PT.SHE	2013				Certified
		KKPA-1 PT.SHE	2013				Certified
		Subur Abadi Plasma 1 Estate	2020				-
Mustika. PT Sajang Heulang	2013	Mustika				Tanah Bumbu District – South Kalimantan	Certified
		KKPA-2 PT.SHE	2013				Certified
		KKPA-3 PT.SHE	2013				Certified
		KKPA-5 PT.SHE	2013				Certified
		SAP 1	2020				ST-2
Gunung Aru. PT Bersama Sejahtera Sakti	2011	Gunung Aru	2011	549.58	2020	Kotabaru District – South Kalimantan	Certified
		Gunung Kemasam	2011	216.35	2020		Certified
		Laut Timur	2011				Certified
		Pantai Timur	2011				Certified
		KKPA MBP	2020				-
Bebunga. PT. Langgeng Muaramakmur	2011	Sungai Cengal	2011	1,162	2020	Kotabaru District – South Kalimantan	Certified
		Bakau	2011				Certified
		KKPA LMR	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			Kotabaru District – South Kalimantan	Certified
		Pondok Labu	2012				Certified
		Rampa	2012				Certified
		Sesulung	2012				Certified
Selabak *)	2012	Selabak	2012			Kotabaru District	Certified

PT Swadaya Andhika		Randi	2012			t - South Kalimantan	Certified		
		Sangkoh	2012				Certified		
		Lanting	2012				Certified		
Rantau. PT Laguna Mandiri	2012	Rantau	2012			Kotabaru District - South Kalimantan	Certified		
		Matalok	2012				Certified		
Betung. PT Laguna Mandiri	2014	Betung	2012			Kotabaru District - South Kalimantan	Certified		
		Sekayu	2012				Certified		
Ungkaya. PT Tamaco Graha Krida	2012	Ungkaya	2012			Morowali District - Sulawesi Tengah	Certified		
		Plasma TGK	2015				Certified		
Ladang Panjang. PT Bahari Gembira Ria	2012	Ladang Panjang	2012	1,639	2020	Muaro Jambi District - Jambi	Certified		
		Plasma BGR	2020				-		
Rantau Panjang. PT Guthrie Pecconina Indonesia	2012	Rantau Panjang	2012			Musi Banyuasin District - South Sumatera	Certified		
		Bumi Ayu	2012				Certified		
		Karang Ringin	2012				Certified		
		Napal	2012				Certified		
		Mangun Jaya	2012				Certified		
		Sungai Jernih Estate and GPI KKPA	2017				- (Not Yet)		
Blang Simpo. PT Perkasa 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		
Lembiru. PT Sandika Nata Palma	2014	Lembiru	2014			Ketapang District - West Kalimantan	Certified		
		Awatan	2014				Certified		
		Karya Palma	2018				800	2020	-
		KKPA SNP	2020				-		
		Pelanjau (PT BAL)	2018				1,121	2020	certified
		Sungai Putih (PT BAL)	2018				-		
		Baturus (PT BAL)	2018				-		
		KKPA BAL	2020				-		
MALAYSIA									
Sg Dingin SOU 1	2010	Bukit Hijau	2010			Kerangan, Kedah	Certified		
		Padang Buluh	2010				Certified		
		Bukit Selangor	2010				Certified		
		Sg Dingin	2010				Certified		
		Jentayu	2010				Certified		
		Anak Kuli	2010				Certified		
		Somme	2010				Certified		
Chersonese SOU 2	2011	Chersonese	2011			Kuala Kurau, Perak	Certified		
		Holyrood	2011				Certified		
		Kalumpang	2011				Certified		
		Tali Ayer	2011				Certified		

Elphil SOU 3	2011	Kinta Kellas	2011			Sg Siput, Perak	Certified
		Elphil	2011				Certified
		Kamuning	2011				Certified
Flemington SOU 4	2011	Flemington	2011			Teluk Intan, Perak	Certified
		Bagan Datoh	2011				Certified
		Sabak Bernam	2011				Certified
		Sg Samak	2011				Certified
Seri Intan SOU 5	2011	Seri Intan (Main Division)	2011			Teluk Intan, Perak	Certified
		Sabrang	2011				Certified
		Sg Wangi	2011				Certified
		Sogomana (Main Division)	2011				Certified
Selaba SOU 5	2011	Seri Intan (Selaba Division)	2011			Teluk Intan, Perak	Certified
		Sogomana (Cashwood & Sg Beruas Division)	2011				Certified
		Bikam	2011				Certified
		Clumy	2011				Certified
Tennamaram SOU 6	2011	Tennamaram	2011			Bestari Jaya, Selangor	Certified
		Sungei Buloh	2011				Certified
		Bkt Talang	2011				Certified
Bkt Kerayong SOU 7	2011	Bkt Kerayong	2011			Kapar, Selangor	Certified
		Bkt Cherakah	2011				Certified
		Bkt Rajah	2011				Certified
		Bkt Lagong	2011				Certified
		Elmina	2011				Certified
East SOU 8	2010	East	2010			Carey Island, Selangor	Certified
		Dusun Durian	2010				Certified
		Sepang	2010				Certified
West - SOU 9	2010	West	2010			Carey Island, Selangor	Certified
Bukit Putri - SOU 10	2011	Bukit Putri	2011			Raub, Pahang	Certified
Kerdau SOU 11	2011	Kerdau	2011			Temerloh, Pahang	Certified
		Jentar	2011				Certified
		Mentakab	2011				Certified
		Sg Mai	2011				Certified
		Chenor	2011				Certified
Jabor - SOU 12	2011	Jabor	2011			Kuantan, Pahang	Certified
Labu SOU 13	2011	Labu	2011			Nilai, Negeri Sembilan	Certified
		New Labu	2011				Certified
		Bradwall	2011				Certified
Tanah Merah SOU 14	2010	Tanah Merah	2010			Port Dickson, Negeri Sembilan	Certified
		Sua Betong	2010				Certified
		Bukit Pelandok	2010				Certified

Sua Betong SOU 15	2014	Salak	2014		Port Dickson, Negeri Sembilan	Certified
		Sengkang	2014			Certified
		Siliau	2014			Certified
		PD Lukut	2014			Certified
		Sungai Baru	2014			Certified
		Tampin Linggi	2014			Certified
Kok Foh SOU 16	2011	Bukit Pilah	2011		Bahau, Negeri Sembilan	Certified
		Kok Foh	2011			Certified
		Muar River	2011			Certified
		St. Helier	2011			Certified
		Pertang	2011			Certified
		Sg Gemas	2011			Certified
		Sg Sebalang	2011			Certified
		Sg Senarut	2011			Certified
Kempas SOU 17	2010	Kempas	2010		Jasin, Melaka	Certified
		Kemuning	2010			Certified
		Tangkah	2010			Certified
Diamond Jubilee SOU 18	2011	Bukit Asahan	2011		Jasin, Melaka	Certified
		Diamond Jubilee	2011			Certified
		Serkam	2011			Certified
Pagoh SOU 19	2014	Pagoh	2014		Muar, Johor	Certified
		Lanadron	2014			Certified
		Pengkalan Bukit	2014			Certified
		Welch	2014			Certified
Chaah SOU 20	2010	North Labis	2010		Chaah, Johor	Certified
		Cha'ah	2010			Certified
		Sg Simpang Kiri	2010			Certified
Gunung Mas SOU 21	2010	Gunung Mas	2010		Kluang, Johor	Certified
		Kempas Klebang	2010			Certified
		Bukit Paloh	2010			Certified
		Yong Peng	2010			Certified
Bukit Benut SOU 22	2011	Bukit Benut	2011		Kluang, Johor	Certified
		CEP Niyor	2011			Certified
		Lambak / Elaeis	2011			Certified
Ulu Remis SOU 23	2011	Pekan	2011		Layang-layang, Johor	Certified
		Sembrong	2011			Certified
		Tun Dr. Ismail	2011			Certified
		Ulu Remis	2011			Certified
		Bukit Badak	2011			Certified
		Cenas	2011			Certified
Hadapan SOU 24	2011	CEP Rengam	2011		Layang-layang, Johor	Certified
		Kulai	2011			Certified
		Layang	2011			Certified
		Seri Pulai	2011			Certified
Sandakan Bay SOU 26	2008	Tun Tan Siew Sin	2008		Sandakan, Sabah	Certified
		Tunku	2008			Certified
		Tigowis	2008			Certified

		Sentosa	2008				Certified
		Saguliud	2008				Certified
Melalap SOU 27	2011	Melalap	2011			Tenom, Sabah	Certified
		Sapong	2011				Certified
Binuang SOU 28	2009	Tingkayu	2009			Kunak, Sabah	Certified
		Sungang	2009				Certified
		Jelata Bumi	2009				Certified
		Binuang	2009				Certified
Giram SOU 29	2009	Mostyn	2009			Kunak, Sabah	Certified
		Giram	2009				Certified
Merotai SOU 30	2009	Imam	2009			Tawau, Sabah	Certified
		Merotai	2009				Certified
		Table	2009				Certified
		Tiger	2009				Certified
Lavang SOU 31	2011	Belian	2011			Bintulu, Serawak	Certified
		Kelida	2011				Certified
		Lavang	2011				Certified
		Lavang (SE)	2011				Certified
		Rasan	2011				Certified
Rajawali SOU 32	2011	Rajawali	2011			Bintulu, Serawak	Certified
		Samudera	2011				Certified
		Semarak	2011				Certified
		Bayu	2011				Certified
Derawan SOU 33	2011	Takau	2011			Bintulu, Serawak	Certified
		Damai	2011				Certified
		Derawan	2011				Certified
		Sahua	2011				Certified
Pekaka SOU 34	2011	Chartquest	2011			Bintulu, Serawak	Certified
		Dulang	2011				Certified
		Peroh	2011				Certified
		Pekaka	2011				Certified
		Ruai	2011				Certified
LIBERIA							
Grand Cape Mount	2017	Matambo (2,500 Ha)	2018			Grand Cape Mount, Liberia	IC
		Grand Cape Mount (2,372 Ha)	2018				IC
		Zodua (264)	2018				IC
		Bomi (3,128 Ha)	2018			Bomi, Liberia	IC
		Lofa (2,254 Ha)	2018				IC
P & G (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 (Smallholders)	2012			Certified
		South (Smallholders)	2012			Certified
		West (Smallholders)	2012			Certified
Tetere	2011	Tetere	2011		Gudaicanal, Solomon Island	Certified
		Ngalimbiu	2011			Certified
		Mbalisuna	2011			Certified
		West Zone (Smallholders)	2011			Certified
		Central Zone (Smallholders)	2011			Certified
		MBA East (Smallholders)	2011			Certified
		MBA West (Smallholders)	2011			Certified
Sangara, Sambiripa & Mamba	2013	Sangara	2013		Higaturu, Popondetta, Oro, P&G	Certified
		Sumberipa	2013			Certified
		Ambogo	2013			Certified
		Embi	2013			Certified
		Mamba	2013			Certified
		Sorovi (smallholders)	2013			Certified
		Igora (smallholders)	2013			Certified
		Saiho (smallholders)	2013			Certified
		Aeka (smallholders)	2013			Certified
		Ilimo (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 (smallholders)	2010			Certified
		Morobe VOP (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
<ul style="list-style-type: none"> • Mosa • Kumbango • Kapiura • Namumdo • Waraston 	2008	Bebere	2008		West New Britain	Certified
		Kumbango	2008			Certified
		Togulo	2008			Certified
		Dami	2008			Certified
		Waisisi	2008			Certified
		Kautu	2008			Certified
		Karaus	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, 25 mmanagement units in Indonesia, 10 management units in P&G that RSPO certified. Total management unit in Sime Darby Plantation Bhd are 34 in Malaysia, 25 in Indonesia and 10 in P&G. In the year of 2016 & 2017 there are three 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. The mills are:

1. Angsana Mini Mill, PT Sajang Heulang: Mill stop operate since 2016 and the supply bases is transfer to Angsana POM, PT Ladangrumpun Subur Abadi.
2. Selabak Mill, PT Swadaya Andhika: Mill stop operate since.2017 and the supply bases is transfer to Rantau POM, PT Laguna Mandiri
3. Pekaka, SOU 34: Mill stop operate since 2017 and the supply bases is transfer to Lavang, SOU 31

There was change of the Time Bound Plan under Sime Darby on April 2019 cause the Sime Darby postpone the others certification process.

The TBP has been approved and signed by the management representative (Head PSQM).

1.10.2	Progress of Associated Smallholders and Outrowers for Certifiable Standard
	The part area of associated smallholder (KKPA Sungai Cengal under PT LMI) which supplied to Rantau POM has been certified under PT LMI-Rantau POM.

2.0	ASSESSMENT PROCESS
2.1	Assessment Team
ASA-1.3	<ol style="list-style-type: none"> 1. Sandra Purba (Lead Auditor). Graduated from Forestry Faculty Bachelor Degree, majored in Forest Product Technology. Have experience working in industrial forest company, mining and oil palm plantations company for 6 (six) years as EHS and Sustainability Assistant. Has been certified as General OHS Expert, attend and passed the several trainings of management system (OHS, environment and quality management), has been attend the training of waste management, GHG vericator and validator training, and conflict resolution and mapping training. Have been successfully passed the Indonesian Sustainable Palm Oil (ISPO) Lead Auditor training course, RSPO lead auditor training course and auditor of RSPO Next, SCCS LAT and SA8000. Involve in many audit activities of similar scheme (ISPO and MSPO) since April 2013 covering the Legal Aspect, Environmental aspect, Social Aspect, Health and Safety Aspect, conservation and Worker Welfare. During the assessment, she assigned to verify HCV, GHG, and RSPO Supply Chain 2. Rizliani Apranita Hsb (Auditor). Indonesian Citizen. Bachelor and Magister of Agribusiness, Faculty of Agriculture. She had followed training such as RSPO Lead Auditor Training, SCCS training, lead Auditor ISO 9001:2008, ISO 14001:2004, ISPO Auditor training and followed several IHT related to environment, BMP etc. She has been involved in several audit activities related to sustainable palm oil certification since 2015 covering social aspect, health and safety aspect, worker welfare and waste management aspect. During the assessment she assigned to verified legal, transparency and worker welfare. 3. Afiffuddin (Auditor Trainee). Indonesian citizen, Diploma III majoring Palm Oil Plantation, Bogor Agricultural University. Five years working experience since 2010 at Oil Palm Plantation Company in Indonesia as agronomy operational staff and followed several trainings namely: Basic Plantation Management Program, Auditor Training Indonesian Sustainable Palm Oil (ISPO), Training of RSPO lead auditor, OHS General Expert, OHS System Management based on PP 50 2012 and Management System Certification (ISO 9001-2015/SNI 19011-9001:2015) ISO 17021, ISO 17065, SA 8000 training. He has been involved in several audit activities related to sustainable palm oil certification since 2016 covering Best Management Practices aspect, health and safety aspect and worker welfare aspect. During this audit, he is under supervised to conduct assessment on BMP Agronomy and long term budget. 4. Briyogi Shadiwa (Auditor). Indonesian citizens. Diploma 3 of Oil Palm Plantation. He has 7 years working experience since 2009 as Agronomy Assistant and Agronomy Quality Control in several private oil palm plantation companies in Indonesia. The training has been followed include: ISPO Auditor Training, RSPO Lead Auditor Course by Checkmark Training, Lead auditor ISO 9001: 2015, Awareness SMK3, Lead Auditor ISO 14001: 2015, Awareness OHSAS 18001: 2007 and OHS Expert. During this audit, he assigned to verify OHS, Social and Waste Management.
2.2	Assessment Methodology, Assessment Process and Locations of Assessment
2.2.1	Figure of person days to implement assessment
ASA-1.3	<p>Number of auditors : 3 auditor and 1 auditor trainee Number of days for ASA-1.3 at site: 4 days Number of working days for ASA-1.3 at site : 12 Working days</p>
2.2.2	Assessment Process
ASA-1.3	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT Laguna Mandiri to the requirements of Indonesian National Interpretation of RSPO Principles and Criteria 2013 by INA-NITF, July 2016 (Endorsed by the RSPO Board of Governors meeting on 30th September 2016) and RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014, Rev. 14 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. Some opportunities for improvement of the results ASA-1.3 delivered by the MUTU auditor to the management unit</p>

and the results are the subject will be verified at the next assessment phase (ASA-1.4).
Improvement of findings from main assessment findings were observed by auditors at this ASA-1.3 assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of ASA-1.3.

The assessment program please find Appendix 2

2.2.3	Locations of Assessment
ASA-1.3	<p>POM</p> <ol style="list-style-type: none"> 1. Security and weighbridge. Observation and interview regarding to the SCC implementation, OHS aspect and workers welfare aspect. 2. WTP. Observation and interview regarding to OHS aspect and workers welfare aspect, training and chemical management 3. Grading. Observation of FFB grading and quality, OHS and worker welfare implementation. 4. Sterilizer Station. Observation and interview with operator related personnel understanding over the applicable SOP, infrastructure in mill, the implementation of occupational health and safety, medical examination, trainings from company and worker welfare. 5. Pressing Station. Observation and interview with operator related personnel understanding over the applicable SOP, infrastructure in mill, the implementation of occupational health and safety, medical examination, trainings from company and worker welfare. 6. Clarification Station Observation about infrastructure in mill, the implementation of occupational health and safety, medical examination, trainings from company and worker welfare. 7. Boiler Station . Observation and interview with operator related personnel understanding over the applicable SOP, infrastructure in mill, the implementation of occupational health and safety, medical examination, trainings from company and worker welfare. 8. Engine Room Station. Observation and interview with operator related personnel understanding over the applicable SOP, infrastructure in mill, the implementation of occupational health and safety, medical examination, trainings from company and worker welfare. 9. Workshop. Observation and interviews related to the competence of workers, implementation OHS (including medical check up), employment, waste management and complaint mechanism. 10. Chemical storage. Observation and interview on environmental aspect, OHS implementation, management of chemical and understanding of working procedure. 11. Waste Water Treatment Plant. Field observations and interviews with WWTP operators regarding waste water management, OHS and employment. 12. Oil storage. Observation related management of oil. 13. Empty Bunch Area. Observation related management of EFB 14. Hazardous waste warehouse. Observations related hazardous waste management, emergency response equipment, symbol and label of hazardous waste. 15. Water Intake. Observation related to water source for mill and water management. <p>Bulking. Observation and interview related to the SCC implementation</p> <p>Selabak Estate</p> <ol style="list-style-type: none"> 16. Block E8 division 4. Observation related to HGU boundary mark no. SAA07 17. Block DE06 division 4. Observation related to HGU boundary mark no. SAA08 18. Block D06 division 4. Observation related to HGU boundary mark no. SAA09 19. Cemetery Block F24. Observation related to Concervation area. 20. Block 5/6 division 1 field D005. Observation related to the Manting River riparian area 21. Housing complex (division 4). Observation and interview related employee housing facilities. 22. Chemical storage. Observation and interviews related to chemical and pesticide storage area, hazardous waste management, employment, and implementation OHS. 23. Material storage. Observation material storage of estate. 24. Fertilizer storage. Observation and interviews related to waste management and implementation OHS.

25. **Workshop.** Observation and interviews related to the competence of workers, implementation OHS (including medical check up), employment, waste management and complaint mechanism.
26. **Hazardous Waste Storage.** Observation and interviews related to hazardous waste management, OHS implementation, employment and complaint mechanism.
27. **Nurseries Block.** Observation of nursery area and condition of available seed stock.

Matalok Estate

28. **HGU poles no. 8, no. 45, no. 46 and no. 9.** Observation related to HGU boundaries management, there is no overplanted
29. **Riparian of Pangau River.** Observation regarding to the HCV management activities
30. **Occupation area (enclave) block of E28 Div 2.** Observation related to the land conflict settlement
31. **HCV 4.1 (water spring), block of D33, Div 2.** Observation regarding to the HCV management activities
32. **Clinic.** Observation and interview related to
33. **Crèche.** Observation and interview related to workers facilities, workers welfare and OHS aspect
34. **Worker' line site of div 2.** Observation and interview related to workers facilities and workers welfare
35. **Generator set.** Observation and interview regarding to OHS aspect and workers welfare aspect, training and waste management
36. **Land Application, block B25 Division 1.** Ensure that the condition of the Land Application is in accordance with the block, there are no leaks and interview related aspects of OHS and Employment.
37. **Herbicide Application, block C35-36 Division 2.** Observation spraying activities and interviews with workers spray related to the duties and responsibilities (job description), work procedures, a dose of agrochemical application, safe work practices, use of PPE, periodic medical examinations, P3K foreman, wage system, labor protection (Health Insurance and employment), training in the use of pesticides is limited and transportation workers.
38. **Immature plant area, year planting 2019, field D016.** Observation new planting area which planted in 2019.
39. **Barn Owl Box (BOB), block C33 Division 2.** Observation of rat pest control using owl's biological enemies.
40. **Chemical Warehouse.** Observation and interviews related to chemical and pesticide storage area, hazardous waste management, employment, and implementation OHS.
41. **Fertilizer warehouse.** Observation and interviews related to hazardous management, waste management and implementation OHS.
42. **Gudang spare part.** Observation related material storage including PPE.
43. **Workshop.** Observation and interview regarding to the OSH aspect, employment aspect and waste management.

Sangkoh Estate

44. **Chemical storage.** Observation and interviews related to chemical and pesticide storage area, hazardous waste management, employment, and implementation OHS.
45. **Fertilizer storage.** Observation and interviews related to waste management and implementation OHS.
46. **Material storage.** Observation related material storage including PPE.
47. **Hazardous waste warehouse.** Observations related the process of temporary storage before being sent to the third party, building condition, emergency response equipment, symbol and label of hazardous waste.
48. **Block Spraying System (BSS) House.** Observation the conditions of chemical mixing area, PPE warehouse and PPE handling.
49. **Daycare (division 3).** Observation and interviews related to employee welfare facilities, employment and domestic waste management.
50. **Division Office.** Observation related to storage warehouse.
51. **Housing complex (div 3).** Observation of the availability of infrastructure such as employee housing facilities
52. **Reservoir.** Observation related to water source for housing complex division 3.
53. **Housing complex (div 1&2).** Observation of employee housing facilities
54. **Reservoir.** Observation related to water source for housing complex division 1&2.
55. **Landfill, Block I31 division 2.** Observation related management of domestic waste.
56. **Harvesting, block G26 Division 1.** Observation of harvesting and interviews with harvesters and foreman associated with work such as the distribution harvesting plots, crop rotation, criteria and penalties harvest, the wage system tonnage, health insurance and labor protection, safe work practices and use of PPE.

<p>57. HCV Area Sungai Tandilang. Observation related to the HCV area of <i>Sungai Tandilang</i></p> <p>58. Herbicide Application, block C22 Division 3. Observation spraying activities and interviews with workers spray related to the duties and responsibilities (job description), work procedures, a dose of agrochemical application, safe work practices, use of PPE, periodic medical examinations, P3K foreman, wage system, labor protection (Health Insurance and employment), training in the use of pesticides is limited and transportation workers.</p> <p>59. Boundary Pole No. 20 and 21. Observation related to HGU boundary pole.</p> <p>KKPA Selabak</p> <p>60. Harvesting, Block P04. Observation and interview with workers related to procedure implementation, worker welfare and OHS.</p> <p>Stakeholder</p> <p>61. Manpower Agency of Kotabaru Regency 62. Environment Agency of Kotabaru Regency 63. National Land Agency of Kotabaru Regency 64. Gender Committee 65. Worker Union 66. Bina Swadaya Karya Cooperative 67. Manunggal Lama Village 68. Bepara Village</p>	
2.3	Stakeholder Consultation and Stakeholders Contacted
2.3.1	Summary of stakeholder consultation process.
ASA-1.3	<p>Consultation of stakeholders for PT Laguna Mandiri was held by:</p> <ul style="list-style-type: none"> - Public Annoucement at web www.mutucertification.com on September 21st, 2019 - Consultation meeting and interview with locals of the nearby village and ex land owner (Manunggal Lama and Bepara Village) on October 8th, 2019. - Consultation meeting and interview with Internal Stakeholder (Worker Union, gender committee and local contractor) on October 8th, 2019. - Public consultation with government of Kotabaru Regency (Manpower Agency, Environment Agency & National Land Agency) conducted by phone on October 8th, 2019. - Consultation with NGO (USAID, AURIGA, Green Peace Indonesia) on September 26th, 2019.
2.3.2	Stakeholder contacted
	<i>Please find appendix 1</i>
2.4	Determining Next Assessment
	The next visit ASA-1.4 will be conducted eight (8) month to twelve (12) month after date of annual license.

3.0. ASSESSMENT FINDINGS

3.1. Summary of Assessment Report of the RSPO Certification

MUTUAGUNG LESTARI has conducted an assessment of Rantau POM – PT Laguna Mandiri, Sime Darby Plantation Bhd operation consisting of one (1) mill and seven (7) oil palm estates.

During the assessment, there were Five (5) Nonconformities were assigned against Major Compliance Indicator; four (4) nonconformities were assigned against Minor Compliance Indicator; and two (2) nonconformities against supply chain requirement for CPO mill. and ten (10) 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.

MUTUAGUNG LESTARI found that Rantau POM – PT Laguna Mandiri, subsidiary of Sime Darby Plantation Bhd complied with the requirements of Indonesian National Interpretation of RSPO P&C 2013 by INA-NITF (Indonesian National Interpretation Task Force) July 2016, endorsed by the RSPO BoG 30th September 2016.

Therefore MUTUAGUNG LESTARI Recommends RSPO Certification of compliance is continued.

Ref Std.	VERIFICATION RESULT of MUTU-Certification
PRINCIPLE #1 COMMITMENT TO TRANSPARENCY	
1.1 Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.	
Minor 1.1.1. & Major 1.1.2	
<p>Certificate Holder has a list of stakeholders consist of Head of village, community figures, Regency Government, contractor etc. The results of interviews with management known that the updating of stakeholder documents is conducted every 1 year and the person responsible for providing and updating information is the PSQM department.</p> <p>CH has an SOP to respond to stakeholders contained Information Request Response Procedure (No. 056 / SAA-JPI / 12), issued June 15, 2012. This mechanism aims to provide guidance in making answers to requests for information from stakeholders addressed to the Operational Unit. The period of response to providing information to stakeholders is 2 weeks (14 days).</p> <p>CH has a logbook of incoming and outgoing letters for each unit. Based on the results of verification of the document, it was found that there was no request for information to the company. Some incoming letters are proposals for assistance requests, and all incoming letters have been responded to by the company. While the period of giving the response is still in accordance with the SOP that is owned. CH also has provide adequately mandatory reports to the government.</p> <p>The results of interviews with the related agencies such as Labor Agency, Environment Agency and Village Heads / Community figure of Manunggal Lama dan Bepara Village were conveyed that the parties understood the mechanism if there was a request for information to be conveyed to the company. Requests for information are submitted by mail to the company and are supported by telephone communication.</p> <p>Ensuring responses to requests for information/assistance (OFI)</p>	
	Status: Comply

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

Major 1.2.1
 Certificate Holder has a list of types of information that can be obtained by stakeholders, including:

- Legal: Permit Documents (Location Permit, Plantation Business Permit, HGU Certificate or documents that refer to HGU certificate according to the stages.
- Environment: Environmental and Social Impact Analysis Document (AMDAL / UKL-UPL), Environmental Management and Monitoring Report (RKL-RPL Report).
- Social: Documents of social activities and relationships with the community
- Occupational Health and Safety Program Documentation: Medical Check Up records. Occupational Safety and Health (OSH) SMK3 Document, OSH Program Monitoring records, OSH training or simulation
- Documentation of Continuous Improvement Program: Audit Report.
- etc

The results of interviews with the related agencies such as Labor Agency, Environment Agency and Village Head / Community figure of Manunggal Lama and Bepara Village were conveyed that the parties understood the mechanism if there was a request for information to be conveyed to the company. In the socialization, there were also several types of information that could be requested to the companies.

Status: Comply

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

1.3.1
 CH has code of conduct No. 440/HRM-COC/07 dated 24th May 2007, available in Indonesian Language. This code of conduct explains that CH has a commitment to building a mutually beneficial long-term relationship with stakeholders, such as optimally enhancing shareholder value, treating employees equally in all aspects. Does not engage in political activity and is not affiliated to the political party nor does it make any contribution concerning political activity and is not allowed to provide, offer or accept anything of value which may be categorized as a bribe to or from customers, angry providers & services or government officials and others so Influence the desired decision. Based on interview with workers, labor union, representatives of gender committees, as well as local contractor known that they understood about code of integrity and ethical behavior.

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.

Major 2.1.1
 CH has complied with laws and regulations such as:

OHS and Environment

- Manpower Minister Regulation No. 9 of 2010 concerning transport and lifting equipment operators
- Manpower Minister Regulation No. 38 of 2016 concerning Occupational Safety and Health of power and roduction equipment.
- Minister of Environment Decree No. 45 of 2005 concerning guidelines for preparing reports on the implementation of the RKL-RPL report.
- Agricultural Minister Regulation No. 11 of 2015 related ISPO
- Regulations relating to the latest Minimum Wages.
- Manpower Minister Regulation No. 5 of 2018 concerning Occupational Safety and Health at the Work Environment.
- Environmental Minister Regulation No.5 of 2018 concerning Standards and Certification of Competency of Responsible Operators for Wastewater Treatment and Responsible for Water Pollution Control.
- Law No. 101 of 2014 concerning the management of hazardous waste..

Worker welfare

1. Workers wages are in accordance with South Kalimantan Governor Regulation No. 188.44/0598/KUM/2018 concerning Regency Minimum Wages of Kotabaru Regency on 2019 dated November 15, 2018.
2. The company has a Collective Labor Agreement for the period of 2016 - 2018. Based on the decision of the Head of the Manpower Agency of Kotabaru Regency, No 568 / KEP-1012 / HIPK / PDF.PKB / X1 / Naker-2/2016. Based on the decree, the period of validity of the Collective Labor Agreement is until November 1, 2018. The Collective Labor Agreement is still valid until 1 year before the new Collective Labor Agreement is ratified by the Manpower agency.of renewing the new Company Regulation and during that time period, the Company Regulation still valid.

BMP

The certificate holder also shows evidence of compliance with relevant laws and regulations related to Best Management Practices, including the use of pesticides that have been registered with valid permits. Based on field observations in chemical storage and spraying activities and document reviews, it is known that the certificate holder has used the pesticide which is registered in the "Pesticide Commission". In addition, based on the results of document review and field observations, it is also known that in replanting activities, the certificate holder does not burn, but through mechanization techniques. The certificate holder is also shown the Granting of the Permit to Import Palm Oil Seeds into the Republic of Indonesia for originating seeds from Papua New Guinea. This is in accordance with the Plantation Act 39/2014. The certificate holder has also reported mandatory reports to relevant agencies such as the Plantation Business Activity Report for the first semester of 2019 to Kotabaru district.

While for the legal aspect, the company has a Plantation Business Permit and land rights that covered all managed area.

2.1.2; 2.1.3 and 2.1.4:

CH has a mechanism to identify and evaluate the compliance with the law described in the Legal requirements procedure No. 701 / TQEM-ESH / 10 dated July 1, 2010. The procedure explains that PSD, the Legal & licensing Group and ESH Manager are responsible for identifying, inventorying and evaluating the fulfillment of all legal and regulatory requirements related to aspects and impacts of operations.

CH has an update regulation with a total of 234 regulations and has conduct an evaluation on August 2019. The regulation consisting of Law, Government Regulation, Presidential Decree, Ministerial Regulations, etc. The latest regulatory information is obtained from regular communication with government agencies and non-government organizations and through websites providing legal information. In ensuring compliance with laws and regulations, the company conducts an internal audit with a period of once a year for evaluating compliance with laws and regulations. The company has a document on the results of evaluating compliance with laws in the scope of SOU 8 (PT LMI). Evaluations are conducted regularly by the PSQM team.

Ensure evaluation of compliance with regulations related to contract workers and contractor employees (OFI)

	Status: Comply	
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2.2

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

2.2.1

The company shows the land ownership documents for a total managed area covering 24,169.56 Ha, with details: own estates covering 21,339.26 Ha and community areas (KKPA) covering 2,770.30 Ha, as follows:

1. Rantau Estate and Matalok Estate: 7,720.01 Ha, (PT LMI). The total land right is 15,300 Ha, consisting of 10 HGU certificates:
 - HGU No. 13 of 1997 dated November 22, 1997, area of 149,500,000 m2 valid until November 22, 2032
 - HGU Certificate No. 46 of 2004 dated April 2, 2004, area of 59.10 hectares valid until April 20, 2039.
 - HGU Certificate No. 47 of 2004 dated April 2, 2004, area of 115.40 hectares, valid until April 20, 2039.
 - HGU Certificate No. 48 of 2004 dated April 2, 2004, area of 21.50 hectares, valid until April 20, 2039.
 - HGU Certificate No. 49 of 2004 dated April 2, 2004 with an area of 4 hectares, valid until April 20, 2039.
 - HGU Certificate No. 50 of 2004 dated April 2, 2004 with an area of 12.26 hectares, valid until April 20, 2039.
 - HGU Certificate No. 51 of 2004 dated April 2, 2004 with an area of 35.18 hectares, valid until April 20, 2039.

- HGU Certificate No. 52 of 2004 dated April 2, 2004 with an area of 12.34 hectares, valid until April 20, 2039.
 - HGU Certificate No. 53 of 2004 dated April 2, 2004 with an area of 9.58 hectares, valid until April 20, 2039.
 - HGU Certificate No. 54 of 2004 dated April 2, 2004 with an area of 80.64 hectares, valid until April 20, 2039.
2. Sangkoh Estate, Randi Estate and Selabak Estate (PT SAA): 10,429.99 Ha, consist of:
- Certificate No. 15 of 1997 dated 1 December 1997, area of 9,370.60 ha valid until November 22, 2032.
 - Certificate No. 32 of 2002 dated March 26, 2002, area of 507.579 ha valid until September 24, 2037.
 - Certificate No. 33 of 2002 dated March 26, 2002, area of 483 ha valid until September 24, 2037.
 - Certificate No. 02 of 2002 dated March 21, 2003, area of 68,445 m², valid until March 20, 2033.
 - Certificate no. 00203 from 1 March 2019 to 20 February 2054, with an area of 61.97 Ha.
3. Lanting Estate included 3,249.27 Ha (PT LMR): HGU Certificate No. 12 of 1997 dated October 28, 1997 covering an area of 15,533 ha valid until November 22, 2032.
4. KKPA Sungai Cengal, KKPA Sungai Cengal consisting of 2,770.30 Ha is a community area with the basis of rights in the form of freehold title area, this is explained in the credit agreement:
- Deed No. 59 dated 19 September 2013 for an area of 155 Ha (77 HHs).
 - Deed No. 56 dated 19 September 2013 over the planted area of 383.56 hectares (192 HHs).
 - Deed No. 24 dated 7 March 2017 covering an area of 552.47 ha (517 HHs).

There is an area of **1679.27 Ha** which is still in the process in Kotabaru Regent related to the Decree of CPCL (prospective participant of farmers and land candidates). The company showed evidence of receipt of the proposal from the Kotabaru Regent on February 19, 2019. Land and prospective farmers verification by Agriculture Dept of Kotabaru has been carried out on September 7, 2019. Continuous follow-up either by telephone or in person was done by the PSD Dept, saying that the response is still in process.

2.2.2

In the SOP of "*pemeliharaan patok BPN*" No. : 029 / SAA-PPB / 10 on July 1, 2010, has been explained that periodic maintenance is carried out every month, by painting and replacing if there are missing poles.

The company shows evidence of monitoring and maintenance of HGU poles for the 2019 period, for example:

- Sangkoh Estate, on 6 August 2019.
- Selabak Estate, on September 13, 2019
- Matalok Estate, on September 23, 2019.

Based on field observations to SNE, MLE and SLE boundaries, observed that there was no over-planting, the HGU poles are in place for example no. PTLMI8, PTLMI46, PTLMI9, no. 20 and 21.

The company has prepared a plan and a follow-up program for the installation of new poles (replacing lost and damaged poles) based on the results of monitoring of the 2019, the progress will be observed on next ASA. **OFI**

2.2.3, 2.2.4, 2.2.5, 2.2.6

Based on the area of the statement known there is no an open land conflict in the company's HGU, there are enclave area of 1,257.40 ha which has been verified since the RC, those area is not compensated. It was consistent with observations and interviews result to the surrounding community. There is a request for the exclusion of a graveyard from the HGU, sighted a letter from the Sangkoh Customary Head on 18 September 2018 to PT Minamas Plantation regarding negotiation invitations to discuss the grave area in the company's operational / HGU. The response to the letter was submitted by the company on September 19, 2019 (AC-SNE-KAS / 108 / SD / IX / 2019 / S), the letter explained that the company had made a settlement. Based on field observations, the company has reforested and marked 4 grave points, namely in Block H24 Div 2 RDE, Block F34 Div 2 SNE, Block E27 Div 1 SNE and block F24 Div 3 SLE. Based on interviews with management representatives mentioned that at the time the measurement had involved community representatives.

Based on interviews with the head of the cooperative unit, it was told that there was a arable in KKPA (the area had a credit agreement), which was located in the village of Trombong Sari (Selabak Estate).

The company can show evidence of settlement such as: joint mapping with a scale of 1: 25000, evidence of a meeting to discuss the rehabilitation of KKPA areas with the people of Trombong Sari Village and involving by the local government, and a letter of confirmation from Agriculture Dept. on 3 October 2018.

Until now the area is still controlled by the community and is not harvested by the company / KKPA.

Sighted a Conflict Management SOP No. 050 / SAA + LNE / C15 dated 1 Sep 2015 which explains that conflict resolution

or compensation is carried out based on deliberation by involving related parties, including the mapping. Based on the results of field observations and interviews with surrounding communities, it was stated that the company did not use violence in maintaining company order and operations.

Status: Comply

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

2.3.1, 2.3.2, 2.3.3, 2.3.4

There have not been any changes since ASA 1.2.

Based on the BPN of Kotabaru Regency Letter No. 000/02 / KP-10 dated September 2, 2010 concerning the Status of Customary Rights / Customary Land stated that:

1. Land status, especially in Kotabaru Regency, up to date there has never been any regulation regarding the status of customary rights.
2. All HGU's issued by BPN and during the process of their rights did not find any land with the status of Customary Rights.

The management unit still uses SOP identification and land compensation standard no 001 / PSD-L & AS dated October 3, 2015 and SOP No. 065 / FPIC-PSD / 2012 concerning handling conflicts, land disputes and land acquisition mechanisms. Wherein in the SOP, the Deliberation was conducted to the community identified as being the land owner and submitted a payment proposal, payment implementation, and administrative documentation. The purpose of procedure is in upholding equality and justice in the community without coercion and pressure. This is in accordance with the concept of FPIC in resolving land disputes with the community.

There was an enclave area of 1,256.4 Ha within HGU, this area is controlled by the community who is not willing to compensate.

Based on interviews with the Heads of the Villages of Bepara and Manunggul Lama, it is known that up to ASA 1.3 there was no additional area and new development was carried out by PT LMI and PT SAA + LNE, there are currently no land disputes in the company area. It was explained that the compensation process had been carried out during the initial development of 1993-1994, and the current landowners were difficult to trace.

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.

Major 3.1.1

The certificate holder shows PT LMI, PT LMR and PT SAA *Data Rencana Bisnis* documents for the period 2019 to 2023. Some of the things that are projected in the 5 years include the needs of seedlings, FFB production, % OER, Production Cost, CPO Price, Revenue, Replanting Program, CPO Production, % KER, Price Kernel and Kernel Production. For example, for 2020 PT LMI projected 145,314 seedlings, FFB production 162,980 MT, OER 22 %, Production Cost 19,056,354 CPO / MT, CPO Price 7,808,571 IDR / MT, Revenue 858,519,734 (IDR .000), Replanting Program 734 ha, CPO Production 35,856 MT, KER 5.00%, Price Kernel 4,753,343 IDR / MT and Kernel Production 8,149 MT.

The long term business plan includes the smallholders plan for management of the scheme. Based on the results of document reviews and interviews with management, it is known that the certificate holder evaluates each month towards achieving the targets set, for example through the monthly Estate and Mill report documents.

The certificate holder presents the PWC Independent Public Accountant Auditor Report, which explains that the attached financial statements present fairly, in all material respects, the financial position of PT LMI and PT SAA as of December 31, 2018, as well as the financial performance and cash flow for the six months period ended on that date, in accordance with Indonesian Financial Accounting Standards.

Minor 3.1.2

The certificate holder shows the replanting program (replanting) projected for a minimum of the next five years, including:

- Matalok Estate namely 2019 program covering 141.36 ha, 2020 covering 163.63 ha, 2021 covering 162.11 ha, 2022 covering 157.93 ha and 2023 covering 173.94 ha.

- Selabak Estate namely 2019 program covering 62.68 ha, 2020 covering 206.76 ha, 2021 covering 237.96 ha, 2022 covering 271.59 ha and 2023 covering 248.75 ha.

The certificate holder also documented the progress of the replanting implementation, for example in the *Realisasi Replanting Program Januari – Desember 2019* document (update October 2019), for Matalok Estate which among others explains the realization of chopped up area of 141.36 ha and making terrace width 4.3 – 5 meters of 83,050 meters and for Selabak Estate which among others explains the realization of chopped up area of 55,42 ha and making terrace width 3.7 – 4 meters of 21,204 meters.

Based on the results of the observations field in Matalok Estate field D016 Division 2, planting year 2019, it is known that the certificate holder has made terraces on the slope area and there is no indication of combustion techniques in replanting activities, but instead uses mechanization techniques.

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.

Major 4.1.1

The certificate holder has a documented procedure for the mill and plantation. The plantation procedure starts from the plant material procedure, then the technique of nursery, fertilization, weed control, integrated pest management to harvesting and its transport is stated in the document of Standard Operating Procedure (SOP) of *Referensi Manual Agronomi Penanaman Kelapa Sawit*, document number 110 / EST-ARM / 13, September 2013 signed by the Head of Upstream Plantation Indonesia. This document has been distributed on September 16, 2013 to all plantation and factory unit leaders. The certificate holder also has procedures for the process of receiving fresh fruit bunches to send the CPO and kernels listed in the document of *Pedoman Teknik Pabrik Kelapa Sawit* of the Part I and II palm oil mills Minamas Plantation dated April 30, 2007.

Generally, operational procedures have been socialized to all employees in accordance with their respective fields of work. Based on field observations at Matalok and Sangkoh Estate on harvesting and pesticide application, found that employees can show how to work in accordance with existing procedures, such as harvest workers can explain the criteria of the harvest and spray workers can explain the workings of the start preparation until finish of work.

Based on the results of interviews with management, field observations and interviews with contractors, it is known that internal control carried out by the certificate holder regarding the performance of the contractor on the implementation of the SOP is carried out by direct field inspection. For example, for replanting contractors, field inspections are carried out in relation to the completeness of PPE, administrative requirements such as operator licenses, social security and so on. Normalizing pruning maintenance (OFI).

Minor 4.1.2

The certificate holder routinely conducts activities of inspection or monitoring of activities in accordance with the operating procedures carried out by direct supervisors of the workers, for example the foreman, foreman I, assistant, senior assistant, manager and so on. In addition, there are also several routine corporate internal monitoring activities every 6 months or at least once a year. Officers who carry out audits and evaluations have competencies as determined by the certificate holders carried out by Plantation Advisory, Mill Advisory, Group Corporate Audit Department, Plantation Services Quality Management and Group Corporate Assurance, for example in 2018-2019 conducted in SLE, MLE, RTF, etc.

Based on the results of document review and interviews with management, for visits by internal supervisors such as Plantation Advisory, Mill Advisory and Group Corporate Audit Department, it is held once a year. for activities carried out by external parties such as public financial accountants conducted once a year.

Minor 4.1.3

The certificate holder has and shows the results of the monitoring and evaluation activities and their follow-up. Internal monitoring and monitoring records of Plantation Advisory, Mill Advisory and Group Corporate Audit Department are in the unit office, for example, briefly explained in the monitoring activities on 13 – 15 August 2018 at Selabak Estate conducted by the Plantation Advisory.

Actually, for 2019 a visit was made by Plantation Advisory (PA) in September 2019, but the results of the field visit have not been shared by the PA. Based on the results of the visit in August 2018, found 7 non-conformities and have been completely corrected, such as hardening the road.

Major 4.1.4

Based on data from Rantau Factory FFB receipts for the period October 2018 - September 2019, it is known that FFB receipts only came from their own plantations, namely RTE, MLE, SLE, RDE, SNE, LNE, KKPA LMI, KKPA SAA and KKPA SCA, with a total revenue of 179,888.36 tons.

Status: Comply

4.2

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

Minor 4.2.1

The certificate holder has an SOP regarding fertilization activities contained in the Agricultural Reference Manual (ARM) No. Policy 110 / EST-ARM / 13 Part 8 concerning Fertilization of Oil Palm Plants which includes: technical fertilization, application of empty fruit bunch and application of compost to immature plants and mature plants, placement of fertilizers and application of fertilizers by 'focal feeding' on marginal land. In addition, it is also explained that fertilizing recommendations 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.

The implementation of the SOP is monitored regularly with operational audits or Plantation Advisory. In addition, fertilization is monitored by the foreman, assistant and re-evaluated by the manager.

At the time the audit activity took place, there were no fertilizing activities. This was explained by the certificate holder due to minimal rainfall so as to avoid fertilizer evaporation, the fertilizing activity was temporarily stopped. Evidence that the SOP has been implemented and monitored includes the results of soil and leaf samples in 2018 as well as recommendation documents and realization of fertilization.

Minor 4.2.2

The certificate holder has documented fertilization activities ranging from recommendations issued by the research to the realization up to the current month, supplemented by data on the area, trees amount, program and realization of fertilization per type of fertilizer, variants / residual fertilizer that has not been applied and other data. As an example Matalok Estate shows the 2019 Anorganic Fertilization Monitoring document (updated to September 2019), which briefly includes explaining the following matters:

- The total area of 1,448.93 ha
- Planting years: 1993, 1996, 1997, 1998, 2008 and 2015
- Trees amount: 181,145 trees
- Type of NK-Blend fertilizer: 522,746 kg program and 522,948 kg (100.02%) has been realized
- Rock Phosphate fertilizer: 122,408 kg program and 68,728 kg (56.15%) have been realized
- CCM 44 fertilizer type: 1,176,460 kg program and 557,109 kg (47.35%) have been realized
- Type of HGFB fertilizer: 18,115 kg program and 8,777 kg (48.45%) has been realized

Based on the results of the document review and interviews with management, it is known that the implementation of fertilizers has been in accordance with the recommendations however is slightly constrained due to minimal rainfall so as to avoid the evaporation of fertilizers the fertilization activities are temporarily stopped.

Minor 4.2.3

The certificate holder has and shows records of soil and leaf analysis activities on a regular basis in accordance with the procedure, namely frequency of soil sampling to find out nutrients in the soil is carried out every five years and leaf sampling is done once a year and it is explained that when sampling leaves trees that experience nutrient deficiency characteristics

The certificate holder has shown proof of the implementation of soil and leaf samples such as:

Soil analysis

Soil sampling unit conducted every 5 years and leaf sampling unit conducted annually. The last SSU has conducted on 2015, next assessment will held on 2020.

Leaf analysis

The certificate holder carries out leaf analysis conducted by Minamas Research Center - Laboratory Services 2019 for Kalimantan Selatan Pamukan Region. The indicators that were observed were the levels of Ash, N, P, K, Mg, Ca and B and supporting data in the form of visual observations, including the following:

- KKPA Sungai Cengal Matalok Estate
Division 3, LSU No. KKPA SC-MLE 104/K25 : Dry Weight (%) Ash (7.37), P (0.176), K (0.961), Mg (0.272), Ca (0,659), N (2.68), and B (16.87)
- KKPA Sungai Cengal Selabak Estate
Division 5, LSU No. KKPA ASC-SLE 503/P1: Dry Weight(%) Ash (9.70), P (0.176), K (1.084), Mg (0.308), Ca (0,618), N (2.63), and B (12.92)
- Matalok Estate
Division 1, No. Rachis MLE 121/C17: Dry Weight (%) Ash (5.34), P (0.097), K (1.547), Mg (0.199), Ca (0,402), N (0.69), and B (4.52)

Minor 4.2.4

The certificate holder has implemented a nutrient recycling strategy such as a empty fruit bunch (EFB) application, land application and replanting shredding. For example, Matalok Estate shows the 2019 EFB Application which briefly explains that the total mature plant area 1,774.66 ha, the immature plant area 856.07 ha, the plant population produces 221,614 trees, the immature plant population 124,054 trees, the total application is empty 16,605.51 tons or 6,31 tons / ha. For liquid waste applications, the certificate holder has also documented its application which explains the blocks and extent of applications and applications per month. For example in Matalok Estate, it is known that the application blocks are blocks B21 and B22. Until August 2019, it is known that the application in block B21 is 209 ha or 21,268 m3 (102 m3 / ha) and in block B22 is 220 ha or 65,088 m3 (296 m3 / ha).

Status: Comply

4.3

Practices minimize and control erosion and degradation of soils.

Major 4.3.1

The certificate holder shows a map of the land listed in the Survey of Land Feasibility Survey Report in 2013 which explains that there is no marginal land such as peat soil. However, there are areas with slopes that have been cultivated by treatment of terrace and contour making.

Minor 4.3.2

Based on the results of field observations in the Immature Plant Area 2019 Matalok Estate Field D016, it is known that the area with slope has been treated by making terraces. This was also shown in the January - December 2019 Replanting Program Realization Program realization (update 6 October 2019) Matalok Estate which explained the realization of making terrace width 4.3 - 5 meters of 83,050 meters.

In addition, certificate holders also plant legumes as a form of soil conservation, such as in Field D016 Matalok Estate with types of *Pueraria javanica*, *Calapogonium mucunoides* and *Mucuna bracteata*.

Minor 4.3.3

The certificate holder has programmed the road maintenance activities listed in the OPEX & CAPEX document. The certificate holder has also documented the maintenance activities carried out. For example in Matalok Estate, maintenance activities take the form of hoarding or compiling of white / stacked stones, river stones, quarry stones and concreat / concretisation stones. In total, the realization of road maintenance in Matalok Estate until September 2019 is for the maintenance of 19,836 meters collection road, 14,821 meters of main road, 1,693 meters of access road, 540 meters of auxiliary road and a total of 36,890 meters.

Major 4.3.4 & Minor 4.3.5

There were no presence of peat soil within Estates and KKPA Sungai Cengal operational areas. Hence, peat management strategy, its implementation such as water management, peat subsidency measurement and drainability study were not available.

Management unit has a land survey report and evaluation of land suitability classes for palm oil. In the report shows a map that is no peat and there are areas with slope class of more than 25%.

Minor 4.3.6

The certificate holder has managed the area with fragile soil conditions including the construction of terraces and trenches. As shown in the Sangkoh Estate Ditch Length Data document which explains the recording of trench making based on the field, year of planting and length of the trench. For example, in Division 3 Field D016 planting year 2018 has been made CECT (Close Ended Conservation Trenches) along the 1,622 meters and field drain 4,570 meters.

Status: Comply

4.4

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

4.4.1, 4.4.2

The company has a water treatment and water sources management SOP with No. Policy: 110 / POD-FAC / 07, SOP No. Policy: 724 / TOEM-SPMS / 09 (surface water management) and SOP No. Policy: 724 / TOEM-SPMS / 09.

The company has identified the rivers, water bodies and water flow which cross-in the HGU. Can show water flow maps in the sampling estates (MLE, SLE and SNE), there is no water flow in KKPA area. Reservoir and water bodies management plan listed in the HCV management plan, the implementation has been verified by the auditor through field observations and through document review. SLE, SNE and MLE shows records of tree enrichment in riparian area conducted on April 2, 2019, re-painting boundaries and replacing signboards, and monitoring of chemical spraying in buffer zone areas, for example in F32 block, E32 block, E33 block, D33, and B26, carried out on August 20, 2019.

Surface water quality testing has been carried out routinely by the company every semester, reporting is done in conjunction with the RKL / RPL report. Sighted the result of semester 1 of 2019, conducted referring to PP 82/2003 by an accredited laboratory.

Based on field observations to the Pungau River and Tandilang River, observed that the border of the river is not replanted in right and left of the riverbank (50 m).

4.4.3

CH has licensed the utilization of liquid waste to be applied to the land (Land Application) based on the Decree of Regent Kotabaru No.: 503/03 / IPAL-BPPTPM / 2016 dated 21 December 2016 concerning Permit for Utilization of Wastewater to Land at Oil Palm Plantation Activities PT Laguna Mandiri in North Pamukan District, Kotabaru Regency, valid for 5 years.

Monitoring of BOD has carried out every month regularly and reported to Environment Agency every three month. Evaluation and water sampling in WWTP outlet were carried out by accredited laboratory. Based laboratory testing, it could be concluded that testing results from January to June 2019 were accordance with regulation of the environment minister Number. 28/2003. Based on observation to WWTP, it was found that flow meter was well functioned and there were no spills to the land. Furthermore, the certification also has had land application permit and there is no issues from stakeholders related to land application.

Base on field visit in land application area in Matalok Estate shows the area were well maintained. There was no leakage that flows outside the area. Based on public consultation with village representation, there was no issues regarding to river pollution especially in in to the river that across the village.

4.4.4

CH has recorded its actual water use. The average water use per ton FFB for period of January – September 2019 is 1.78 m³/ton FFB, this exceeds the specified budget of 1.34 m³ / ton TBS. The company conducts an evaluation related to this, where the excessive use of water for the separator sludge machine is caused often clogged for the process as well as washing and cleaning in the factory. The company has made future plans by making repairs to the sludge separator unit so that it is not often clogged as well as repairing leaking water valves for washing, scheduled for completion in October 2019.

Status: Comply

4.5

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

Major 4.5.1

The certificate holder shows the results of monitoring and implementing pest control. For example, in Matalok Estate, potential pests identified in immature plant are Oryctes and Apogonia.

Based on the description of the management representative, it is known that control in immature plant takes precedence and based on the specified rotation ie 3 rotations.

Based on the Monitoring document Apogonia Pest Control Section September 2019 Matalok Estate, explained detail pest control per day along with the use of labor and the amount of pesticides used. For example, in block D28 Field D013 planting year 2019 Matalok Estate Division 2, it was found that the third rotation of the oryctes and apogonia pest control was conducted on September 27, 2019 with pesticide made from active Cypermentrin 17 liters.

Based on the ARM Palm oil document section 16 no. policy 110 / EST-ARM / 08, no. revision 0, briefly explained for the use of cipermetrin in the immature plant area of the elevated data concentration.

The certificate holder also has a documented IPM management plan, for example with biological methods for controlling rat pests. Based on the results of field observations in Block C33 Division 2 Matalok Estate, it is known that the certificate holder has made sometimes owls (barn owl boxes) and it is known that BOB is in active condition marked by the presence of fur, dirt and rat bones.

Apogonia pest and its control for example, for September 2019 at all estates, it was known that throughout September apogonia pest control was carried out in 679.30 ha of TBM with Sidametrin / Capture / Sentri pesticides totaling 441.85 liters.

Minor 4.5.2

The certificate holder has provided training to workers dealing with integrated pest control activities. As shown in the training records at the Matalok Estate Division 1, September 14, 2019 to 8 workers. The contents of the material presented included an introduction to the types of pests and integrated pest control methods. Upkeep workers from the core estate also carry out pest control work in the KKPA farm. So there are no special workers from KKPA.

Status: Comply

4.6

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

Major 4.6.1

The certificate holder has work procedures related to chemicals including spray work and pest control. The procedure is contained in the Agricultural Reference Manual (ARM) No. Policy 110 / EST-ARM / 13. Section 15 deals with the protection of plants from pests and diseases. In section 16 it also explains general weed control.

Selabak Estate shows the document list of chemicals used in the Selabak Estate, which explains trademarks, active ingredients, LD 50, properties and targets of weeds, for example trademark Kenlon 480 EC, active ingredients trichopir, active ingredient 480 g / l, LD 50 > 1480 mg / kg, systemic properties and target weeds, broad and narrow leaf weeds.

The certificate holder shows the document list of types of pesticides used in 2019, which explains the name / trademark, active ingredients, pesticide registration number and justification for use. Based on these documents, it is known that for Matalok Estate there are 6 types of pesticides used.

Based on the results of field observations on the application of herbicide in block C35-36 Division 2 Matalok Estate, it is known that the trademark used is Kenlon 480 EC with the active ingredient Tryclopypyr butoxy ethyl ester 480 g / l at a dose of 400 cc / ha.

Based on the results of field observations in the agrochemical warehouse, found the ingredients mentioned above. Regarding the use of the Kenlon 480 EC dose, it is known to be in accordance with the instructions for use contained on the packaging label which is between 375 - 500 cc / ha.

Major 4.6.2

The certificate holder shows a record of the pesticides used, for example Sangkoh Estate shows the 2019 Pesticides Toxicity Monitoring document (updated to August). In total until August the following data were obtained :

- Trademark Kenlon 480 EC, active ingredient Thryclopypyr, active ingredient content of 66.8%, 2x rotation, liter units, total usage of 470.33 liters, use of active ingredient 314.18 liters, application area 2,225 ha and active ingredient / ha 0,141 active ingredients / ha.
- Trademark Capture, active ingredient Sipermetrin, active ingredient 5%, 3x rotation, liter unit, total usage 1,413.89 liter, use of active ingredient 70.69 liter, application area 3,805 ha and active ingredient / ha 0,019 active ingredient / ha .

The certificate holder shows the KKPA MLE Daily Work Monitoring document that explains the records of pesticide use.

For example, for the period of July 2019 the circle spray work was 23 ha, 74 manpower, Ken Up 42.55 liters and Kennly 2.24 kg.

Major 4.6.3

Unit of certification applying integrated pest management to collaborate on biological and chemical control. Use of chemical engineering was not done in a preventive, but based on the results of early warning systems that detect and census. Biological pest control is done by applying the development of natural enemy's owls to control the rat population. The development of useful plants like *Turnera subulata* and *Antigonon leptopus* also be used as a biological control techniques as a nettle caterpillar predators live.

Based on the results of field observations on the application of integrated pest control such as biological pest control with natural predators (owls) in the block C33 Division 2 Matalok Estate, it is known that the Barn Owl Box is well maintained and shows evidence of owl activity such as found traces of dirt, fur and rat bone marks. In addition, based on the results of field observations at Matalok and Sangkoh Estate, *Antigonon leptopus* and *Turnera subulata* beneficial plant is well-maintained and found on main roads and production roads.

Minor 4.6.4

The certificate holder has had list of pesticides that belong to the WHO Class 1A or 1B, or those listed in the Stockholm or Rotterdam Conventions, in Appendix 2 of SOP Sustainable Plantations Management Manual No. Policy 724/TQEM-SPMS/09 published on 27th August 2010. The certificate holder does not use paraquat herbicide and pesticides classified as Class 1A or 1B of the WHO or those listed in the Stockholm or Rotterdam Conventions. This is confirmed by the policy of not using paraquat as mentioned in memorandum of Head Plantations Operation (No.POD-UM-127/X/2008, dated 4th November 2008) concerning recommendation substitute of paraquat - Gramoxone active ingredients in Minamas. The certificate holder also has a recommendation prohibiting the use of ratgone / brodifacoum from Plantation Advisory from 16-18 July 2013.

Based on the list of pesticide used, result of field observation in pesticide warehouse, and interview with spraying workers at Sangkoh Estate and Matalok Estate, no pesticide of Class 1A or 1B of the WHO or those listed in the Stockholm or Rotterdam Conventions and parakuat were found.

4.6.5

Company has Records of the training implementation for staff who are involved in the implementation of integrated pest management, for example:

- Training of Competency, Safety for Pesticide Spraying & Buffer Zone Socialization at Sangkoh Estate in 6 August 2019, attended by 26 workers.
- Training of Competency, Safety for Pesticide Spraying & Buffer Zone Socialization at Selabak Estate in 26 August 2019, attended by 17 workers.

Based on the results of interviews with spraying workers, it is known that the PPE is given free of charge by the company (Gloves, Apron, Glasses, and masks). Workers also keep and wash the work tools at the washers that have been provided at BSS House (not taken home appliance). Workers also understand the technical activities of workers by explaining technical work ranging from spraying, weed targeting, and avoiding spraying in riparian areas. Based on field observation the spraying team used appropriate PPE and in accordance with risk identification (HIRAC Document).

Major 4.6.6

Based on the results of field observations, for example in the Matalok Estate agrochemical warehouse, it is known that storage has been carried out in accordance with work instructions, such as preparation according to material (liquid / grain), there is a pouring container and PPE available for collection. Used pesticide packaging containers have also been managed appropriately according to work instruction number 014 / LMI-IKPKBP / 2012 concerning handling of used pesticide packaging. Based on interviews with workers on herbicide application activities, for example in Matalok Estate and Sangkoh Estate, it is known that used pesticide packaging is cleaned and collected at hazardous waste temporary warehouse and water used for washing work tools and PPE is reused for mixing spray materials. Based on the results of field observations in housing, for example at Matalok Estate and Sangkoh Estate, it is known that there are no traces of pesticide packaging used as trash bins or flower pots. In addition, the certificate holder shows the minutes of submission of hazardous waste from hazardous waste temporary warehouse RTF to the collector PT Sinar Bintang Albar dated September 17, 2019, which explains the delivery of 4012 pcs of used pesticide bottles and cans to the collectors.

4.6.7

The company shows the record of training materials and socialization, and the content of the material has covered the risks of work (HIRAC) in the application of pesticides.

Based on interviews with spraying workers (both at Matalok Estate and Sangkoh Estate), the workers were able to explain the spray technique, the use of PPE, the prohibition of working in spray for pregnant and lactating women, washing the PPE in the space provided and not taking PPE home. This is in accordance with the training that has been given the company. In addition, operators (pesticide spray team) carry food stored in transportation vehicles (trucks). When the break time arrived, the operators ate on the block which was not applied by pesticides and the foreman brought clean/fresh water (in the form of gallons) as a hand washing tool. This is sufficient to minimize the risk of poisoning.

The procedure for implementing safety reporting is found in the Job description of safety officer. In addition, CH consistently socialize the mechanism for carrying out knapsack washing, mixing materials, handling the tools used in spray work and MSDS in the nursery warehouse so that all employees involved in pesticides on the nursery area understand the correct rules and can apply them. Also, CH Attach the mechanism of mixing the material and how to handle the equipment used in several place (e.g. BSS House and Nursery warehouse).

Major 4.6.8

Based on the results of the document review, interviews with management and field observations, it is known that the certificate holder applies the herbicide using a knapsack sprayer and does not apply it through the air.

4.6.9

The company already provided information about pesticide handling for every workers through warnings posted in division offices, access to all employees in view of MSDS (Material Safety Data Sheet) and related training on pesticide handling. Records of training for spraying activity of estate workers and smallholders conducted on August 26, 2019 (Selabak Estate). Materials provided included technical application of pesticides, OHS, PPE, and first aid in the event of poisoning.

4.6.10

Procedures for pesticides waste handling has been developed by certificate holder, listed on sustainability procedures no No. 014/LMI-IKPKBP/2012 dated March 1st, 2012. Field visit during audit on Matalok estate and Sangkoh estate found that that all ex chemicals containers were kept on temporary hazardous storage at mill/estates. Training for workers and staff regarding pesticides handling, and hazardous & toxic material handling have been conducted on August 2019 for related workers.

Interview with spraying team on Sangkoh estate shown that workers recognized how to properly disposed waste materials and workers have been trained by company about waste and hazardous materials handling. Field visit during audit on toxic & hazardous waste storage on Rantau POM found company showed proper ways for ex agrochemical disposal. Monitoring evidence for agrochemical usage, ex agrochemicals container stored in storage, and manifest to third parties are available and verified by auditors.

4.6.11

The results of interviews with pesticide operators in Matalok Estate and Sangkoh Estate, submitted that all pesticide operators have been checked health periodically once a year cooperation with Mandiri Health Care Kotabaru on January 2019. Workers have known the results of the examination. No worker has an indication of exposure to chemicals such as itching, skin irritation, poisoning or anything else.

4.6.12

There is a mechanism for female workers who are breastfeeding or pregnant, the date passed January 1, 2013, explained that female workers who are pregnant or breastfeeding submit a written report to the assistant who is then recommended by an assistant to be examined by a nurse or midwife, if proven pregnant, it will be transferred to an unrelated section with chemicals. This is explained in the BSS Procedure (No. 066/RSPO-BSSPSS/2011).

Based on interview with women worker, they know that they are restricted for working with chemical material when pregnant or breastfeeding.

	Status: Comply	
4.7 An occupational health and safety plan is documented, effectively communicated and implemented.		
<p>4.7.1 Policy related to OHS still the same as previous assessment, namely policy OHS passed by CEO Minamas Plantation dated December 2011. Based on interview with workers known that they have been known about the OHS policy. They also said that assistant perform morning briefing every day before starting work. CH constantly ensure that the Occupational Health and Safety Plan Program documents in the RSPO secretariat are in good condition by the CH Sustainability Administration Office PIC.</p> <p>4.7.2 CH has undertaken an analysis and identification of the hazards and risks that may arise from the operations of the Mill and Estate. CH can demonstrate hazard identification risk assessment and control (HIRAC) documents Estate and Mill, among others, informing the type of work, hazard, risk, risk level, risk control, risk level after control and PIC.</p> <p>However, the document does not yet include an analysis and risk assessment related to land application activities in the field.</p> <p>In addition, based on the results of the field observation are known:</p> <ul style="list-style-type: none"> • Field observations on spraying activities at SNE (block C13) there are spray employees who use PPE aprons that are different from the others (from canvass that are sewn by themselves). • Field observations to the WWTP are known that buoys/life vest are not available. <p>Based on the above evidence, the company has not been able to show evidence that the risk assessment has covered all operational activities of the plantation, implemented and monitored for its effectiveness. NCR. 2019.01</p> <p>4.7.3 Result of field observation in Mill and Estate and interviews with personnel's, it is known that the management unit has provided PPE and have been given training in safe work practices. This was evidence that the personnel's have understood their duties and responsibilities and also can demonstrate how to work correctly and appropriately in accordance with the procedures. Furthermore based on field visit in estate and mill and interview with personnel, it is known that the management unit has provided PPE for personnel. For instance, for example the sprayer using personal protective equipment in accordance with specified hazard identification and risk analysis. In addition, employees are also informed about the steps of secure work in each morning briefing before start working. In addition, interview with spraying personnel in Matalok estate revealed that company would substitute or replace the PPE if there is a damage or broken on the old one.</p> <p>4.7.4 Certificate holder has identified those responsible for implementation of OHS program formed in P2K3 structure. Based on interview with Labour Agency Kotabaru District, company has P2K3 and OHS Officer in accordance with the regulations.</p> <p>The company has a P2K3 structure approved by the Head of Kotabaru Regency Manpower and Transmigration Office for each unit, such as:</p> <ul style="list-style-type: none"> • P2K3 for Sangkoh Estate (No.: 566/483/Was-NKT/2018) approved by the Head of South Borneo Province Manpower and Transmigration Office with Wahyu Darmawan as secretary (No.Reg: 22818/PK3/AJ/31/2018/P1, expired on Agustus 24th, 2021) • P2K3 for Matalok Estate (No.: 566/539/Was-NKT/2018) approved by the Head of South Borneo Province Manpower and Transmigration Office with Trijono as secretary (No.Reg: 24/PK3/AJ/31/2018/P2, expired on Agustus 24th, 2021) <p>The organization routinely conducts monthly meetings on OHS issues in the workplace. The minutes of the meeting were recorded and stored well. Based on interviews to workers who are members of the OHS organization it is known that</p>		

monthly meetings are always routinely conducted to discuss about OHS such as consistency of PPE usage, work accident report, medical checkup, safe working practices etc.

4.7.5

Company has made efforts to prevent emergencies and accidents. Company has procedures related to the handling of emergencies and accident investigation in SOP Emergency Response Situation (No.010/LMI-KD/2010). Company has emergency facilities and infrastructure such as fire extinguisher, first aid kit, hydrant, water tank, and other supporting equipment. Based on field observation in mill for e.g. at boiler station known that hydrant are functioned properly and the fire extinguishers there check and monitored every month (checklist of inspection provided in each fire extinguisher).

Based on field observation at Matalok Estate, Selabak Estate, Sangkoh Estate and Rantau POM, it is known that the contents of first aid box are available as determined by the company. As well as interviews with foreman in Block C13 (Sangkoh Estate), and Block P04 (Selabak Estate) that foreman are also able to explain the function of each tool in the first-aid box. Monitoring first aid kit has been conducted regularly every month, if there is use of it must be noted on the form provided, and first aid kit that is used it must be replenished and reported Sustainability staff. Based on field observation in POM and each Estates office, it is known that the company already provided evacuation road and muster point.

4.7.6

The management unit provided accident insurance for personnel based on the applicable regulation. The insurance such as manpower insurance is paid monthly to national social insurance for manpower/ BPJS. Meanwhile, for medical insurance, the company has registered its entire personnel in manpower medical insurance/ BPJS. Based on interview with some personnel, it is known that the entire personnel have been registered in manpower medical insurance/ BPJS. Moreover, Based on interview and documents verifications with contractor workers revealed that contractor's personnel has been registered in manpower insurance/ BPJS.

4.7.7

Certificate holder had recorded of occupational accidents in Work Accident Monitoring Reports that inform date, name of victim, site of accident, number of accidents, loss of work days, and category of an accident and cause of the accident. Based Monitoring accident period October 2018 to September 2019 note that in Estate and mill there are only minor accidents (there's no major accident).

4.7.3	Status: Non conformity No.2019.01 with Major category	Open
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4.8 All staff, workers, smallholders and contractors are appropriately trained.

Major 4.8.1 and minor 4.8.2.

Company showed employee training programs for the 2019 period such as:

- Estate : Training of harvesting, spaying, fertilizing, FFB transport training, fire fighting training, emergency training, MSDS training etc.
- Mill : Training/Socialization of electrical training, boiler training, fire fighting training, OHS socialization, ocialization of the code of ethics and human rights, FFA analysis training, etc.

Company has a record of all training stored in each unit and documented by PSQM department

Examples of training / socialization recordings are as follows:

- Hazardous waste management training & socialization record on August 22, 2019 at Sangkoh Estate. .
- Safety Driving Training & Socialization Records on September 20, 2019.
- Safety Briefing minutes for spraying employees on September 24, 2019 which attended by 16 workers
- Environmental socialization, cleanliness of the housing complex on 25 September 2019 was attended by 23 participants.
- FFA, moisture, and dirt analysis training on 9 - 11 July 2019
- Socialization of the code of ethics and human rights on 10 September 2019
- OHS training on September 10, 2019.

The company has shown the recording of material, attendance and photos of all the training / socialization that has been conducted

The results of interviews with workers such as boiler officers, harvesters, sprayers are known that workers have been given training / socialization related to their duties and responsibilities. For plasma plantations, management is carried out in full management by the company. As for the results of interviews with plasma workers who are also PT LMI workers, it was conveyed that the worker had been given socialization / training related to their jobs. The results of interviews with contractors, it was conveyed that contractor employees had been given OHS socialization / training such as the use of PPE and work procedures.

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 certificate holder has an environmental impact assessment document, as follows:

1. Environmental Impact Assessment Document (EIA) with validation number 008 / ANDAL / BA / II / 95 dated February 27, 1995, prepared by PT Anima Rekayasa Perkasa for PT Langgeng Muara Makmur, PT Paripurna Swakarsa, PT Swadaya Andika and PT Laguna Mandiri with a study area of 77,290 hectares. The EIA document describes the impacts of land acquisition, waste disposal/ waste land management and the recruitment and application of plantation crop planting systems.
2. Document of Management Plan and Environmental Monitoring Plan is approved in accordance with the Letter No. 049 / RKL-RPL / BA / III / 95 dated March 30, 1995.
3. Social Environment Impact Assessment study by Aksenta in September 2015, the document has outlined the plan to reduce the negative impacts and improve positive impacts from replanting activities.
4. KKPA Sungai Cengal have the Environment Impact Assessment (EIA) document for palm oil estate and mill in Pamukan Utara Sub-district, Pamukan Selatan, and Sungai Durian, Kotabaru District, Kalimantan Selatan Province in 1994, which has been approved in 1995. Base on overlay map is know the location KKPA Sungai Cengal is include in scope EIA.
5. Addendum environmental impact assessment (EIA) PT Laguna Mandiri (Estate & Mill) which has been approved by Audit Commission EIA District of Kotabaru on July 1st, 2015 with decree number 188.45 /460/KUM/2015.
6. Approval of Regents Kotabaru District, South Kalimantan province with decree number 188.45/460/KUM/2015 regarding Environment feasibility for palm oil. There is addition regarding Biogas Plant utilization capacity amounted to 1200 Kilowatt located in Bepara Village, Pamukan Utara Subdistrict and Kotabaru District. Mill capacity is 60 tones FFB process/ hour with average FFB processed is 24, 0000 ton per month.
7. Recommendations from the Environment Agency Kotabaru District with number 600/16/AMDAL-TATLING/BLHD/2015 dated on July 28th, 2015.

5.1.2 & 5.1.3

The certificate holder shows the environmental management plan documents to prevent negative impacts such as Air quality and noise, soil fertility and erosion, overflow, water quality, waste, social aspect, public health, labor recruitment, Increased income of the community and employees and smallholder scheme and others listed in the Environmental Management Plan / Environmental Monitoring Plan Implementation Report. The Environmental Management Plan / Environmental Monitoring Plan Implementation Report is routinely reported every semester to the Environment Department of Kotabaru District, such as Environmental Management Plan / Environmental Monitoring Plan Implementation Report of Semester I 2019 Environment Agency of Kotabaru Regency September 6th, 2019 for PT Laguna Mandiri and September 21th, 2019 for PT Swadaya Andika.

However, based on field observations and document reviews:

- The company has carried out residential water quality monitoring activities (MLE emplacement and employee reservoir water) in the 2019 Semester I Environmental Management Plan Implementation Report document, but the monitoring results have not included biological parameters in accordance with water health quality standards for the purposes of sanitary hygiene.
- Based on field observations to SNE Div 1 & 2 and 3, SLE Div 4 and MLE Div 2 emplacement, it can be seen that domestic waste is dumped in the brink, behind the housing and the location of SNE Div 3 landfill is in front of

emplacement with a distance of less than 30 m.

In this regard the company has not been able to show evidence that the environmental management plan has been implemented in accordance with the direction of its environmental documents. **NCR No.2019.02**

5.1.3	Status: Non conformance NC.2019.02 with minor category	Open
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5.2
The status of rare, threatened or endangered species and other High Conservation Value habitats, if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and operations managed to best ensure that they are maintained and/or enhanced

5.2.1, 5.2.2, 5.2.3, 5.2.4

The HCV assessment of PT LMI was carried out by YASBI in 2009. KKPA Sungai Cengal has conducted HCV identification by the Consultant Team of IPB Faculty of Forestry on February 21-26, 2014
 PT SAA + LNE conducted a HCV assessment in December 2009 by YASBI. All HCV assessments have been carried out by assessors who are approved by the RSPO, using the High Conservation Value Identification Guide in Indonesia, published by the Indonesia Revised HCV Toolkit Consortium, June 2008.

The assessment has included assessment of RTE species, there are RTE species in PT LMI such as *Nycticebus coucang borneanus* and *Nasalis larvatus* (protected under CITES, App I) and PP No. 7 of 1999.
 The species found included in the CITES appendix II list at KKPA are: *Macaca Nemestrina*, *Felix bengalensis*, *Lariculus galgulus*, *Psittacula longicouda* and *Gracula religosa*.

Sangkoh, Matalok and Selabak has set a HCV and RTE management plans for the 2019 period include:

1. River border mapping, rehabilitation, buffer zone delineation, chemical use control, and soil conservation.
2. Monitoring flora and fauna, procurement and installation of signboards, maintenance of signboards, and socialization to employees.

The three sampled estates and the KKPA - SC shows documents and records of the HCV and RTE management. Sangkoh Estate shows records of tree enrichment conducted on April 2, 2019. Monitoring of chemical spraying in the buffer zone area was done by the estates, for example in block F32, block E32, block E33, D33, and B26, conducted on August 20, 2019. Monitoring flora and fauna in all sampled estates are available during audit, (monitoring of the period of 2019).

Based on field observations to the HCV area of the Tandilang river border it is known that HCV management has been carried out in accordance with the specified program. The HCV area has been delineated by leaving 4-5 palm trunk in the replanting area, observed the signboard of prohibition and warning in the HCV area, however it was observed the traces of chemical spraying activities to the buffer zone area.

In this regard, the company has not been able to show evidence of a continually HCV monitoring which conducted in effective way and reviewed routinely. **NCR 2019.03**

The company has conducted socialization to employees through the installation of signboards and pamphlets in strategic locations. In addition, there is evidence of socialization to employees:

1. HCV socialization to employees conducted during muster morning at MLE on 24 Aug 2019
2. The socialization of HCV to employees at Selabak Estate was conducted on 25 September 2019.
3. Outreach to employees in SNE held on September 2, 2019, evidence of photo documentation and training minutes can be shown.

Based on field observations at Div 2 Matalok Estate and Div 4 Selabak Estate, there are no employees who capture, maintain, kill protected animals, employees have understood company policies regarding the prohibition to capture and kill protected animals.

5.2.5
 Sungai Cengal KKPA shows the HCV management agreement in KKPA-SC area was agreed by the local community, the agreement was signed by 3 representatives of the company and 6 representatives of landowners and community leaders (village head Binturung, village head Pondok Labu, village head Sesulung, figure of Bepara, chief of Bina Swadaya Karya Cooperative unit, and Secretary of Bina Swadaya Karya).

5.2.3	Status: Nonconformity No. 2019.03 with Major Category	Open
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5.3**Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.****5.3.1**

The company provides document identification of waste and pollution sources (Mill and Estate) in 2019. The document covers the source of the waste, the name of the waste, the type of waste, the classification and storage area. For example housing produces a type of solid waste such as plastic, food waste and paper / leaf that belongs to the classification of nonhazardous waste, then the storage place in the trash can or landfill. Other examples such as workshops produce solid and liquid waste types such as used oil, used batteries, second-hand filters included in the hazardous waste classification, then their storage at hazardous waste temporary warehouse.

5.3.2 and 5.3.3

Hazardous waste generated from operational activities such as Mill and Estate likes used filters, used oil, cotton waste fabric scrap, battery scrap, pesticides used containers, used lamp, etc are stored in the Hazardous Waste Temporary Storage licensed PT LMI. Permit form by Kotabaru Regent's Decree, number 188.45 / 256 / KUM / 2016, related Temporary Hazardous and Toxic Hazardous Storage Permit to PT Laguna Mandiri Rantau POM, Sub-District Pamukan Utara, Kotabaru Regency, dated March 29, 2016 and valid for 5 years commencing from the date of the issuance of this Head of District Decree.

Base on field visit at the Hazardous Waste Temporary Storage Rantau POM note that storage in accordance with the capacity and roofed to protect from rain, has an air circulation, has a lighting system, fire extinguisher, eyewash/shower, secondary containment, first aid boxes, alarm, SOP emergency response, log book, balance hazardous waste boards, labels and symbols hazardous waste.

However, based on field observations, it was found that toxic and hazardous waste materials have not been managed in accordance with the procedures that have, namely:

- Packaging of used pesticides can be found in the BSS house of Division 2 Matalok Estate.
- Used plastic drums in Matalok Estate Division 2 emplacement.
- Nalco 156 chemicals are stored in the WTP (Rantau POM) engine room.
- Used batteries, ex-lubricant packaging, are stored in chemical warehouses (Rantau POM).
- Used oil packaging at a scrap metal collection site (Rantau POM).
- Used pesticide packaging in agrochemical storage warehouse (Matalok Estate).
- Oil used drums are stored in hazardous waste storage transit. (Sangkah Estate).
- Used oil drums at a scrap metal collection site (Sangkoh Estate).
- Chemical packaging round up behind the Div 3 office (Sangkoh Estate).
- Used chemical packaging in the Div 3 Sangkoh estate engine reservoir room.
- Capture packaging in SLE Div 4 emplacement.
- Oil drum in SLE Div 4 emplacement.

The company has shown improvement efforts, among others, by transferring hazardous waste to the licensed hazardous waste temporary storage on October 10, 2019 in each unit.

However, the company has not been able to show evidence that hazardous waste management in accordance with applicable regulations has been implemented thoroughly in the company's operational area, through the stages of identification, socialization and effective documentation.

In addition, the company has licensed hazardous waste temporary storage (No.:188.45/253/KUM/2016) for PT Swadaya Andika which is located in the Selabak Palm Oil factory. However, based on the results of field observations, the emergency response facilities in that warehouse have not been in accordance with the regulation, such as:

- There is no safety shower.
- There are no emergency response facilities such as sand, oil absorbants and oil skimmers.
- There are no hazardous waste labels and symbols on packaging.
- Fire extinguisher is not pressurized.
- Personal protective equipment is not available.

NCR No.2019.04		
5.3.2	Status: Non conformity No.2019.04 with Major Category	Open
5.4 Efficiency of fossil fuel use and the use of renewable energy is optimised.		
5.4.1		
<p>The Company already maximizing the use of renewable energy (fiber & shell) as boiler fuel. For example use of shells and fiber in January to September 2019 was 21,821 ton, which produces 2,338,450 kWh of electricity from turbine. Renewable energy use per ton of palm product in the mill is 0.004 kwh / kg FFB. Result Direct fossil fuel used is 192,866 liter/ ton CPO.</p>		
Status: Comply		
5.5 Use of fire for waste disposal and for preparing land for replanting is avoided except in specific situations, as identified in the ASEAN guidelines or other regional best practice.		
5.5.1 & 5.5.2		
<p>PT LMI has a Zero Burning policy as outlined in the Head Plantation Operation NO POD-UM-044 / III / 2010 dated March 9, 2010 on the replanting program 2010-2030 based on the new block, which describes the replanting program 2010-2030 for Minamas plantation. Nor Manual Reference Agronomy No. 110 / EST-ARM / 08, where section 4 of Land Preparation clause 3.1 point (b) states that land clearing shall be guided by the Director General of Plantation Decree No. KB.110 / SK / DJ BUN / 05.95 dated May 30, 1995.</p> <p>Based on field observation Sangkoh Estate, and Selabak Estate, replanting activities performed by mechanization using heavy equipment, did not find any burning activity at the beginning of the opening of the land, it was found that many of the remaining stumps of decaying has begun.</p>		
Status: Comply		
5.6 Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.		
5.6.1; 5.6.2		
<p>CH has a SOP of GHG emission sources inventory inside the SOP No: 700 / PSQM-GHG-01/12, concerning to the GHG Source Inventory. As for the implementation from SOP of GHG inventory, has been identified the sources of GHG as follows:</p> <p>Emission sources from estate operational:</p> <ul style="list-style-type: none"> - Land cover change: the difference between the time average C stocks on land between the vegetation before it was opened with oil palm. - Current land use: Use of Fertilizer (N₂O), Change C_{ORG} Soil (CO₂), Soil Management (CH₄), and Planting in Peat lands (CO₂ & CH₄). - The use of diesel fuel for generator operations and heavy equipment operations (CO₂). - Transport of FFB from the estate to the POM (CO₂). <p>Inventory of emission sources from palm oil mill operations (POM):</p> <ul style="list-style-type: none"> - The use of diesel fuel for generator operations (CO₂) - The use of shell / fiber for boiler and generator operations (CO₂) - The use of electricity for mill operations - Kernel separation - POME waste disposal (CH₄ & CO₂) - Transportation of CPO and PKO to refinery or port (CO₂). <p>Based on the results of document verification and field observation, CH already has plans and implemented activities to reduce and minimize GHG emissions, among others:</p> <ul style="list-style-type: none"> - Application of EFB as utilization of solid waste for organic fertilizer - Utilization of liquid waste applied for fertilization. - Utilization of shell and fiber for boiler fuel as efficiency of diesel fuel consumption. 		

- Planting trees in factory area,
- Conduct air quality monitoring through routine emission testing contained in the RKL-RPL Report
- Monitoring of POME including monitoring of waste discharge into pond, flow meter condition, and waste discharge applied.

5.6.3

Monitoring for GHG emission and pollutants from estate and mill was done periodically every 6 month, covered on RKL/RPL implementation report and reported to environmental agency periodically. Second Semester of 2019 testing result indicates all parameters related to emission are still comply with standard quality. Calculation of GHG and its monitoring has conducted by company using RSPO palm GHG calculator v 3.0.1. Summary of GHG emission for Rantau mill are listed as follows:

Summary of Net GHG Emissions periode January-December 2018

Emissions per Product	tCO2e/t Product
CPO	1.46
PK	1.54

Land Use	Ha
OP planted area	20298.35
OP planted on peat	0
Conservation	197.86

Extraction	%
OER	20.35
KER	5.05

Summary of Field Emissions and Sinks

Description	Own Crop			Group		
	tCO2e	tCO2e/ha	tCO2e/t FFB	tCO2e	tCO2e/ha	tCO2e
Land Conversion	141892.64	8.58	0.73	-	-	-
*CO2 Emissions from Fertilizer	59452.78	3.31	0.28	-	-	-
**N2O Emissions	8432.71	0.45	0.04	-	-	-
Fuel Consumption	4860.21	0.25	0.02	-	-	-
Peat Oxidation	0	0	0	-	-	-
Sinks						
Crop Sequestration	-160524.9	-8.81	-0.75	-	-	-
Conservation Sequestration	-1658.74	-0.09	-0.01	-	-	-
Total	52454.7	3.7	0.31	-	-	-

Summary Oil Mill Emissions and Credits

Remarks	tCO2e	tCO2e/t FFB
Emissions sources		

POME	24263.09	0.11
Fuel consumption	776.85	0
Grid electricity	0	0
Credits		
Export of grid electricity (housig)	0	0
Sales of PKS	0	0
Sales of EFB	0	0
Total	25039.94	0.11

Palm Oil Mill Effluent (POME) Treatment

Divert to compst (%)	-
Divert to anaerobic digestion (%)	100%

POME Divert to Anaerobic Digestion

Divert to anaerobic pond (%)	100%
Divert to methane capture (flaring) (%)	-
Divert to methane capture (electricity generation) (%)	-

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

CH has assessed Social Impact Assessment (SIA). PT. LMI (Rantau Estate, Matalok Estate and Rantau POM) conducted on 2010, PT. LMR (Lanting Estate includes KKPA Sungai Cengal) conducted on 2010 and PT. SAA (Randi Estate, Selabak Estate and Sangkoh Estate) conducted on 2009. The assessment involving the affected parties in the form of meetings and questionnaires. The SIA document contains the negative and positive impacts caused by company establishment including replanting, as well as the main issues and management recommendations that can be performed with an objective to reduce negative impact and enhancing positive impact for local communities. SIA study includes Access, economy, livelihood, social value, education etc.

6.1.3

CH has a social impact management plan that has been scheduled for the period January - December 2019 and has involved affected parties. the plan is divided into several aspects, including:

- Social aspects.
- Economy aspects
- Environment aspect

CH has also shown evidence of the implementation of social impact management plan that has been done. In the RKL-RPL implementation report for semester 1 of 2019 has described the plan for managing and monitoring the social and economic impacts of the community along with examples of implementation. The PIC that is responsible for the implementation and preparation of the social impact management plan is the social team namely the Assistant of each Division and its supporting team.

6.1.4

The company has conducted regular reviews every 2 years related to its Social Impact Management and Monitoring Plan. The review process is carried out by involving the participation of parties affected through the questionnaire.

However, based on the results of the 2018 review (PT Laguna Mandiri) and 2019 (PT Swadaya Andika) it is known that the participatory method has not fully covered all factors that can cause social impacts (both positive and negative) such as the latest issues develops around and within the company's operational areas, for example: issues related to changes in harvesting systems, differences in plasm and core management, land dispute on KKPA and employee facilities / infrastructure.

Based on the explanation above, it is known that the company has not conducted a review that covers all the potential social impacts that are the impact of the company's operations. **NCR No.2019.05**

6.1.5

Social impact analysis assessment are integrated with core estate involves members of cooperatives and communities. The social impacts for KKPA Sungai Cengal have been included in the social impact analysis where KKPA Sungai Cengal are built on the concept of partnership in the hope of increasing the income of the community within the company and opening up wider employment opportunities.

6.1.4	Status: Non conformity No.2019.05 with Minor Category	Open
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6.2
There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.

Major 6.2.1, Minor 6.2.1 & Minor 6.2.3

The company has a communication procedure contained in SOP No. 704-TQEM-ESH / 10 dated July 1, 2010 concerning Communication which was approved by Management. SOP explains the objectives, scope, references, definitions, procedures, administrative tools and those responsible for communication and consultation. The PIC appointed to carry out communication and consultation with stakeholders is the PSD (Plantation Services Department) Staff through Appointment Letter no. 0879 / HRS-i2 / MPS / VIII / 16 dated August 26, 2016 by the Manager HRM (Human Resources Management).

CH has a logbook of incoming and outgoing letters for each unit. Based on the results of verification of the document, it was found that there was no request for information to the company. Some incoming letters are proposals for assistance requests, and all incoming letters have been responded to by the company. While the period of giving the response is still in accordance with the SOP that is owned. CH also has a list of stakeholders consist of Head of village, community figures, Regency Government, contractor etc.

Ensure the stakeholder list contains internal stakeholders (OFI)

The results of interviews with the related agencies such as Labor Agency, Environment Agency and Village Heads / Community figure of Manunggal Lama dan Bepara Village were conveyed that the parties understood the communication mechanism. From the interview results it is also known that the officers who communicate with agencies and the public are public relations.

	Status: Comply	
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6.3
There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all affected parties.

Major 6.3.1, Major 6.3.2

CH has a SOP for Complaints Handling Mechanism for All Parties and the Community No.077 / LMI-Stkhdr.ADM / 2012) Rev. 01 which was approved on October 8, 2015. In chapter V point 5.5 of the procedure states that "the company guarantees the security and confidentiality of the whistleblower" and also attached a flow chart of the mechanism for handling complaints by all parties (stakeholders). The PIC responsible for receiving complaints based on the SOP are assistant, senior assistant and Administration Head.

The results of interviews with the related agencies such as Labor Agency, Environment Agency and Village Heads / Community figure of Manunggal Lama dan Bepara Village were conveyed that the parties understood the complaint mechanism.

NC 2019.06

From interviews with land application workers at Matalok Estate, harvesting and spraying workers at Sangkoh Estate, housing residents at Selabak Estate and Labor Unions, it was conveyed that workers had submitted complaints regarding housing to the company. From the results of the interview, it was conveyed that the response and realization of the complaint were slowly responded and realized.

In this regard, the company showed a record of complaints contained in the Complaints Logbook, for example :

Selabak Estate:

- Monitoring Complaints Selabak Estate Division I - IV (June-July 2019). As for complaints / complaints such as broken shoes, picker employees are not careful in the block so that there are still loose fruit, the midrib is not neatly arranged, etc. The document also only informs complaints without a response. In addition, there is no record / monitoring of complaints regarding home improvement.

Sangkoh Estate:

- Monitoring complaints contained in the Sangkoh Estate employee complaints recapitulation document. The document does not inform the date of response and completion / realization. For example, on March 23, 2019 with complaints the floor inside the house was broke. The response will be immediately repaired the damaged floor with the status has been completed.

Related to this, there is not enough evidence that there has been a record of the process of handling all complaints.

6.3.2	Status: Non conformity No.2019.06 with Major Category	Open
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**6.4
Any negotiations concerning compensation for loss of legal or customary rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.**

6.4.1, 6.4.2, 6.4.3

Based on the BPN of Kotabaru Regency Letter No. 000/02 / KP-10 dated September 2, 2010 concerning the Status of Customary Rights / Customary Land stated that;

1. Land status, especially in Kotabaru Regency, up to date there has never been any regulation regarding the status of customary rights.
2. All HGUs issued by BPN and during the process of their rights did not find any land with the status of Customary Rights.

The management unit still uses SOP identification and land compensation standard no 001 / PSD-L & AS dated October 3, 2015 and SOP No. 065 / FPIC-PSD / 2012 concerning handling conflicts, land disputes and land acquisition mechanisms. Wherein in the SOP, the Deliberation was conducted to the community identified as being the land owner and submitted a payment proposal, payment implementation, and administrative documentation. The purpose of procedure is in upholding equality and justice in the community without coercion and pressure. This is in accordance with the concept of FPIC in resolving land disputes with the community.

	Status: Comply	
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**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.**

Major 6.5.1; Major 6.5.2

Minimum wage based on South Kalimantan Governor Regulation No. 188.44/0598/KUM/2018 concerning Regency Minimum Wages of Kotabaru Regency of on 2019 dated November 15, 2018. Based on this decree, minimum wage for Kotabaru Regency is IDR. 2.796.819,62. Based on document verification, field observation, interview with workers (manuring workers, spraying team, mill workers) there's no indication about the force labor. In addition, they get the wage accordance with the wage minimum regulation. Based on interview with harvesters, it is known that there is no force labor. If they've got the target, they will get the premium pay. And if they don't get the target and has been working for 7 working hours, they will get daily minimum wage. Interview with Labor Union and Manpower Agency, said that wages and overtime paid are in accordance with applicable regulations.

Collective Labor Agreement has been registered in Manpower Agency according to the Decree no. 568/KEP-1012/HIPK/PDF.PKB/X1/Naker-2/2016 on November, 1 2016, valid for two years since it was ratified by the Manpower Agency. This Company Regulation can be extended for a period of 1 year for the purpose of renewing the new CLA and during that time period, the CLA still valid.

The Collective Labor Agreement available in bahasa and explained the rights and obligations of employees, for example: wages, hours of work, recruitment of workers, promotions, rest periods, working hours, overtime, Social insurance, handling complaints etc. Based on onterview with labor union and workers said that collective labor agreement has been socialized by company.

Work agreement (contract) between worker and company describes about type of work and salary, duty and responsibility, work hour, health and medical, work termination, and others. Contract is written in Bahasa and workers are understood the substance of the contract. For example ; contract No. 001/SPK PKWT/SNE/1/2019 dated January 1, 2019 and valid until December 31, 2019.

NC 2019.07

From the results of interviews with the land application officer of Matalok Estate, it was stated that if workers work outside working hours will get a premium of Rp. 20,000 - Rp. 22,000 on a normal day. Whereas if you work on a holiday, will get premium of Rp. 40,000. The hours of work on ordinary days start at 07.00 - 16.00.

The verification results of the Premium List document for 2 Land Application workers with initials MM and PW, it was known that land application workers get a premium if:

- Working from 07.00 to 16.00 will get a premium of Rp. 20,000
 - Working from 16.00 to 24.00 will get a premium of Rp. 22,000
 - Working on holidays from 07.00 to 16.00 will get a premium of Rp. 40,000
- This is not in accordance with Manpower Minister Decree No. 102 of 2004 and CLA

Minor 6.5.3.

The results of field observations and interviews with workers, labor unions and residents of housing are known that the company has provided facilities and infrastructure for workers such as housing, religious facilities, sports facilities, educational facilities, day care facilities, electricity and clean water sources. In addition, the company also provides a school bus to take employees' children to school.

NC 2019.08

Based on observations and interviews with housing residents of Selabak Estate division 4, it was known that many housing and septic tank conditions are damaged. The results of observations at the housing complex at Sangkoh Estate revealed that there are several housing conditions and septic tanks also in damaged condition.

Based on this explanation, it was known that there was not enough evidence that the company has provided adequate housing for workers.

Minor 6.5.4.

The results of interviews with housing residents and workers, known that workers have no difficulty in getting adequate food sources at competitive prices. An impromptu market is available every month after payday, and there was itinerant vegetable traders who enter the employee housing area. In addition, there are also housing employees / residents who sell basic needs in the housing area

6.5.2	Status: NonConformity No. 2019.07 with Major Category	Open
6.5.3	Status: NonConformity No. 2019.08 with Minor Category	

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.

Major 6.6.1 and Minor 6.6.2

CH has a freedom of association policy contained in the Social Policy issued on December 2011, in point 5 it is explained that "the company respects the rights of each staff / employee to form and join labor unions according to their choice and to negotiate collectively"

As a form of implementation of freedom of association, labor unions have been formed in the company. The labor unions in the company have been submitted and registered in the Manpower Agency, for example

- Rantau Estate: Changes in Structur of Rantau Estate Labor Unions have been recorded in the Manpower Agency of Kotabaru Regency No. 568/91 / SP / Dissosnakertrans on November 3, 2019.
- Matalok Estate: the unit has filed an Application for Registration of Structure of PT LMI (Matalok Estate) Labor Union No. 001 / SP-MLE / LMI / 10/2019 to the Manpower Agency of Kotabaru Regency
- Sangkoh Estate: Changes in Structur of Rantau Estate Labor Unions have been recorded in the Manpower Agency of Kotabaru Regency No. 568/016 / Naker-2/2016 dated 3 November 2019.

The results of interviews with labor unions and workers said that there was no prohibition on forming labor unions. The results of the interview also stated that there was no intervention in the appointment of representatives of labor unions. Labor union representatives were appointed by workers based on the results of the deliberation.

Company showed several recordings of meetings between labor unions, company and workers, such as:

- The minutes of the meeting on 18 January 2019 were attended by 17 participants.
- Minutes of the Establishment of the structure of Matalok Estate Labor Union on September 4, 2019. Attached list of attendees and photos of implementation.
- The minutes of the Durian River Area Federation monthly meeting on September 7, 2019 were attended by 23 participants.
- The minutes of Rantau Factory labor union meeting on 10 August 2019 were attended by 11 participants on the socialization / discussion of dispensation of sick employees for RTF employees.

Status: Comply

6.7

Children are not employed or exploited.

Major 6.7.1

Company policy regarding the age requirements of workers is contained in

- SOP for employee recruitment dated on August 4, 2014 with document number 39 / KKPA ASC-SOP / 14 explaining that the age of employees at the time of receipt must be at least 18 years old.
- Management SOP for Sustainable Plantation Management Guideline No. Policy 724 / TQEM-SPMS / 09 which was ratified on April 1, 2010 by the Chief Executive Officer, in the Policy and Objectives Chapter, Plantation Upstream Indonesia Policy Section on Social Policy in point 6 which contains Plantation Upstream Indonesia does not employ underage workers (children kids) 18 years old.

The results of verification of the labor list document, known that there are no workers under the age of 18 years. Likewise with field visits, no underage workers were found. Interviews with workers and labor union also stated that the minimum age limit for workers is 18 years. There are also warnings about the prohibition on the use of workers under 18 years of age which are displayed in the locations of plantation offices and housing complex.

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.

Major 6.8.1 & Major 6.8.2

CH has Management of Sustainable Plantation Guidelines No 24/TQEM-SPMS/09 which stated All Staff / Employees must be treated fairly in recruitment, progress, conditions and job descriptions, regardless of race, degree, ethnicity, gender, color, imperfection (disability), sexual orientation , organizational membership, political views, religion and age.

The results of the verification of labor registration documents and worker interviews, it was known that workers come from various tribes and regions, such as Javanese, *Batak, Kalimantan / Dayak, Sulawesi*, etc. Interviews with workers, labor

unions and gender committees also revealed that there were no issues related to discrimination. The company has provided equal opportunities for workers. In addition, interviews with surrounding villages (Manunggal Lama and Bepara Village) also conveyed that there were no differences in treatment by the company. The company provides equal opportunities for rural communities to be able to work in the company according to their abilities.

Minor 6.8.3

CH has kept the personal file of each worker. Based on interview with management and labor union, the recruitment is conducted based on the company requirement. Worker promotion, mutation or demotion is done through the employee performance assessment. Company has provide the assessment documents, promotions and the employee appointments. For example :

- Promotion Decree No. No. SK-PROM/SKU-SNE/2018/XI/002 dated November, 12 2018. the company has shown the workers' evaluation documentation.

Work Agreement No. 001/SPK PKWT/SNE/1/2019 dated January 1, 2019. The company has shown the recording / documentation of employee recruitment such as application letter, CV, health examination results, assessment results, etc.

Status: Comply

6.9

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

Major 6.9.1, Major 6.9.2

The company has a commitment to be a company that is responsible for protecting female workers from sexual harassment. This commitment is manifested in a gender policy endorsed by Head of Plantation Upstream Indonesia on April 2011.

Based on interview with workers, gender committee and labor union, known that policy to prevent all forms of abuse and sexual harassment have been disseminated by company throughout gender committee. Every complaint related to women's issues is conveyed and resolved through a gender committee.

Examples of gender committee socialization:

- The gender committee (Sangkoh Estate) socialization on 10 June 2019 including the socialization of women's rights was attended by 17 participants.
 - Gender committee socialization at SLE on April 13, 2019. Minutes and attendance are available.
- Ensure the socialization of the Gender Committee (OFI)

CH does not allow pregnant and lactating women to work on chemical-related activities. The company has a policy that prohibits pregnant and lactating women from working in activities that are in contact with chemicals, namely in the Block spraying system Procedure and the use of its station No. 066 / RSPO-BSSPSS / 2011. Based on the interviews with female workers in daycare, spraying workers and interviews with gender committee, explained that all of the female workers are obtained leave entitlement to give birth for three months (H2) and the right to rest for female workers who experienced menstruation for maximal 2 days (H1). The mechanism of giving H1 is done by first checking in the clinic. For example :

- Record of menstruation leave based on letter No. 03/SNE-KLKD//23/09/2019 dated September 23, 2019.
- Record of birth leave based on letter dated July 10, 2019.

Minor 6.9.3

CH has a SOP for Complaints Handling Mechanism for All Parties and the Community No.077 / LMI-Sikhldr.ADM / 2012) Rev. 01 which was approved on October 8, 2015. In chapter V point 5.5 of the procedure states that "the company guarantees the security and confidentiality of the whistleblower" and also attached a flow chart of the mechanism for handling complaints by all parties (stakeholders). The PIC responsible for receiving complaints based on the SOP are assistant, senior assistant and Administration Head.

Results of interview with labor unions and gender committees, known that company has special complaint mechanisms through gender committees. If there are complaints related to women's issues submitted through the board of the gender committee. Interviews with female workers are known they know the specific complaint mechanism. Based on the interviews with the female worker and Gender Committee, during 2018/2019 there were no complaints related to the sexual harassment or violence to all employees.

	Status: Comply	
6.10		
Growers and mills deal fairly and transparently with smallholders and other local businesses.		
Minor 6.10.1 & Major 6.10.2		
Current and previous prices paid for Fresh Fruit Bunches (FFB) are publicly available at the mill. The price of FFB is determined by following the provincial price issued by the South Kalimantan Plantation and Animal Husbandry Office. This was verified by the FFB price review document (No: 525/1668/PS-3/VIII/2019) on August 21, 2019, and interviews with farmer groups.		
Minor 6.10.3 & Minor 6.10.4		
Based on the results of the document review of the Work Agreement between the certificate holder and the partner, it is known that both parties have agreed and jointly signed the said work agreement. For example, the Lease Agreement for Heavy Equipment number EST / RTE / SPK-LKL / VI / 2019/023 (local), namely PT Duta Nusantara Mandiri Contractor, the scope of the excavator PC 210 machine rental work, was agreed by both parties and signed and was signed explained the price and payment in the Work Agreement. Based on the results of interviews with local contractor PT Duta Nusantara Mandiri, it is known that there is no problem related to payment and is in accordance with the agreement.		
	Status: Comply	
6.11		
Growers and millers contribute to local sustainable development wherever appropriate.		
6.11.1, 6.11.2		
The Certificate Holder shown evidences of contribution to local sustainable development, through develop oil palm scheme smallholder, acceptance of local workers, contractors and local businesses, as well as other contributions contained in CSR programs that are prepared in a participatory manner with the community.		
Smallholder's plantation scheme is using KKPA Full Managed system, which all operation activities are managed by the company. Subsequently, there is no training to improve smallholders productivity. The effort is to increase communities income is by working together of local contractors in the fields such as FFB transport.		
	Status: Comply	
6.12		
No forms of forced or trafficked labour are used.		
Major 6.12.1; Minor 6.12.2; Major 6.12.3		
Based on review on the labor list document of PT LMI, known that there was no illegal worker. The entire workers have their position based on the signed work contract or appointment letter. Interview with labor union revealed that there is no force or illegal labor who work in company. Moreover, company does not hire illegal or force labor or contract substitution.		
Based on field visit in factory and estate, there was no indication the use of illegal or forced labor. And based on the field visit, there is no indication the use of child labor and no harvesters accompanied by wife or children.		
	Status: Comply	
6.13		
Growers and millers respect human rights		
6.13.1.		
The CH has the Human Rights Policy, signed by SOU, June 2015. The CH is committed to protecting the human rights of all staff and employees as well as female workers including the right to life, right to have a family and continue the descent, the right to develop themselves, the right to justice, the right to personal liberty, the right to safe, the right on welfare, the right to participate in government, women's rights, children's rights. Based on consultation with internal stakeholder (workers, Labor Union and Gender Committee) there was no information related to human right abuse cause by the plantation and mill operation.		
	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.

Major 7.1.1, Minor 7.1.2 & Minor 7.1.3

Based on the review of the statement area document, field visits and interviews with stakeholders (Government Agency and Head of village), it was known that since Recertification to ASA-1.3, PT LMI has not expanded its management area or carried out new plantings.

Status: Comply

7.2

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

Major 7.2.1 & Minor 7.2.2

The company can show document of Land Survey Semi Detail and Land Suitability document for Oil Palm Plantation for 2017 - 2022 (PT Langgeng Muaramakmur, PT Swadaya Andika, and PT Laguna Mandiri) prepared by Minamas Research Center (MRC). Based on the survey results it is known that:

1. Sangkoh Estate: The soil type is Typic Hapludaf, Typic Hapludalf, Typic Sulfaquennt, Aquic Paleudult, and Typic Plinthudult. While the slope is level/flat (0° - 2°) and rolling (6° - 12°).
2. Matalok Estate: The soil type is Arenic Hapludult, Typic Hapludult, Plinthic Kandudult, Typic Kandudult, and Aquic Poleudult. While the slope is undulating (2° - 6°), rolling (6 - 12°), and hilly (12° - 20°).
3. KKPA-ASC: The soil type is Lithic Endoquent, Sulfic Endoquent, Typic Sulfaquent, Typic Endoquent, Typic Hapludult, and Typic Haplinthudult. While the slope is level/flat (0° - 2°), undulating (2° - 6°), Rolling (6° - 12°), Hilly (12° - 20°), and somewhat Steep (20° - 25°).

The results of the document review indicate that there is an area with a slightly steep slope of 38.82% (20-250) of 98.84 Ha in the operational area of KKPA-ASC. In general, the limiting factor in the estate is the low level of soil fertility. There are several recommended management strategies, for example:

- Improving soil nutrient status by increasing organic matter (planting legume cover crop, EFB application, appropriate stacking, composting applications, land application, selective weeding, and soil pH improvement).
- Manuring with balanced nutrition recommended by the Agronomist team, maximizing the efficiency of fertilizer use, minimizing soil erosion and run-off, and water conservation on the terraced area.
- For hilly areas, terracing contours and planting of ground cover (e.g *Mucuna bracteata*) is highly recommended.

This has been confirmed during field observation. The limiting factor identified for oil palm cultivation is low soil fertility. To address this situation, the strategies described above have been implemented, such as the making of connecting terrace, sil pit, and ground cover cultivation (*Pueraria javanica* mixed with *Calopogonium mucunoides* and *Mucuna bracteata*) in the replanting area of 2019 planting year in Matalok Estate, Field D016.

Based on explanation above, it could be concluded that the company has conducted soil survey and land feasibility studies to analyze soil type, slope, and soil characteristics, thus best management and agronomy input would be formulated for proper site planning and operations.

Status: Comply

7.3

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

7.3.1, 7.3.2, 7.3.3, 7.3.4, 7.3.5

There is no new planting after 2010 in own estate, the planting after 2010 is in community area. HCV assessment was done by YASBI in 2009.

Sime Darby Plantation has sent a letter to the RSPO on July 15, 2015 related to the report of land clearing without HCV since Nov 2005 for all units / companies under Sime Darby.

The company sent the Land Use Change Analysis (LUCA) document to the RSPO on September 4, 2015, and on June 26, 2016.

The company can show the Chronology of LUCA submission by SDP document update until Jan 2019 where the company sent LUCA reports to RSPO (19 reports) along with shapefiles and RSPO responded with a note requiring clarification.

There was evidence of PT MAL's communication with the RSPO on February 13, 2019, which the RSPO stated that currently the status of LUCA for all units under SDP was still awaiting finalization and clarification. The company sent proof of communication with RSPO on 9 May 2019, which stated that: "SDP is given a one year time extension period to address all outstanding matters (including the approval of compensation plan), related to non-conformity raised on 7.3.1 during the RSPO Re-certification / Annual Surveillance Audits for the affected units, the RSPO secretariat has agreed to allow the NC raised on 7.3.1 to Sime Darby's units to be opened until the next ASA" Based on the above explanation, the company has not been able to show that the RaCP process for PT LMI, PT SAA+LNE dan KKPA SChas been completed and received approval from the RSPO. **NCR 2019 .09.**

7.3.1	Status: Nonconformity No. 2019.09 with Major Category	Open
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7.4
Extensive planting on steep terrain, and/or on marginal and fragile soils, is avoided.

Minor 7.4.1 & Major 7.4.2

The company can show a Land Survey Semi Detail and Land Suitability document for Oil Palm Plantation for 2017 - 2022 (PT Langgeng Muaramakmur, PT Swadaya Andika, and PT Laguna Mandiri) made by Minamas Research Center (MRC). Based on the survey results it is known that:

- Sangkoh Estate: The soil type is Typic Hapludaf, Typic Hapludalf, Typic Sulfaquent, Aquic Paleudult, and Typic Plinthudult. While the slope is level/flat (00 – 20) and rolling (60 - 120).
- Matalok Estate: The soil type is Arenic Hapludult, Typic Hapludult, Plinthic Kandudult, Typic Kandudult, and Aquic Paleudult. While the slope is undulating (20 - 60), rolling (6 - 120), and hilly (120 – 200).
- KKPA-ASC: The soil type is Lithic Endoquent, Sulfic Endoquent, Typic Sulfaquent, Typic Endoquent, Typic Hapludult, and Typic Hapludult. While the slope is level/flat (00 - 20), undulating (20 - 60), rolling (60 - 120), hilly (120 - 200), and somewhat steep (200 - 250).

Based on the Land Survey Semi Detail and Land Suitability mentioned above, there is an area with a slope above 40% or slightly steep (somewhat steep) 38 - 50% (200 - 250) of 98.84 Ha in KKPA-ASC operational area. The company management explains during ASA-1.3 assessment that replanting on that area will be conducted with reference to existing regulations and condition, such as the Technical Guidelines for Development of Oil Palm Plantation, Directorate General of Plantation, the Ministry of Agriculture, Republic of Indonesia

Based on explanation above, it could be concluded that the company will manage slightly steep area in KKPA operational areas with reference to existing regulations and condition.

	Status: Comply	
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7.5
No new plantings are established on local peoples' land without their free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.

7.5

The company has been developing since 1993, now it has entered a second planting cycle (replanting). There has been no new planting and development since 2010.

	Status: Comply	
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7.6
Where it can be demonstrated that local peoples have legal, customary or user rights, they are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.

7.6

The company has been developing since 1993, now it has entered a second planting cycle (replanting). There has been no new planting and development since 2010.

	Status: Comply	
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7.7
Use of fire in the preparation of new plantings is avoided other than in specific situations, as identified in the ASEAN guidelines or other regional best practice.

Major 7.7.1 & Minor 7.7.2

Based on the review of the statement area document, field visits and interviews with stakeholders (Government Agency

and Head of village), it was known that since Recertification to ASA-1.3, PT LMI has not expanded its management area or carried out new plantings.

Status: Comply

7.8

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

Major 7.8.1 & Minor 7.8.2

For PT LMI (Matalok Estate) currently there is only replanting activities, no new planting. The study Social Environment Impact Assessment (SEIA) for replanting areas, carried out by consultants Aksenta on November 2014. And it has no obligation to do NPP. The company has sent LUCA at 15 August 2015.

For Cooperative Credit Scheme Sungai Cengal based on announcement 15 November 2016 No. RSPO/TECH/NPPSH/008 from RSPO about announcement of the resolution to review and amendment of the update NPP process as applied to smallholder. Based on that notification Cooperative Credit Scheme Sungai Cengal temporarily suspended its obligations (not required) did NPP.

For Sangkoh and Lanting Estate, based on the review document there is no land clearing of above 2015, so this indicator is not applicable. Last land clearing in 2009.

Status: Comply

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

8.1

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

RSPO Internal Audit

The certificate holder has conducted RSPO Internal Audit on August 20-29, 2019 with the scope of Rantau POM, RTE, MLE, SLE, RDE, SNE, LNE and KKPA. Regularly review on RSPO implementation also done through this internal audit. Based on these activities, 7 nonconformities were found, including regarding the use of licensed pesticides. All non-conformities were corrected and fulfilled on 20 September 2019. Documents for corrective actions have also been shown.

Status: Comply

3.2. Summary of Assessment Report of Supply Chain Requirement

3.2.1 General chain of custody requirements for the supply chain

Clause	Requirement																		
5.1	Applicability of the general chain of custody requirements for the supply chain																		
5.1.1	<p>The General Chain of Custody requirements of the RSPO Supply Chain Standard shall apply to any organization throughout the supply chain that takes legal ownership and physically handles RSPO Certified Sustainable oil palm products at a location under the control of the organization including outsourced contractors. After the end product manufacturer, there is no further requirement for certification.</p> <p>The audit was done to palm oil mill, namely Rantau POM, which processes FFB from its own certified supply base, processing from FFB to CSPO and CSPK, and product transportation is carried out without involving third parties.</p> <p>Rantau POM has an agreement with Sungai Durian Bulking that is included in the scope of PT Swadaya Andhika in product storage activities, however the CSPO is legally owned by Rantau POM.</p> <p>Sighted the agreement addendum I of storage, heating and pumping service no. 007 / Storage Services / SAA-LMI / VI / 2017 dated June 28, 2019 between PT Swadaya Andika and PT Laguna Mandiri, valid until 30 June 2021.</p>																		
	Status: Comply																		
5.1.2	<p>Traders and distributors require a license obtained from RSPO Secretariat to sell RSPO certified product but do not themselves require certification. When selling RSPO certified products, a licensed trader and/or distributor shall pass on the certification number of the product manufacturer and the applicable supply chain model.</p> <p>Audit are carried out on palm oil mill which only sell self-produced CSPO and kernel products.</p>																		
	Status: Comply																		
5.1.3	<p>Either the operator at site level or its parent company seeking certification shall be a member of the RSPO and shall register on the RSPO IT platform.</p> <p>Rantau POM has been registered as a member of the RSPO under SDP Bhd, and has been registered in the RSPO IT Platform, with the following details:</p> <table border="1"> <tbody> <tr> <td>Sub License ID</td> <td>CB83417</td> </tr> <tr> <td>Member Name</td> <td>Sime Darby Plantation - Rantau POM, PT LMI</td> </tr> <tr> <td>Member ID</td> <td>RSPO_PO1000000323</td> </tr> <tr> <td>RSPO Membership Number</td> <td>1-0008-04-000-00 (Sime Darby Plantation Berhad)</td> </tr> <tr> <td>Issued On</td> <td>5/4/2019</td> </tr> <tr> <td>Issued By</td> <td>PT Mutuagung Lestari</td> </tr> <tr> <td>Start Date</td> <td>06-04-2019</td> </tr> <tr> <td>End Date</td> <td>29-12-2019</td> </tr> <tr> <td>Group size</td> <td>7</td> </tr> </tbody> </table>	Sub License ID	CB83417	Member Name	Sime Darby Plantation - Rantau POM, PT LMI	Member ID	RSPO_PO1000000323	RSPO Membership Number	1-0008-04-000-00 (Sime Darby Plantation Berhad)	Issued On	5/4/2019	Issued By	PT Mutuagung Lestari	Start Date	06-04-2019	End Date	29-12-2019	Group size	7
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End Date	29-12-2019																		
Group size	7																		
	Status: Comply																		
5.1.4	<p>Processing aids do not need to be included within an organization's scope of certification.</p> <p>There is no processing aids in Rantau Factory</p>																		
	Status: Comply																		
5.2	Supply chain model																		
5.2.1																			

The site can only use the same supply chain model as its supplier or go to a less strict system. Declassification/downgrading can only be done in the following order: Identity Preserved -> Segregated -> Mass Balance.	
Rantau POM applies the Module D (IP), in transaction of products it has only made IP claims	
	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.	
Rantau POM applies the Module D (IP), in transaction of products it has only made IP claims	
	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.	
<p>Company showed Manual RSPO SCCS document No SCCS-Std/RSPO/PSQM/02 Revision 1, validation date January 2nd 2018. The procedure regulates supply chain certification standard, such as:</p> <ul style="list-style-type: none"> - Purchasing and goods in - Outsourcing activities - Sales and goods out - Registration of transaction - Training - Record keeping - Conversion factor - Claim - Complaint - Management review <p>In the SOP also described the duties and responsibilities of each part; the identification of raw materials and products; and performs supply chain system. For example, Mill Manager are responsible to monitor the implementation of the procedure, department of PSQM are responsible to conduct internal audit for SCCS and the marketing dept. are responsible to validate the supplier/buyer and reporting/announce all the transaction to RSPO IT Platform. During observation to the WB station it was observed that the PIC has been aware and understood regarding to the SCCS. They can explain the flow of FFB receiving and CSPO/CSPK delivery. All the requirement written in the SOP has been implemented.</p>	
	Status: Comply
5.3.2 The site shall have a written procedure to conduct annual internal audit	
<p>Procedure to conduct annual internal audit is written on document Internal Audit No SCCS-IA/RSPO/PSQM/04 issued date 1st March 2018. Based on the procedure, internal audit conduct at least 2 months prior to external audit or once a year.</p> <p>The mill has determined the internal audit schedule for 2019 which is planned to be held on 5 Aug 2019. Sighted the SCCS internal audit report, which conducted on 5 Aug 2019, there was 5 NC identified, all the NC has been closed by the mill, the audit has refer to latest RSPO SCCS standard and system.</p>	
	Status: Comply
5.4	Purchasing and goods in
5.4.1 The receiving site shall ensure that purchases of RSPO certified oil palm products are in compliance and the following minimum information for RSPO certified products is made available by the supplier	
Rantau POM does not purchase the RSPO certified oil palm product, the mill only sell its own CSPO and CSPK.	
	Status:
5.4.2	

The site shall have a mechanism in place for handling non-conforming oil palm products and/or documents	
Rantau POM does not purchase the RSPO certified oil palm product, but in the SCCS SOP it has been explained that if there are products or documents that are non-conformance, verification will be carried out by the factory manager and marketing of Jakarta Office, if the documents or product quality are not appropriate it will be returned to the supplier.	
	Status: Comply
5.5	Outsourcing activities
5.5.1	
In cases where an operation seeking or holding certification outsources activities to independent third parties (e.g. subcontractors for storage, transport or other outsourced activities), the operation seeking or holding certification shall ensure that the independent third party complies with the requirements of the RSPO Supply Chain Certification Standard. A CPO mill and independent mill cannot outsource processing activities like refining or crushing.	
Rantau POM has an agreement with Sungai Durian Bulking that is included in the scope of PT Swadaya Andhika in product storage activities, however the CSPO is legally owned by Rantau POM. Sighted the agreement addendum I of storage, heating and pumping service no. 007 / Storage Services / SAA-LMI / VI / 2017 dated June 28, 2019 between PT Swadaya Andika and PT Laguna Mandiri, valid until 30 June 2021.	
	Status: Comply
5.5.2	
Sites which include outsourcing within the scope of their RSPO Supply Chain certificate shall ensure the following:	
<ul style="list-style-type: none"> a. The site has legal ownership of all input material to be included in outsourced processes; b. 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. c. The site has a documented control system with explicit procedures for the outsourced process which is communicated to the relevant contractor. d. 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 	
Rantau POM has an agreement with Sungai Durian Bulking that is included in the scope of PT Swadaya Andhika in product storage activities, however the CSPO is legally owned by Rantau POM Storage is carried out in specific storage-tank (not mixed) and based on agreement from both parties that the facility can be visited by the auditor at the time of the audit.	
	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.	
The agreement with bulking has listed the name and address of the facility, namely in Sungai Durian.	
	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	
There is no addition of third parties since ASA 1.2.	
	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	
Information relating to sales has been included in CSPO and CSPK sales documents, namely sales contract documents and order delivery, for example: Sales contract no. 00512 / LMI / KTR-MKS / LOK / XI / 2018, with the name of the buyer: PT Sime Darby Oils Pulau Laut Refinery, address: Menteng, Central Jakarta, number: 2500 MT, DO: 00601.	

	Status: Comply
5.7	Registration of transactions
5.7.1	<p>Supply chain actors who:</p> <ul style="list-style-type: none"> • 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
	<p>Audit are done to palm oil mill, which carry out physical handling itself and have legal ownership of the CSPO and CSPK products produced. Rantau POM had been registers transactions on the RSPO IT Platform, for the license period of 6 April 2019 - 30 September 2019 there were 5 CSPK sales transactions and 12 CSPO sales transactions that have been reported on palmtrace.</p>
	Status: Comply
5.7.2	<p>The involved supply chain actors mentioned in 5.7.1 shall do the following actions in the RSPO IT Platform:</p> <ul style="list-style-type: none"> • Shipping Announcement / Announcement: When RSPO certified volume is sold as certified, the volumes of products that are in the yield scheme (Figure 2 and 3, refer Annex 1) shall be registered as a Shipping Announcement / Announcement in the RSPO IT Platform. The declaration time to do Shipping announcement / Announcement is based on members' own standard operating procedures. • Trace: When RSPO certified volumes are sold as RSPO certified to actors in the supply chain beyond the refinery, the volume shall be traced at least annually. Tracing triggers the generation of a trace document with a unique traceability number. Tracing can be done in a consolidated way at least annually. • Remove: RSPO certified volumes sold under other scheme or as conventional, or in case of underproduction, loss or damage shall be removed. • Confirm: Acknowledge the purchase of RSPO certified volume by confirming Shipping Announcements / Announcements.
	<p>Rantau POM has reported sales transactions (announcements) through the RSPO IT Platform, for the period 6 April 2019 - 8 Oct 2019, as follows:</p> <ul style="list-style-type: none"> - CSPO volume sold: 10,720.79 MT: 12 transactions were reported, for example: TR-63da7260-91a3 on April 22, 2019 to the GHN buyer (P / GHN / 1118 / CPO02898) and no. TR-a51afdda-9266 dated July 1, 2019 (buyer ref: P / GHN / 0519 / CPO03174) - CSPK volume sold: 2,489.55 MT : 5 transactions (TR-087dea42-5311, TR-f1717fb1-8e3d, TR-2bf70273-9b80, TR-3b36b50f-4513, and TR-61875002-9fa1) <p>Trace sales have been carried out annually by marketing through the RSPO IT Platform</p> <p>The company has removed sustainable stock for products sold under conventional, namely CSPO of 10.634 MT.</p>
	Status: Comply
5.8	Training
5.8.1	<p>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</p>
	<p>The company has set a training plan for SCCS which will be conducted once a year, for the 2019 period it is planned to be held in Feb 2019.</p>
	Status: Comply
5.8.2	<p>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</p>
	<p>Rantau POM has conducted training to implement SCCS routinely once a year for new personnel and refreshments, the last training was held on August 20, 2019 with 27 participants involving all key personnel in mill and bulking.</p>

	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											
The company can show records of FFB receipts, CSPO / CSPK production, CSPO / CSPK shipments / sales as well as product sales transaction reporting from 1 Oct 2018-30 Sept 2019, based on these data it can be seen that CSPO sales volume is higher than CSPO production, details in the table following:											
<table border="1"> <thead> <tr> <th>FFB receive</th> <th>CSPO produced</th> <th>CSPO sales</th> <th>CSPK produced</th> <th>CSPK sales</th> </tr> </thead> <tbody> <tr> <td>179,888,360 MT</td> <td>37,179,341 MT</td> <td>34,274.62 MT</td> <td>9,271.39 MT</td> <td>9,271.39 MT</td> </tr> </tbody> </table>		FFB receive	CSPO produced	CSPO sales	CSPK produced	CSPK sales	179,888,360 MT	37,179,341 MT	34,274.62 MT	9,271.39 MT	9,271.39 MT
FFB receive	CSPO produced	CSPO sales	CSPK produced	CSPK sales							
179,888,360 MT	37,179,341 MT	34,274.62 MT	9,271.39 MT	9,271.39 MT							
Based on this explanation the company has not been able to show evidence that the SCC implementation records of has done accurately, completely and can be accessed. It became NCR No. 2019.10											
	Status: Nonconformity No. 2019.10										
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											
Based on document No SCCS-Std/RSPO/PSQM/02, the retention times for all records and reports minimum 10 years and minimum 2 years for data except finance document. SSCS implementation records shown for the last 2 years can be accessed by the auditor, for example documents on FFB acceptance and CSPO / CSPK production and sales from 2018-2019.											
	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.											
Rantau Factory has record the production of FFB, CSPO, and CSPK sales. The record is kept over 12 months.											
	Status: Comply										
5.10	Conversion factors										
5.10.1											
Where applicable a conversion rate shall be applied to provide a reliable estimate for the amount of certified output available from the associated inputs. Organizations may determine and set their own conversion rates which shall be based upon past experience, documented and applied consistently. Guidance on conversion rates is published on the RSPO website (www.rspo.org); RSPO Rules for Physical Transition of Oleochemicals and its Derivatives. This is relevant for derivatives of Palm Oil and Palm Kernel Oil, as used in the oleochemical and personal care industries											
The conversion rate are not applicable, since the audit are done to a palm oil mill which only convert FFB to CSPO and CSPK. Conversion rate are set based on actual product extraction namely OER and KER.											
	Status: Comply										
5.10.2											
Conversion rates shall be periodically updated to ensure accuracy against actual performance or industry average if appropriate.											
The conversion rate are not applicable, the audit are done to a palm oil mill which only convert FFB to CSPO and CSPK											
	Status: Comply										
5.11	Claims										
5.11.1											
The site shall only make claims regarding the use of or support of RSPO certified oil palm products that are in compliance with the RSPO Rules on Market Communications and Claims.											

<p>The mill are use trademark on the product sales document, the trademark use is option 2 for IP & SG claims label options, it has been in accordance with the RSPO Rules on Market Communications and Claims. The Rantau POM has a trademark license under Sime Darby Plantation Berhad, number: RSPO-1106024.</p>	
	Status: Comply
5.12	Complaints
<p>5.12.1 The organization shall have in place and maintain documented procedures for collecting and resolving stakeholder complaints.</p>	
<p>The complaint mechanism has been stipulated in the Manual RSPO SCCS reff. No. SCCS-Std/RSPO/PSQM/02, Rev 1 dated on 02 January 2018. Up to ASA 1.3 audit, there's no complain on the submitted by buyer to Rantau POM</p>	
	Status: Comply
5.13	Management review
<p>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</p>	
<p>Based on Manual RSPO SCCS reff. No. SCCS-Std/RSPO/PSQM/02, Rev 1 dated on 02 January 2018, the management review are planned to be done once a year. The latest management review are conducted in 20 Aug 2019, attended by Mill Head Adm, Mill Assistant, Mill Manager, and other key personnel.</p>	
	Status: Comply
<p>5.13.2 The input to management review shall include information on:</p> <ul style="list-style-type: none"> • Results of internal audits covering RSPO Supply Chain Certification Standard. • Customer feedback. • Status of preventive and corrective actions. • Follow-up actions from management reviews. • Changes that could affect the management system. • Recommendations for improvement. 	
<p>In the minute of management review 20 Aug 2019, it has includes all required information, such as: result of internal audit, customer feedback and complaint (no feedback), process performance and product of RTF (CPO 18.55%, FFA 4.32% and PK 7.05%), status of finding (on progress of fulfilment), follow up of previous management review, changes to the system and recommendation for improvement.</p>	
	Status: Comply
<p>5.13.3 The output from the management review shall include any decisions and actions related to:</p> <ul style="list-style-type: none"> • Improvement of the effectiveness of the management system and its processes. • Resource needs. 	
<p>In the minute of management review 20 Aug 2019, it has includes all the decisions and action needed for improvement of the effectiveness and resources need, such as: the mill will provide registration book for all feedback from customer in mill, upgrading of OER and KER and adjusting of implementation to the standard (if any). The minute also has informs PIC and schedule for implementation.</p>	
	Status: Comply

3.2.2 (Module D) CPO Mills – Identity Preserved Requirements

Clause	Requirement																
D1	Definition																
D.1.1	<p>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.</p> <p>Rantau POM only receives FFB supplies from its own estates which are certified namely Rantau Estate, Matalok Estate, Sangkoh Estate, Selabak Estate, Lanting Estate, Randi Estate and Sungai Cengal KKPA. So in this case the mill implements RSPO SCC Module D - IP.</p> <p>Status: Comply</p>																
D.2	Explanation																
D.2.1	<p>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</p> <p>Estimates of products that can be produced in 12 years have been included in the Rantau POM certificate, actual production has been verified by the auditors from 1 Oct 2018 - 30 Sept 2019, and as well as projected certified products for the next 12 years, detail in the following table:</p> <table border="1"> <thead> <tr> <th></th> <th>Last Year Projected Certified Volume</th> <th>Last Year Actual Certified Volume 1 Okt 2018 – 30 Sept 2019</th> <th>Projection certified volume 30 Dec 2019 – 29 Dec 2020</th> </tr> </thead> <tbody> <tr> <td>• FFB received</td> <td>240,055</td> <td>179,888.36</td> <td>188,882</td> </tr> <tr> <td>• CPO Production</td> <td>51,612</td> <td>37,179.34</td> <td>41,554</td> </tr> <tr> <td>• Palm Kernel (PK) Production</td> <td>13,203</td> <td>9,271.39</td> <td>10,389</td> </tr> </tbody> </table> <p>Status: Comply</p>		Last Year Projected Certified Volume	Last Year Actual Certified Volume 1 Okt 2018 – 30 Sept 2019	Projection certified volume 30 Dec 2019 – 29 Dec 2020	• FFB received	240,055	179,888.36	188,882	• CPO Production	51,612	37,179.34	41,554	• Palm Kernel (PK) Production	13,203	9,271.39	10,389
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D.2.2	<p>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).</p> <p>Rantau POM has been registered as a member of the RSPO under SDP Bhd, and has been registered in the RSPO IT Platform, with the following details:</p> <table border="1"> <tbody> <tr> <td>Sub License ID</td> <td>CB83417</td> </tr> <tr> <td>Member Name</td> <td>Sime Darby Plantation - Rantau POM, PT LMI</td> </tr> <tr> <td>Member ID</td> <td>RSPO_PO1000000323</td> </tr> <tr> <td>Start Date</td> <td>06-04-2019</td> </tr> <tr> <td>End Date</td> <td>29-12-2019</td> </tr> </tbody> </table> <p>Rantau POM has reported sales transactions (announcements) through the RSPO IT Platform, for the period 6 April 2019 - 8 Oct 2019, as follows:</p>	Sub License ID	CB83417	Member Name	Sime Darby Plantation - Rantau POM, PT LMI	Member ID	RSPO_PO1000000323	Start Date	06-04-2019	End Date	29-12-2019						
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Trace sales have been carried out annually by marketing through the RSPO IT Platform

The company has removed sustainable stock for products sold under conventional, namely CSPO of 10.634 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

- a. Complete and up to date procedures covering the implementation of all the elements in these requirements;**
- b. 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.**

Company showed Manual RSPO SCCS document No SCCS-Std/RSPO/PSQM/02 Revision 1, validation date January 2nd 2018. The procedure regulates supply chain certification standard, such as:

- Purchasing and goods in
- Outsourcing activities
- Sales and goods out
- Registration of transaction
- Training
- Record keeping
- Conversion factor
- Claim
- Complaint
- Management review

In the SOP also described the duties and responsibilities of each part; the identification of raw materials and products; and performs supply chain system.

For example, Mill Manager are responsible to monitor the implementation of the procedure, department of PSQM are responsible to conduct internal audit for SCCS and the marketing dept. are responsible to validate the supplier/buyer and reporting/announce all the transaction to RSPO IT Platform.

During observation to the WB station it was observed that the PIC has been aware and understood regarding to the SCCS. They can explain the flow of FFB receiving and CSPO/CSPK delivery. All the requirement written in the SOP has been implemented.

Status: Comply

D.3.2

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

The procedure for receiving and processing FFB is explained in the SCCS SOP: SCCS-Std / RSPO / PSQM / 02 rev01 dated on 02 January 2018, it is explained that verification of FFB received is done based on FFB consignment note, verification is carried out by security and weighing operators. Rantau POM does not receive FFB from non-certified sources.

Based on interviews with weighbridge operator and security officers, it is said that until now the permitted FFB sources are from 6 certified estates and 1 certified KKPA.

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.

Rantau POM has verified all FFB received since 1 Oct 2018 - 30 Sept 2019, from the data of FFB receipts in mill, seen that the mill does not receive FFB from uncertified sources, all FFBs received and processed are sourced from the estate which is its own scope:

Month	Certified (Kg)							Uncertified (Kg)
	RTE	MLE	SLE	RDE	SNE	LNE	KKPA	
Oct-18	7,128,230	4,009,640	5,214,900	4,004,090	3,756,400	3,686,930	872,970	-
Nov-18	5,970,790	2,519,280	4,438,150	3,024,590	2,818,330	3,041,580	904,520	-
Dec-18	5,361,110	2,179,340	2,742,010	2,337,440	2,089,070	2,838,940	578,570	-
Jan-19	3,928,090	1,654,780	2,456,810	1,568,660	1,501,630	1,466,950	657,290	-
Feb-19	2,388,560	1,126,910	1,870,860	1,115,140	1,185,510	1,019,100	446,860	-
Mar-19	1,940,180	1,159,940	1,797,490	1,220,040	1,445,050	1,122,480	597,070	-
Apr-19	1,614,850	1,163,030	1,925,280	1,204,170	1,484,850	913,250	498,700	-
May-19	1,632,540	1,011,220	1,661,840	1,094,860	1,367,280	1,017,080	655,240	-
Jun-19	2,030,140	1,388,170	1,989,280	1,184,340	1,850,310	1,291,870	778,130	-
Jul-19	2,696,690	1,658,900	2,918,750	1,449,200	2,126,150	1,427,320	932,100	-
Aug-19	2,991,080	2,105,360	4,158,890	2,697,960	2,947,120	2,370,750	838,970	-
Sep-19	4,027,930	2,585,940	3,624,170	2,830,830	2,721,990	3,143,220	692,330	-
Total	41,710,190	22,562,510	34,798,430	23,731,320	25,293,690	23,339,470	8,452,750	-

Status: Comply

D.4.2

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

There is no over production of certified products, the company can show FFB, CSPO and CSPK data produced from 1 Oct 2018 - 30 Sept 2019, as follows:

	Last Year Projected Certified Volume	Last Year Actual Certified Volume 1 Oct. 2018 – 30 Sept 2019
• FFB received	240,055	179,888.36
• CPO Production	51,612	37,179.34
• Palm Kernel (PK) Production	13,203	9,271.39

Status: Comply

D.5

Record keeping

D.5.1

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

The company can show records of FFB receipts, CSPO / CSPK production, CSPO / CSPK shipments / sales as well as product sales transaction reporting from 1 Oct 2018-30 Sept 2019, based on these data it can be seen that CSPO sales volume is higher than CSPO production, details in the table following:

FFB receive	CSPO produced	CSPO sales	CSPK produced	CSPK sales
179,888,360 MT	37,179,341 MT	34,274.62 MT	9,271.39 MT	9,271.39 MT

Based on CSPO transaction records, known that the reporting of all CSPO transactions by PT LMI (CSPO Interco from BTF and CSPO of RTF) on palm trace was reported under Rantau POM.

Based on these data, the company has not been able to show the recording of the balancing of FFB receipts and CSPO shipments / sales on a real time basis (monthly) for the period of 1 Oct 2018 - 30 September 2019 in accordance with RSPO SCC requirements. **It became NCR No. 2019.11**

Status: Nonconformity No. 2019.11

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 mill has kept the product separated from non-certified oil palm product including during transport and storage in 100%. Verification through data/document of FFB receipts in mill shows that the mill does not receipts the FFB from uncertified sources. Field observations was conducted by the auditors to transport facilities and storage facilities at Bulking ASD (PT SAA). It is seen that CSPO transportation is carried out by mill itself. CSPO storage from Rantau POM is placed in a special storage (storage no. 3) with separate in-let line, namely inlet no. 3 and 4, as well as separate pipelines from storage to hatches (barges).

Status: Comply

3.3. Conformity Checklist of Certificate and Trademark Use

1.	Evidence of permission or approval certificate and trademark from Certification Body which submitted by Client	X or√
ASA-1.3	Based on field observation and document verification, the CH did not use any RSPO logo's either on product or off product or any other uses.	√
	Status: Comply	
2.	Implementation of certificate and logo used by Client comply with size and type (shape) against Guideline of Logo Use	X or√
ASA-1.3	Based on field observation and document verification, the CH did not use any RSPO logo's either on product or off product or any other uses.	√
	Status: Comply	
3.	Implementation of Certificate and Logo is not used on product	X or√
ASA-1.3	Based on field observation and document verification, the CH did not use any RSPO logo's either on product or off product or any other uses.	√
	Status: Comply	
4.	Controlling of Certificate and Logo, including withdrawing inappropriate logo.	X or√
ASA-1.3	Based on field observation and document verification, the CH did not use any RSPO logo's either on product or off product or any other uses.	√
	Status: Comply	

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 January 2019 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 remains unresolved social i.e. from Serikat Petani Kelapa Sawit (SPKS), but improvements are ongoing.
- PT Budidaya Agro Lestari waiting for land title process to some of its operational area.
- PT Guthrie Pecconina Indonesia – Sungai Jernih Estate currently is in HGU process
- The company has follow RSPO requirement related to New Planting Procedure and Remediation and Compensation Procedure.
- There is no labor 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.

3.4.1 Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
2.2.1	Did the company conduct an internal audit? If so, has a positive assurance statement been produced?	<p>Company Group/Holding Statement: Companies are already doing internal audits. There are internal audit reports for each company, latest partial internal audit are held in July – December 2018, for five units and three smallholder scheme.</p> <p>Auditor Verification: Internal Audit report available for uncertified management unit, latest partial internal audit are held in July – December 2018, for five units and three smallholder scheme.</p> <ul style="list-style-type: none"> - PT Budidaya Agro Lestari : 2 April 2018 - PT Guthrie Pecconina Indonesia – Sungai Jernih Estate : 8 Aug. 2018 - PT Sandika Natapalma – Karya Palma Estate : 10 July 2018
i.	No replacement after dates defined in NIs Criterion 7.3 of: <ul style="list-style-type: none"> • Primary forest. • Any area identified as containing High Conservation Values (HCVs). 	<p>Company Group/Holding Statement: HCV assessment has been conducted for uncertified units i.e. PT Mitra Austral Sejahtera (by Aksenta in March 2009) and Sime Darby Plantation Liberia operations (by RSPO approved assessors – Dr SK Yap in 2011).</p>

	<ul style="list-style-type: none"> Any area required to maintain or enhance HCVs in accordance with RSPO criterion 7.3. 	<p>Auditor Verification: Sime Darby Plantation Bhd sent disclosure of liability including LUCA analysis to RSPO Secretariat on 2 December 2014 and 2nd revision on 24 June 2016. Current status of LUCA report of SDP Bhd is has been sent the 19 report of LUCA to RSPO on Aug 2018, responded by RSPO with need clarification. The companies ensuring reporting of disclosure of liability progress to RSPO and according to the CB's correspondence with RSPO Remediation and Compensation.</p>
i.	Any new plantings since January 1 st 2010 must comply with the RSPO New Plantings Procedure.	<p>Company Group/Holding Statement: A new mill will be set up in Liberia and planned for commissioning in February 2016. Preparation to undergo the RSPO Certification process is in progress and SDP targets to undergo RSPO Certification by end 2017. RSPO NPP process has been completed in 2011. Internal assessment against the draft Liberia NI has been completed and closing of gaps is in progress. *Note: RSPO NPP Announcements for SDP can be found at http://www.rspo.org/certification/new-planting-procedures/public-consultations/page/14</p> <p>Auditor Verification:</p> <ul style="list-style-type: none"> Karya Palma Estate (PT Sandika Natapalma) and Baturus Estate (PT Budidaya Agro Lestari) any new planting after January 1st 2010 and due to not conduct NPP. RSPO NPP process has been completed in 2011 for a new mill in Liberia.
ii.	Any Land conflicts are being resolved through a mutually agreed process, e.g. RSPO Grievance procedure or Dispute Settlement Facility, in accordance with RSPO criteria 6.4, 7.5 and 7.6.	<p>Company Group/Holding Statement: Sime Darby (Liberia) Plantation Inc. Status: Box G - Close for Monitoring Further details please refer to: http://www.rspo.org/members/complaints/status-of-complaints/view/46</p> <p>Auditor Verification: Auditor has verified the supporting evidence of above the company statement. There are land conflict in :</p> <ul style="list-style-type: none"> PT Bina Sains Cemerlang, this issue was raise on 22 April 2017 and still being process to resolve.
iii.	Any Labour disputes are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.	<p>Company Group/Holding Statement: No stakeholder comments or complaints received.</p> <p>Auditor Verification: Auditor has verified the supporting evidence of above the company statement. There are no labour dispute in company unit.</p>

iv.	Any Legal non-compliance is being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2.	<p>Company Group/Holding Statement: None noted. No stakeholder comments or complaints received.</p> <p>Auditor Verification: Auditor has verified the supporting evidence of above the company statement. There is any legal non-compliance for company under SDP waiting for land title process, i.e.:</p> <ul style="list-style-type: none"> • PT Sime Indo Agro 1,652 Ha • PT Aneka Inti Persada 421.31 Ha • PT Bina Sains Cemerlang 308.25 Ha • PT Bersama Sejahtera Sakti 765 Ha • PT Langgeng Muaramakmur 1,162 Ha • PT Paripurna Swakarsa 1,120 Ha • PT Swadaya Andika 63 Ha • PT Bahari Gembira Ria 1,639 Ha • PT Guthrie Pecconina Indonesia 4,133 Ha • PT Perkasa Subur Sakti 1,286 Ha
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3.5 Identification of Findings, Corrective Action, Observations, Opportunity for Improvement and Noteworthy Positive Components.

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

NCR No.	: 2018.1	Issued by	: Asystasya Aishah Silalahi
Date Issued	: 21 December 2018	Time Limit	: 21 March 2019
NC Grade	: Major	Date of Closing	: 11 March 2019
Standard Ref. & Requirement	: 2.1.1 Proof of compliance with relevant laws and regulations must be available		
Evidence observed (filled by auditor):			
Based on the field visit to the Block PB-13 KKPA Rantau Estate, it was found that harvesting activities were carried out by third parties (hired work). Based on document review of the Harvest Work Agreement No. 21 / SPK / LMI-RTE_Div07 / XII / 2018 explain that the type of work given to bulk supervisors is harvest activities.			
Non-Conformance Description (filled by auditor):			
This is not in accordance with Law No. 13 of 2003 concerning Labor Article 66 paragraph 1 which states that: "workers from companies providing work services may not be used by employers to carry out basic activities or activities that are directly related to the production process".			
Root Cause Analysis (filled by organization audited):			
The understanding of the KKPA RTE division assistant that each contract worker work agreement must take a time lag of about 1 month and so that harvesters still earn income, harvesting activities is carried out by the third party			
Correction (filled by organization audited):			
Company showed the work agreement of contract worker for harvester between Rantau Estate Management and contract worker, valid for 1 year from January 1 st , 2019 – December 31 st , 2019.			
Corrective Action (filled by organization audited):			
Furthermore, it will ensure that the main work of the Palm Oil plantation (Harvest) process is not carried out with a bulk system so that it must be done with a permanent worker. The way to ensure that harvest work is not carried out by contract workers is to ensure that all permanent workers must be employees with SKU or contract worker and if the extension of the agreement will be carried out one month before the agreement period ends.			
Assessor Evaluation and Conclusion (filled by auditor):			
Verification on February 6th, 2019			
Company showed corrective evidence in form of work agreement No 09/RTE/-ktr/PKWT/XII/2017-L. However, there are still auditor questions regarding evidence of corrections and corrective actions that have been sent.			
Based on explanation above, non conformity No 2018. 01 still open.			
Verification on February 25th, 2019			

Company showed correction evidence in form of work agreement No 09/RTE/-ktr/PKWT/XII/2017-L for harvesting activity. Agreement is valid until December 31st, 2019.

However, company still not answer auditor's question for corrective action. Based on the explanation, non conformity No 2018. 01 is still open.

Verification on March 11th, 2019

Company showed correction if form of socialization about Contract Worker on February 25th, 2019 attended by 20 participants. Based on the explanation, this nonconformity is closed.

Verified by : **Asystasya Aishah Silalahi / Andi Pratama Pasaribu**

NCR No.	: 2018.2	Issued by	: Radytio Puspanjana
Date Issued	: 21 December 2018	Time Limit	: ASA 1.3
NC Grade	: Minor	Date of Closing	: 11 March 2019
Standard Ref. & Requirement	: 4.4.2 Protection of water bodies and wetlands, including maintaining and maintaining river boundaries and other buffer areas when or before replanting, must be demonstrated.		
Evidence observed (filled by auditor):			
Based on field visit was found:			
<ul style="list-style-type: none"> • Fuel & lubricant spills from water pump room Rantau Estate housing division 3 flows into a reservoir which is a source of water used by employees. • Fuel & lubricant spills from water pump room Lanting Estate housing division 1 flows into a reservoir which is a source of water used by employees. • Fuel & lubricant spills from workshop flows into drainage. 			
Non-Conformance Description (filled by auditor):			
This is not in accordance with the water source management plan, namely SOP for Water Source Management & Conservation Area (027 / LMI-NKT / 2010 in 2009) point 5.2 Maintenance and Management of Conservation Areas and HCV, letter t " <i>Does not dispose of waste including B3 waste, toxic materials, used materials in riparian and water bodies</i> ".			
Root Cause Analysis (filled by organization audited):			
<ol style="list-style-type: none"> 1. Water pump room has still not installed with oil trap yet. 2. The concrete floor is broken, so the oil spilled. 3. RTE workshop has still not installed with oil trap yet 			
Correction (filled by organization audited):			
<ol style="list-style-type: none"> 1. Installation of signboard about environment and hazardous waste management 			



- oil trap monitoring routinely by chief mechanic
 - socialization to all mechanic about oil trap function and waste from workshop activities
2. Oil trap has been repaired on December 21 2018. oil trap monitoring routinely by safety officer every month.
 3. Documentation of oil trap installation in Rantau Estate workshop and drainage fixed.

Corrective Action (filled by organization audited):

1. LNE. → Pump water monitoring by operator and safety officer every month
2. RTE. → Pump water monitoring by operator and safety officer every month

Assessor Evaluation and Conclusion (filled by auditor):

Verification on March 11th 2019

Company showed correction evidence, such as:

- List of PPE, oil trap, fire fight equipment, sigbboard, oil spilled monitoring in Lanting Estate workshop period of February 2019
- List of PPE, oil trap, fire fight equipment, sigbboard, oil spilled monitoring in Matalok Estate workshop period of February 2019
- List of building condition, oil trap inside and outside workshop, fire fighting equipment, sigbboard, oil spilled monitoring in Matalok Estate generator room period of February 2019.
- List of building condition, oil trap inside and outside workshop, fire fighting equipment, sigbboard, oil spilled monitoring in Randi Estate generator room period of February 2019.
- Housing cleanliness monitoring form, covering housing complex, daycare, school, clinic in Randi Estate on February 28th, 2019.
- generator room monitoring in SLE workshop period of February 2019

Based on correction evidence, this nonconformity is closed.

Verified by : **Radytio Puspanjana**

<i>NCR No.</i>	: 2018.3	<i>Issued by</i>	: Andi Pratama Pasaribu
<i>Date Issued</i>	: 21 December 2018	<i>Time Limit</i>	: 21 March 2019
<i>NC Grade</i>	: Major	<i>Date of Closing</i>	: 14 March 2019
<i>Standard Ref. & Requirement</i>	: 4.7.1	Occupational safety and health policies must be available. Health and safety plans that are documented, implemented, and monitored for effectiveness.	

Evidence observed (filled by auditor):

The company has an Occupational Safety and Health Policy (No. Policy 724 / TOEM-SPMS / 09) regarding

commitment to improving safety and health including employees, contractors and guests through Occupational Safety and Health management. In addition, policy support instruments have been created including HIRAC, K3 SOP and monitoring systems through SIME CARD audits. In addition, OHS safety briefings have been carried out every day in estate and mill.

Based on field visit in found:

1. Rantau POM: there was repair activities (welding of rail in the sterilizer area and repair of lorry wheels under the hoisting crane) without any safety signs. In addition, during the lorry wheel repair activities, the hoisting crane still works.
2. Lanting Estate: there was a two loaders that sits above the cabin during the truck that is running.

Non-Conformance Description *(filled by auditor):*

The company has not been able to show evidence of implementing OSH policies, procedures and risk analysis and monitoring their effectiveness.

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

Lack of awareness about safety

Correction *(filled by organization audited):*

1. RTF, Conducting safety briefing to the mechanic and operator regarding to safety working procedure during maintenance and housekeeping. implementing LOTO system.
2. Conducting briefing and socialization about risk of sits above the cabin during the truck that is running.

Corrective Action *(filled by organization audited):*

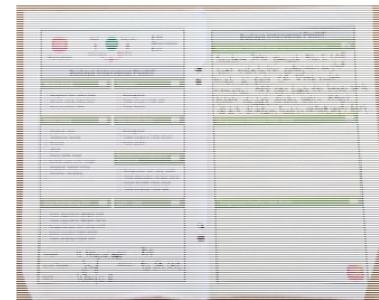
1. RTF, Conducting intensive supervision by staff or supervisor especially in high risk station.
2. LNE. Conducting safety briefing routinely by supervisor and field assistant, installing OSH signboard, conducting safety townhall regularly, and sime card implementation.

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

Verification on 5 March 2019

Company has shown corrective evidence as follows:

1. OSH Signboard installation





2. Safety briefing to 54 workers in MLE on 27 February 2019.
3. Safety briefing to 98 workers in RDE on 7 January 2019

Verification on 14 March 2019

Company also showed some card implementation especially for mill worker and FFB loading worker.

Based on corrective evidence, nonconformity No 2018. 3 is closed and will be observed in next assessment.

Verified by	: Andi Pratama Pasaribu
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NCR No.	: 2018.4	Issued by	: Andi Pratama Pasaribu
Date Issued	: 21 December 2018	Time Limit	: 21 March 2019
NC Grade	: Major	Date of Closing	: 14 March 2019
Standard Ref. & Requirement	: 4.7.3 Records of training in Occupational Safety and Health (OHS) programs (see 4.8) and Personal Protective Equipment (PPE) in accordance with the results of hazard identification and risk analysis must be available to all workers.		

Evidence observed (filled by auditor):

Based on field visit found that:

1. Some harvester in KKPA ASC and LTE use non-standard shoes according to Personal Protective Equipment SOP (No. Policy 739 / TQEM-ESH / 10 which was approved since 1 November 2016).
2. BSS team in RTE and LTE are able to describe and demonstrated the safety working procedure on pesticide handling. However, some of them still used self-purchased cotton masker, and the use of work pants and shoes that were not yet in accordance with the SOP of Personal Protective Equipment and guidelines for using PPE that had been socialized. In the other hand, the company also shows evidence of the distribution of PPE.
3. Based on document verification found some fact in mill such as:
 - Electrician in engine room did not using ear muff according to Personal Protective Equipment SOP.
 - Safety shoes of sterilizer and mechanics are in damaged condition. According to their explanation, safety shoe durability is shorter than its life time.
4. There has been no evidence of employee participation in first aid officer training (Minister of Manpower Regulation No. 15 of 2008 concerning First Aid for Workplace Accidents) and sterilizer operators (Permenaker No. 37 of 2016 concerning Occupational Safety and Health of Pressure Vessels and Tanks).

Non-Conformance Description (filled by auditor):

1. The company has not been able to demonstrate the effectiveness of the purchasing management system, monitoring usage, evaluating product resilience and compliance related to the use of PPE in accordance with their own procedures.
2. The company has not been able to show evidence that it has included employees in OHS training in accordance with applicable regulations.

Root Cause Analysis (filled by organization audited):

1. Harvester used unofficial boot due to weather condition.
2. Lack of worker awareness regarding to PPE usage according to HIRAC.
3. First aider license cannot showed due to incomplete monitoring by PSQM staff.
Lack of knowledge regarding to regulation fulfillment about sterilizer operator.

Correction (filled by organization audited):

1. Socialization to Harvester and supervisor about PPE usage according to HIRAC on 22 December 2018.
2. Re-socialization about PPE usage according to HIRAC and PPE handover to the worker who using broken PPE on 22 December 2018
3. Socialization to operator in high noise station to ensuring they use appropriate PPE.
Socialization about PPE usage according to HIRAC in all unit.
4. Company showed first aid licence from Labor Agency to first aider from RTE,RTF,RDE dan LNE
Submit training plan to Area Controller and will be held on January 2019

Corrective Action (filled by organization audited):

1. Field supervisor conducting safety briefing every morning before start to work and ensuring the worker using PPE according to HIRAC. If any broken PPE will be replaced with the new one. They also documented PPE checking and reported to the field staff.
Store keeper or first clerk ensuring PPE stock is available in case of any PPE replacement.
2. Regular monitoring related to first aider licence.
PSD, first clerk, and PSQM staff updating all new regulation regarding to plantation business.

Assessor Evaluation and Conclusion (filled by auditor):

Verification on 26 December 2018:

Company showed correction evidence:

1. Daily PPE checking before start to work on December 2018
2. Socialization PPE usage and handover to:
 - RTE pesticide operator on 24 December 2018
 - LTE pesticide operator on 21 December 2018
3. Socialization PPE usage according to HIRAC to:
 - Engine room operator and boilerman on 24 December 2018
 - All mill worker on 24 December 2018
4. First aider certificate from Lanting Estate (5 person), Randi estate (1 person), and Rantau Factory (1 person).

Based on document verification, this nonconformity is open.

Verification on 11 January 2019

Company showed correction evidence

Rantau Factory

1. Daily PPE checking form in mill station (workshop, boiler, engine room, nut & kernel, and sterilizer station) period of December 2018.
2. Minute of meeting of OSH safety briefing in RTF on 27 December 2018 attended by 44 participants
3. Statement letter from OSH service company (PT Kautsar Inti Prima) on 13 January 2019 about participant registration and scheduled for sterilizer operator training on 15 – 16 January 2019.

Estate:

1. Daily PPE checklist in:
 - LNE division I (harvesting and spraying) on December 2018
 - RDE Division I (harvesting and spraying) on December 2018
 - RTE Division I (harvesting) on December 2018, Spraying activity on October and November 2018
 - SLE Division I (harvesting and spraying) on December 2018
 - SNE Division I (harvesting and spraying) on December 2018
2. Refreshment training for spraying activity on 22 December 2019 in Lanting Estate.
3. Minute of meeting of PPE socialization to:
 - Harvester and pesticide operator on 27 December 2018 attended by 44 harvester and 20 pesticide operator
 - Harvester and pesticide operator on 26 and 27 December 2018 attended by 15 harvester and 17 pesticide operator

Based on document verification, this nonconformity is open.

Verification 14 March 2019

Based on corrective evidence, PIC for regulation update is PSD, first clerk, and PSQM staff. socialization related to PPE usage on 26 and 27 December 2018 attended by 15 harvester and 17 pesticide operator in MLE Division II. And also, company showed some card documentation for pesticide operator, generator operator, RTF workshop worker, and harvester.

Based on evidence above, nonconformity No 2018. 4 is closed and will be observed on next assessment.

Verified by : **Andi Pratama Pasaribu**

NCR No.	2018.1	Issued by	Andi Pratama Pasaribu
Date Issued	21 December 2018	Time Limit	ASA-3.1
NC Grade	Minor	Date of Closing	11 March 2019
Standard Ref. & Requirement	4.7.5 Emergency and work accident procedures must be available in Indonesian as well as available workers who have received First Aid Accident training in the work area.		

Evidence observed (filled by auditor):

The company through SA-PSQM has conducted and evaluated the fulfillment of the first aid kit box in Sungai Durian Region on December 2, 2017. Based on evaluation, it was determined that the contents of the first aid box that must be brought by the supervisor in the field were 11 items and for the 12 items in the room. However, the results of field visits in the Rantau Estate KKPA harvesting activities (Block PB-13), RTF processing offices, spraying activities in block B012 and Lanting Estate Block B004 Division 2 harvesting activities were found that the number of items containing the first aid kit was not in accordance with the evaluation results has been established. In addition, there is no evidence of the use / use of the first aid kit contents and requests for refilling the used first aid kit.

Non-Conformance Description (filled by auditor):

The company has not been able to demonstrate the implementation of the First Aid and Box Contamination Mechanism in accordance with the First Aid SOP on Accidents & First Aid Box (No. Doc. P3K-01 which was ratified since 1 December 2015, last revision 2 December 2018).

Root Cause Analysis (filled by organization audited):

First aid kit has been used but not monitored well by the PIC reported to the safety officer.

Correction (filled by organization audited):

Completing the first aid kit and ensuring the monitoring process is in accordance with procedure.

Corrective Action (filled by organization audited):

Conducting monthly checking by safety officer.

Assessor Evaluation and Conclusion (filled by auditor):

Verification 11 March 2019

Company showed corrective evidence such as First aid box monthly checklist and monitoring implementation in RTF, SNE and LTE.

Based on explanation above, this nonconformity is closed and will be observed in next surveillance.

Verified by : **Andi Pratama Pasaribu**

NCR No.	: 2018.5	Issued by	: Radytio Puspanjana
Date Issued	: 21 December 2018	Time Limit	: 21 March 2019
NC Grade	: Minor Raised to Major	Date of Closing	: 12 March 2019
Standard Ref. & Requirement	: 5.3.3 A documented and implemented waste management plan must be available to avoid and reduce pollution		
Evidence observed (filled by auditor):			
Domestic waste: Based on field visit known :			
<ul style="list-style-type: none"> - Domestic waste disposed on gutter and back of old housing Rantau POM. - Domestic waste disposed on gutter and back of Central Housing Complex Rantau POM. - Domestic waste burned on School Rantau Estate. - Domestic waste burned on back of fertilizer storage Rantau Estate. - Domestic waste burned on front office division III Rantau Estate. - Domestic waste disposed on beside day care room, housing II Randi Estate. - Domestic waste burned on housing II, Randi Estate. 			
Hazardous waste			
Based on field visit known :			
<ul style="list-style-type: none"> - Utilization of used pesticide container as loose fruit division 1 & 2 (Monitoring data of Hazardous waste / logbook Rantau Estate period January - August 2018). 			

- Used oil drum as water storage in PKS old housing.
- Hazardous waste spill oil & fuel from the floor of generator housing, Lanting estate division I estate.

Non-Conformance Description (filled by auditor):

- CH has not been able to demonstrate the implementation of the disposal and management plan for domestic waste in accordance with SOP 097 / LMI-Dom / 2013.
- Implementation of hazardous waste management is not in accordance with the hazardous waste management plan (709 / TOEM-EHS / 2010 dated December 16, 2010).

Root Cause Analysis (filled by organization audited):

Lack of awareness of residents to domestic waste and hazardous waste management.

Correction (filled by organization audited):

1. Re-socialization to residents about domestic waste and hazardous waste management in Rantau Estate and collecting used oil container.
2. Oil trap repair in generator room.

Corrective Action (filled by organization audited):

1. Ensure that domestic waste is transported to landfill every week.
2. Routine monitoring and socialization about hazardous waste management.
3. Daily oil trap maintenance by operator.

Assessor Evaluation and Conclusion (filled by auditor):

Verification 26 February 2019

Company showed corrective evidence such as

- Minute of meeting of socialization hazardous and domestic waste in:
 - LTE on 3 January 2018 attended by 30 participants
 - SDE on 3 January 2018
 - RTF on 30 January 2019 and hazardous waste collected from housing complex.
 - SLE on 7 January 2019
 - Sangkoh Estate on 15 January 2019 attended by 37 participants
- Documentation hazardous waste collecting on 21 December 2018 in Rantau Estate Division
- Minute of meeting oil trap installation and reorganize water cooler tank position on 21 December 2018

Based on document verification, this nonconformity is open

Verification 5 March 2019

Company showed corrective evidence such as

1. Generator room checklist in Rantau Estate
2. Housing complex cleanliness checklist in Rantau Estate
3. hazardous waste record period of February 2019

Verification 12 Maret 2019

Company showed corrective evidence such as:

1. Domestic waste transport management to landfill



2. Sime card documentation of domestic waste transportation on 15, 22, and 25 February 2019
3. Domestic waste management procedure which explain that domestic waste transported to landfill every week.

Based on explanation above, this nonconformity is closed and will be observed in next surveillance.

Verified by : **Afiffuddin & Radytio Puspanjana**

NCR No.	: 2018.6	Issued by	: Asystasya Aishah Silalahi
Date Issued	: 21 December 2018	Time Limit	: 21 March 2019
NC Grade	: Major	Date of Closing	: 21 March 2019
Standard Ref. & Requirement	<p>: General CoC 5.7.2 The involved supply chain actors mentioned in 5.7.1 shall do the following actions in the RSPO IT Platform:</p> <ul style="list-style-type: none"> • Shipping Announcement / Announcement: When RSPO certified volume is sold as certified, the volumes of products that are in the yield scheme (Figure 2 and 3, refer Annex 1) shall be registered as a Shipping Announcement / Announcement in the RSPO IT Platform. The declaration time to do Shipping announcement / Announcement is based on members' own standard operating procedures. • Trace: When RSPO certified volumes are sold as RSPO certified to actors in the supply chain beyond the refinery, the volume shall be traced at least annually. Tracing triggers the generation of a trace document with a unique traceability number. Tracing can be done in a consolidated way at least annually. • Remove: RSPO certified volumes sold under other scheme or as conventional, or in case of underproduction, loss or damage shall be removed. • Confirm: Acknowledge the purchase of RSPO certified volume by confirming Shipping Announcements / Announcements 		
Evidence observed (filled by auditor):			
<p>Based on verification of book keeping, it is known that CSPO production period of 6th Februari – 15th December 2018 is 40,462.46 MT and CSPK is 10,132.22 MT. Based on palm trace, CSPO sales until 12th December is 9,941.73 MT and CSPK sales is 10,482.61 MT. however, PT LMI could not explain the quantity of CSPO/CSPK sales as conventional.</p>			

Non-Conformance Description (filled by auditor):

Based on explanation above, company could not showed evidence the CSPO/CSPK sales as conventional has been removed for RSPO IT Platform.

Root Cause Analysis (filled by organization audited):

Unit management has not received RSPO / Conventional sales recap data from Marketing Jakarta.

Correction (filled by organization audited):

Marketing division in head office Jakarta sent recap sales of RSPO/Conventional to unit management:

- CSPO IP sales data period of January – December 2018. The sales during that period is 9,941.73 MT.
- CSPK IP sales data period of January – December 2018. The sales during that period is 8,931.17 MT.

Corrective Action (filled by organization audited):

Marketing division in head office Jakarta sent recap sales of RSPO/Conventional to unit management on January 17th, 2019. Before audit activity is conducted, then marketing can send the RSPO sales document to unit management. And also, request to marketing to send the sales data in accordance with the demand period that will be verified by auditor.

Assessor Evaluation and Conclusion (filled by auditor):**Verification on January 28th, 2019**

Company has sent root cause analysis, correction, and corrective action, such as:

1. CSPO IP sales data period of January – December 2018.
2. CSPK IP sales data period of January – December 2018.
3. shipping announcement for CSPO and CSPK sales.

However, company has not show document that explain whether CSPO is sold conventional. Other than that, there are some additional questions.

Based on explanation above, this non conformity is still open.

Verification on February 25th, 2019

Company showed correction, such as:

- CPO sales data period May 14th, 2018 – December 20th, 2018
- CPO sales contract

However, company could give narrative explanation, whether CSPO sold conventional or not. Moreover, company also requested to show the evidence that conventional sales of CSPO and CSPK has been removed form RSPO IT Platform.

Based on explanation above, Non conformity No 2018. 07 is still open.

Verification on March 5th, 2019

As a comparison, company could send book keeping data so certified and conventional sales can be traced. This non conformity is still open.

Verification on March 15th, 2019

Based on document sent, such as:

1. CSPO and CSPK sales transaction data sent on January 16th, 2019. The data showed that CSPO IP sales period January – December 2018 is 9,941.73 MT and CSPK IP sales period January – December 2018 is 8,316.88 MT.
2. Sold/remove data sent on January 16th, 2019. The data showed that CSPO removed from palm trace is 9,941.73 MT and CSPK removed from palm trace is 8,316.88 MT.
3. Book keeping data (SCCS IP Data) sent on March 9th, 2019. The data showed that CSPO IP sales period January – December 2018 is 64,743.34 MT and CSPK IP sales period January – December 2018 is 11,373.8 MT.

Based on these documents, there are still unsynchronized CSPO and CSPK sales between the book keeping data held by the company and sales data on palm trace. Based on the explanation, this non conformity is still open.

Verification on March 21st, 2019

Company sent book keeping period February 2018 – January 2019. Based on the data, it is known that:

1. CSPO produced as much as 45,054.63 MT, CSPO IP sales as much as 9,941.73 MT, and CSPO conventional sales as much as 30,093.05 MT.
2. CSPK produced as much as 11,177.84 MT, CSPK sales as much as 8,316.88 MT, and CSPK conventional sales as much as 2,746.94 MT.

Company also showed that CSPO removed from palm trace. Based on explanation above, non conformity No 2018.07 is closed.

Verified by : **Asystasya Aishah Silalahi**

NCR No.	: 2018.7	Issued by	: Asystasya Aishah Silalahi
Date Issued	: 21 December 2018	Time Limit	: 21 March 2019
NC Grade	: Major	Date of Closing	: 21 March 2019
Standard Ref. & Requirement	General CoC 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		
Evidence observed (filled by auditor):			
<p>Based on verification of book keeping, it is known that CSPO production period of 6th Februari – 15th December 2018 is 40,462.46 MT and CSPK is 10,132.22 MT. However, the data did not showed the quantity of CSPO sales as certified or conventional.</p>			
Non-Conformance Description (filled by auditor):			
<p>Based on explanation above, PT LMI could not documented sales record of CPO and PK accurately, completely, and</p>			

accessible.

Root Cause Analysis (filled by organization audited):

Unit management has not received RSPO / Conventional sales recap data from Marketing Jakarta.

Correction (filled by organization audited):

Marketing division in head office Jakarta sent recap sales of RSPO/Conventional to unit management:

- CSPO IP sales data period of January – December 2018. The sales during that period is 9,941.73 MT.
- CSPK IP sales data period of January – December 2018. The sales during that period is 8,931.17 MT.

Corrective Action (filled by organization audited):

Marketing division in head office Jakarta sent recap sales of RSPO/Conventional to unit management on January 17th, 2019. Before audit activity is conducted, then marketing can send the RSPO sales document to unit management. And also, request to marketing to send the sales data in accordance with the demand period that will be verified by auditor.

Assessor Evaluation and Conclusion (filled by auditor):**Verification on January 28th, 2019**

Company has sent root cause analysis, correction, and corrective action, such as:

1. CSPO IP sales data period of January – December 2018.
2. CSPK IP sales data period of January – December 2018.
3. shipping announcement for CSPO and CSPK sales.

However, company has not show document that explain whether CSPO is sold conventional. Other than that, there are some additional questions.

Based on explanation above, this non conformity is still open.

Verification on February 25th, 2019

Company showed correction, such as:

- CPO sales data period May 14th, 2018 – December 20th, 2018
- CPO sales contract

However, company could give narrative explanation, whether CSPO sold conventional or not. Moreover, company also requested to show the evidence that conventional sales of CSPO and CSPK has been removed form RSPO IT Platform.

Based on explanation above, Non conformity No 2018. 07 is still open.

Verification on March 5th, 2019

As a comparison, company could send book keeping data so certified and conventional sales can be traced. This non conformity is still open.

Verification on March 15th, 2019

Based on document sent, such as:

1. CSPO and CSPK sales transaction data sent on January 16th, 2019. The data showed that CSPO IP sales period January – December 2018 is 9,941.73 MT and CSPK IP sales period January – December 2018 is 8,931.17 MT.
2. Sold/remove data sent on January 16th, 2019. The data showed that CSPO removed from palm trace is 9,941.73 MT and CSPK removed from palm trace is 8,931.17 MT.
3. Book keeping data (SCCS IP Data) sent on March 9th, 2019. The data showed that CSPO IP sales period January – December 2018 is 64,743.34 MT and CSPK IP sales period January – December 2018 is 11,373.8 MT.

Based on these documents, there are still unsynchronized CSPO and CSPK sales between the book keeping data held by the company and sales data on palm trace. Based on the explanation, this non conformity is still open.

Verification on March 21st, 2019

Company sent book keeping period February 2018 – January 2019. Based on the data, it is known that:

1. CSPO produced as much as 45,054.63 MT, CSPO IP sales as much as 9,941.73 MT, and CSPO conventional sales as much as 30,093.05 MT.
2. CSPK produced as much as 11,177.84 MT, CSPK sales as much as 8,316.88 MT, and CSPK conventional sales as much as 2,746.94 MT.

Company also showed that CSPO removed from palm trace. Based on explanation above, non conformity No 2018.08 is closed.

Verified by : **Asystasya Aishah Silalahi**

NCR No.	: 2018.8	Issued by	: Asystasya Aishah Silalahi
Date Issued	: 21 December 2018	Time Limit	: 21 March 2019
NC Grade	: Major	Date of Closing	: 21 March 2019
Standard Ref. & Requirement	SSCS 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.		
Evidence observed (filled by auditor):			
<p>Based on verification of book keeping, it is known that CSPO production period of 6th Februari – 15th December 2018 is 40,462.46 MT and CSPK is 10,132.22 MT. However, the data did not showed the quantity of CSPO sales as certified or conventional.</p>			
Non-Conformance Description (filled by auditor):			
<p>Based on explanation above, PT LMI could not documented sales record of CPO and PK accurately, completely, and accessible.</p>			
Root Cause Analysis (filled by organization audited):			
<p>Unit management has not received RSPO / Conventional sales recap data from Marketing Jakarta.</p>			
Correction (filled by organization audited):			

Marketing division in head office Jakarta sent recap sales of RSPO/Conventional to unit management:

- CSPO IP sales data period of January – December 2018. The sales during that period is 9,941.73 MT.
- CSPK IP sales data period of January – December 2018. The sales during that period is 8,931.17 MT.

Corrective Action (filled by organization audited):

Marketing division in head office Jakarta sent recap sales of RSPO/Conventional to unit management on January 17th, 2019. Before audit activity is conducted, then marketing can send the RSPO sales document to unit management. And also, request to marketing to send the sales data in accordance with the demand period that will be verified by auditor.

Assessor Evaluation and Conclusion (filled by auditor):

Verification on January 28th, 2019

Company has sent root cause analysis, correction, and corrective action, such as:

1. CSPO IP sales data period of January – December 2018.
2. CSPK IP sales data period of January – December 2018.
3. shipping announcement for CSPO and CSPK sales.

However, company has not show document that explain whether CSPO is sold conventional. Other than that, there are some additional questions.

Based on explanation above, this non conformity is still open.

Verification on February 25th, 2019

Company showed correction, such as:

- CPO sales data period May 14th, 2018 – December 20th, 2018
- CPO sales contract

However, company could give narrative explanation, whether CSPO sold conventional or not. Moreover, company also requested to show the evidence that conventional sales of CSPO and CSPK has been removed form RSPO IT Platform.

Based on explanation above, Non conformity No 2018. 07 is still open.

Verification on March 5th, 2019

As a comparison, company could send book keeping data so certified and conventional sales can be traced. This non conformity is still open.

Verification on March 15th, 2019

Based on document sent, such as:

1. CSPO and CSPK sales transaction data sent on January 16th, 2019. The data showed that CSPO IP sales period January – December 2018 is 9,941.73 MT and CSPK IP sales period January – December 2018 is 8,931.17 MT.
2. Sold/remove data sent on January 16th, 2019. The data showed that CSPO removed from palm trace is 9,941.73 MT and CSPK removed from palm trace is 8,931.17 MT.

3. Book keeping data (SCCS IP Data) sent on March 9th, 2019. The data showed that CSPO IP sales period January – December 2018 is 64,743.34 MT and CSPK IP sales period January – December 2018 is 11,373.8 MT.

Based on these documents, there are still unsynchronized CSPO and CSPK sales between the book keeping data held by the company and sales data on palm trace. Based on the explanation, this non conformity is still open.

Verification on March 21st, 2019

Company sent book keeping period February 2018 – January 2019. Based on the data, it is known that:

1. CSPO produced as much as 45,054.63 MT, CSPO IP sales as much as 9,941.73 MT, and CSPO conventional sales as much as 30,093.05 MT.
2. CSPK produced as much as 11,177.84 MT, CSPK sales as much as 8,316.88 MT, and CSPK conventional sales as much as 2,746.94 MT.

Company also showed that CSPO removed from palm trace. Based on explanation above, non conformity No 2018.09 is closed.

Verified by : **Asystasya Aishah Silalahi**

3.5.2 Identification of Findings, Corrective Actions and Observations at ASA-1.3

NCR No.	: 2019.1	Issued by	: Briyogi Shadiwa
Date Issued	: 11 October 2019	Time Limit	: 9 January 2019
NC Grade	: Major	Date of Closing	: 18 December 2019
Standard Ref. & Requirement	4.7.2 There must be a risk assessment available, documented and there is a record of implementation		
<p><i>Non-Conformance Description & Evidence observed (filled by auditor):</i></p> <p>CH has undertaken an analysis and identification of the hazards and risks that may arise from the operations of the Mill and Estate. CH can demonstrate hazard identification risk assessment and control (HIRAC) documents Estate and Mill, among others, informing the type of work, hazard, risk, risk level, risk control, risk level after control and PIC.</p> <p>However, the document does not yet include an analysis and risk assessment related to land application activities in the field.</p> <p>In addition, based on the results of the field observation are known:</p> <ul style="list-style-type: none"> • Field observations on spraying activities at SNE (block C13) there are spray employees who use PPE aprons that are different from the others (from canvass that are sewn by themselves). • Field observations to the WWTP are known that buoys/life vest are not available. <p>Based on the above evidence, the company has not been able to show evidence that the risk assessment has covered all operational activities of the plantation, implemented and monitored for its effectiveness.</p>			
<p>Root Cause Analysis (filled by organization audited):</p> <ol style="list-style-type: none"> 1. Because the HIRAC document related to WWTP is still not specific informs about to the application of waste in Flatbed. 2. The use of the canvass as part of the estate team's innovation to find out the effectiveness and comfort for the spray team. 3. The previous buoy was in the form of a pontoon where it was available in the WWTP pond but due from September 2019 the pontoon was used for the water pump inlet holder in the reservoir. 			
<p>Correction (filled by organization audited):</p> <ol style="list-style-type: none"> 1. Preparation of the HIRAC evaluation for the MLE Land Application, which has been approved by the MLE Manager and has been carried out socialization to the application employees. 2. Replacing Apron from canvass with Manufacturing ones which has been used by spray employees in general 3. Installation of buoys in the WWTP pond area by the Rantau Mill Team. 			
<p>Corrective Action (filled by organization audited):</p> <ol style="list-style-type: none"> 1. The HIRAC evaluation will be carried out annually by the OHS Expert together with the P2K3 team in each unit 2. Ensure that if there is damage to the Apron made replacement by preparing an Apron PPE stock in the warehouse. 3. Ensure that buoys are always in the WWTP area as a means of safety and are regularly inspected (once a month) by the Safety Officer / Asst Process. 			
<p>Assessor Evaluation and Conclusion (filled by auditor):</p> <p>Verification November 6th, 2019</p>			

The company has shown evidence of improvements in the form of:

- Documentation of buoy installation in the WWTP area.
- Change of apron for spraying team (evidences of documentation and purchase).
- Evaluate HIRAC by adding pipeline connection activities, flatbed inspection and flatbed repair.

However, the company has not shown evidence of improvement in the form of a system related to preventive actions going forward to ensure that the implementation has run accordingly (e.g.: monthly & weekly specs). Please show the recording or documentation if available.

Verification November 2nd, 2019

The company show improvement evidences on the form of WWTP inspection record (November 2019 period). However, auditor recommending to done major verification to ensure all the OHS aspect already implemented generally.

Verification December 18th, 2019

The auditor conducted a special audit activity (major verification) on 18 December 2019, from the results of field observations back in the WWTP area, the company had provided emergency response facilities in the form of buoys in the engine room. The WWTP operator interviewed was also able to explain the function and usefulness of the emergency response facilities. In addition, the auditor also made observations at the BSS Kebun Selabak Estate, and it was found that the company had prepared an apron for pesticide sprayers and no more aprons had been made using tarpaulin. As a follow-up to prevention, the company has conducted routine safety inspection activities (every month) for all activities in the field, such as: signboard inspection, lighting, buoys, to the availability of PPE.

Based on the observations and reviews of the document, the non-conformities have been fulfilled and their consistency will be assessed at the time of the next assessment.

Verified by : **Briyogi Shadiwa**

NCR No.	2019.2	Issued by	Briyogi Shadiwa
Date Issued	11 October 2019	Time Limit	ASA-1.4
NC Grade	Minor	Date of Closing	18 December 2019
Standard Ref. & Requirement	5.1.3 Environmental monitoring plan documents and implementation reports are available as well as plans for improvement of the results of monitoring if discrepancies are found. This plan is reviewed at least every two years.		
Non-Conformance Description & Evidence observed (filled by auditor): Based on field observations and document reviews: <ul style="list-style-type: none"> • The company has carried out residential water quality monitoring activities (MLE emplacement and employee reservoir water) in the 2019 Semester I Environmental Management Plan Implementation Report document, but the monitoring results have not included biological parameters in accordance with water health quality standards for the purposes of sanitary hygiene. 			

- Based on field observations to SNE Div 1 & 2 and 3, SLE Div 4 and MLE Div 2 emplacement, it can be seen that domestic waste is dumped in the brink, behind the housing and the location of SNE Div 3 landfill is in front of emplacement with a distance of less than 30 m.

In this regard the company has not been able to show evidence that the environmental management plan has been implemented in accordance with the direction of its environmental documents.

Root Cause Analysis (filled by organization audited):

- For the results of the water analysis in the MLE housing settlement is monitoring well No. 3 so that the results are adjusted to the provisions of the monitoring wells in the LA permit, while the employee reservoir water analysis is carried out by Sucofindo based on RTF unit requests that do not include the e.coli analysis because it still adjusts proper requirements,
- Landfill has been determined by each unit but there are still residents of the cottage who throw garbage (domestic waste) in the area around the emplacement.

Correction (filled by organization audited):

- Water samples from employee emplacement reservoir has been analyzed by accredited laboratory for analysis of e.coli.
- Cleansing of garbage that has been dumped around the hut and placed in the designated TPSA has been carried out, as well as socialization of the cleanliness, including disposal of rubbish carried out in predetermined landfill (SNE, MLE, SLE)

Corrective Action (filled by organization audited):

- Sending the reservoir water sample every 6 months including e. coli analysis information.
- Carriage routinely (every week) all the domestic waste to landfill.

Assessor Evaluation and Conclusion (filled by auditor):

Verification November 6th, 2019

The company has shown evidence of improvements in the form of:

- Documentation on Socialization of Domestic Waste Management to employees in emplacement.
- Documentation of cleaning garbage at Sangkoh Estate and Selabak Estate.
- Evidence of sending a reservoir water analysis to an accredited laboratory containing biological indicators.

However, the company has not shown evidence of improvement in the form of a system related to preventive actions going forward to ensure that the implementation has run accordingly (e.g.: monthly & weekly specs). Please show the recording or documentation if available.

Verifikasi November 21th, 2019

CH has showed evidences of improvement in the form of delivery report of water sample (Period 2019). However, auditor recommending major verification to ensure that all domestic waste has been managed well.

Verifikasi December 18th, 2019

The auditor conducted a special audit activity (major verification) on December 18, 2019. From the results of observations and reviews of documents it is known:

- From field observations at Division 3 of Selabak Estate and Division 3 Sangkoh Estate emplacement there was no significant domestic waste found irresponsibly.

- The company has provided an effort of handling domestic waste in the form of placing trash bins in each house and garbage transportation equipment (trucks) once a week.
- The company has shown the recording of the results of the water analysis test for employee consumption (POM reservoir water sample points) on October 29, 2019 by a laboratory that has been accredited by KAN (Sucofindo Banjarmasin Laboratory). The test results will be an evaluation material for the 2019 Semester II Environmental Management Plan and Environmental Monitoring Plan Implementation Report.

Based on the observations and reviews of the document, the non-conformities have been fulfilled and their consistency will be assessed at the time of the next assessment.

Verified by : **Briyogi Shadiwa**

NCR No.	: 2019.3	Issued by	: Sandra Purba
Date Issued	: 11 October 2019	Time Limit	: ASA 1.4
NC Grade	: Minor	Date of Closing	: 18 December 2019
Standard Ref. & Requirement	5.2.4 If the management plan has been prepared, then there must be continuous documentation and monitoring reports on the status of RTE and HCV species affected by operational operations of oil palm plantations and mills and the results of the monitoring are used to follow up on the improvement of the management plan.		
Non-Conformance Description & Evidence observed (filled by auditor): <p>Based on document review, it is known that the company has set an HCV area management plan, one of which is the marking of the spray area boundary and the prohibition of using chemicals to the buffer zone, and has conducted socialization to employees. Based on field observations to the Tandilang River, the company has marked the buffer zone boundary and did not replanting the buffer zone, but there are still traces of chemical spraying activities to the buffer zone area.</p> <p>In this regard, the company has not been able to show evidence of ongoing and effective monitoring of HCV areas.</p>			
Root Cause Analysis (filled by organization audited): The company has not conducted training / induction activities for new employees or spray teams.			
Correction (filled by organization audited): <ul style="list-style-type: none"> - Socialization has been carried out to all spray employees related to bufferzone limits and an understanding of correct spray activities by Assistant of Div. 3 SNE directly in the buffer zone area. - Furthermore, every time there is a determination or transfer of duties of new employees as sprayers, training will be carried out related to the spray procedure carried out by the Assistant Division and spraying team foreman. 			
Corrective Action (filled by organization audited): Assistant and Supervision continues to ensure employee understanding of bufferzone area (through morning briefings and training once a year), with the company setting out matters that are sure to be known by new spray employees as follows: <ol style="list-style-type: none"> 1. The name of the material by the way it works 2. How spraying works 3. OHS Aspect (MSDS, if you are pregnant / suckle, do not employ in spray, PPE, P3K, MCU) 4. BSS House Procedure. 5. HCV (Buffer Zone, Limits, Protected Animals) 			

6. Hazardous Waste Management

Assessor Evaluation and Conclusion (filled by auditor):

Verification November 4th, 2019,

The company has sent evidences of improvement, namely record of socialization to assistants, foremen and spray employees related to the prohibition of spraying on the riparian and river at SNE on October 14, 2019 with 11 participants. However, it cannot be demonstrated that there is a mechanism that is understood by all parties related to the transfer / stipulation of new spray officers (in accordance with the root of the problem specified), and in order to be able to answer the auditor's questions in the column above. Incompatibility has not been fulfilled.

Verification November 21th, 2019,

The company has sent evidences of improvement in the form of SOP on the transfer of new spray employees. Doc No. SOP.DOM dated 1 Oct 2019, which explained that before carrying out the spray work for new employees, a briefing was conducted, evaluations were carried out by assistants and foremen.

However, evidence cannot yet be shown that the developed SOPs are understood by all assistants and foremen. In addition, there is no evidence that socialization related to buffer zone protection has been carried out for all spraying workers, not only SNE, non-compliance has not been fulfilled.

Verifikasi Desember 18th, 2019

The auditor conducted a special audit activity (major verification) on December 18, 2019. From the results of observations and reviews of documents it is known:

- The results of a review of the HCV area in Block E32 Division 1 Sangkoh Estate are known that the condition of the river border is not disturbed by chemical spraying activities as far as 50 m for each river. River border areas are left natural without agronomic activities.
- The company shows the record of socialization related to bufferzone in each unit, for example: 26 November 2019 at Matalok Estate, 26 November at Rantau Estate and 25 November 2019 at Selabak Estate. The socialization record has included material summary (technical bufferzone management, use of PPE, introduction of HCV), attendance list to documentation of activities. This is consistent with the results of interviews with the spray team.

Based on these observations and objective evidence, the non-conformities has been fulfilled and will be assessed for consistency at the time of the next assessment.

Verified by : **Sandra Purba & Briyogi Shadiwa**

NCR No.	: 2019.4	Issued by	: Briyogi Shadiwa
Date Issued	: 11 October 2019	Time Limit	: 9 Januari 2019
NC Grade	: Major	Date of Closing	: 18 December 2019
Standard Ref. & Requirement	: 5.3.2 Evidence must be provided that all chemical wastes and their containers are produced responsibly.		
<i>Non-Conformance Description & Evidence observed (filled by auditor):</i>			

Based on field observations, it was found that toxic and hazardous waste materials have not been managed in accordance with the procedures that have, namely:

- Packaging of used pesticides can be found in the BSS house of Division 2 Matalok Estate.
- Used plastic drums in Matalok Estate Division 2 emplacement.
- Nalco 156 chemicals are stored in the WTP (Rantau POM) engine room.
- Used batteries, ex-lubricant packaging, are stored in chemical warehouses (Rantau POM).
- Used oil packaging at a scrap metal collection site (Rantau POM).
- Used pesticide packaging in agrochemical storage warehouse (Matalok Estate).
- Oil used drums are stored in hazardous waste storage transit. (Sangkah Estate).
- Used oil drums at a scrap metal collection site (Sangkoh Estate).
- Chemical packaging round up behind the Div 3 office (Sangkoh Estate).
- Used chemical packaging in the Div 3 Sangkoh estate engine reservoir room.
- Capture packaging in SLE Div 4 emplacement.
- Oil drum in SLE Div 4 emplacement.

The company has shown improvement efforts, among others, by transferring hazardous waste to the licensed hazardous waste temporary storage on October 10, 2019 in each unit.

However, the company has not been able to show evidence that hazardous waste management in accordance with applicable regulations has been implemented thoroughly in the company's operational area, through the stages of identification, socialization and effective documentation.

In addition, the company has licensed hazardous waste temporary storage (No.:188.45/253/KUM/2016) for PT Swadaya Andika which is located in the Selabak Palm Oil factory. However, based on the results of field observations, the emergency response facilities in that warehouse have not been in accordance with the regulation, such as:

- There is no safety shower.
- There are no emergency response facilities such as sand, oil absorbants and oil skimmers.
- There are no hazardous waste labels and symbols on packaging.
- Fire extinguisher is not pressurized.
- Personal protective equipment is not available.

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

1. Lack of Understanding in hazardous waste monitoring packaging by warehouse officers and spray supervision so the updating of packaging storage and monitoring does not comply with procedures.
2. Previously because Selabak POM was no longer in operation, the hazardous waste temporary storage was no longer functioning so that maintenance was no longer active, but after coordinating with the environment agency team verbally during a field visit in July 2019 it was recommended to continue to be managed according to the permission given by the Regent.

Correction *(filled by organization audited):*

1. Perform hazardous waste monitoring in the temporary warehouse related to information on the amount produced and sent to hazardous waste temporary storage with permission, as well as providing a briefing of understanding to the warehouse officer and supervision of hazardous waste management procedures.
2. Completing hazardous waste temporary storage infrastructure in Selabak POM in accordance with the existing licensing conditions.

Corrective Action *(filled by organization audited):*

1. Ensuring the hazardous waste monitoring document fill up well by warehouse officer.
2. Ensuring all the facilities maintained well and routinely checked by warehouse officer and staff.

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

Verification November 6th, 2019

The company has shown evidence of improvements in the form of:

- Documentation of the follow up of the transfer of hazardous waste to hazardous waste temporary storage with permission. (Sangkoh and Selabak Estate)
- Waste balance records for each unit containing hazardous waste.
- Record of minutes of dispatch of hazardous waste to hazardous waste temporary storage with permission. (Sangkoh Estate)
- Documentation of progress in fulfilling facilities and infrastructure at Selabak Mill hazardous waste.
- Records of information dissemination to relevant hazardous waste officers in each unit.

However, the company has not shown evidence of improvement in the form of a system related to future preventive measures to ensure that the implementation has been running properly (e.g.: monthly & weekly specs). Please show the recording or documentation if available.

Verification November 21th, 2019

CH has showed improvement evidence in form of safety check record (November 2019 Period). However, auditor recommending major verification to ensure that all hazardous waste has been managed well including OHS aspect and facilities on Selabak Mill Hazardous waste temporary storage.

Verification December 18th, 2019

The auditor conducted a special audit activity (major verification) on December 18, 2019. From the results of observations and reviews of documents it is known:

- From the results of field observations at Division 3 Selabak Estate and Division 3 Sangkoh Estate emplacement there was no significant hazardous and toxic waste disposed of irresponsibly.
- The results of interviews with hazardous waste officers, it is known that personnel have been able to explain the technical procedures for hazardous waste management starting from transportation to recording.
- The results of observations at Selabak Mill hazardous waste temporary storage found that the company had completed emergency response facilities and infrastructure such as: fire extinguisher, sand, warning and signs, safety shower, eye shower, PPE (gloves, masks, glasses), first aid kit (class A), and secondary containment.

Based on these observations and objective evidence, the non-conformities have been fulfilled and will be assessed for consistency at the time of the next assessment.

Verified by : **Briyogi Shadiwa**

NCR No.	: 2019.5	Issued by	: Briyogi Shadiwa
Date Issued	: 11 October 2019	Time Limit	: ASA-1.4
NC Grade	: Minor	Date of Closing	: 23 November 2019
Standard Ref. & Requirement	: 6.1.4 The documented management and monitoring of social impacts is reviewed at least every 2 years. If needed, the plan should be improved. Evidence must be		

	provided that the review process involves the participation of all affected parties
Non-Conformance Description & Evidence observed (filled by auditor):	
<p>The company has conducted regular reviews every 2 years related to its Social Impact Management and Monitoring Plan. The review process is carried out by involving the participation of parties affected through the questionnaire.</p> <p>However, based on the results of the 2018 review (PT Laguna Mandiri) and 2019 (PT Swadaya Andika) it is known that the participatory method has not fully covered all factors that can cause social impacts (both positive and negative) such as the latest issues develops around and within the company's operational areas, for example: issues related to changes in harvesting systems, differences in plasm and core management, land dispute on KKPA and employee facilities / infrastructure.</p> <p>Based on the explanation above, it is known that the company has not conducted a review that covers all the potential social impacts that are the impact of the company's operations</p>	
Root Cause Analysis (filled by organization audited):	
<p>At the time the questionnaire was conducted there was no input from the parties conducted by the questionnaire both at LMI and SAA so that what was included in the results of social management was from the basis of the existing questionnaire.</p>	
Correction (filled by organization audited):	
<p>Conducting evaluation again with basis from complaint record from employee and surrounding communities.</p>	
Corrective Action (filled by organization audited):	
<p>Will conducting evaluation every 2 years with involving from all affected parties and evaluating all the complaint records from employee and surrounding communities.</p>	
Assessor Evaluation and Conclusion (filled by auditor):	
Verification November 21th, 2019	
<p>The company shows evidence of improvement in the form of recording questionnaires in August 2019 and a list of sample social questionnaires for the Sungai Durian area. However, the company has not yet explained what the questionnaire sampling system is like and it is required to display all existing questionnaires other than those shown in the evidence of the improvement.</p>	
Verification November 22th, 2019	
<p>The company shows evidence of improvement in the form of a questionnaire sample determination mechanism in the SOP of the Social Questionnaire Mechanism. In this mechanism, explaining the sample questionnaire came from several elements including community representatives, union representatives, employee representatives, gender representatives and contractor representatives. The company also showed records of questionnaires from employee representatives and worker union on August 19, 2019.</p> <p>Based on this evidence the non-conformities have been fulfilled and will be verified in relation to its consistency in subsequent assessments.</p>	
Verified by	: Briyogi Shadiwa

NCR No.	: 2019.6	Issued by	: Rizliani Aprianita Hsb
Date Issued	: 11 October 2019	Time Limit	: 9 January 2020
NC Grade	: Major	Date of Closing	: 18 December 2019
Standard Ref. & Requirement	: 6.3.2 There shall be records of process and outcome of dispute resolution.		
Non-Conformance Description & Evidence observed (filled by auditor):			
<p>From interviews with land application workers at Matalok Estate, harvesting and spraying workers at Sangkoh Estate, housing residents at Selabak Estate and Labor Unions, it was conveyed that workers had submitted complaints regarding housing to the company. From the results of the interview, it was conveyed that the response and realization of the complaint were slowly responded and realized.</p> <p>In this regard, the company showed a record of complaints contained in the Complaints Logbook, for example :</p> <p>Selabak Estate:</p> <ul style="list-style-type: none"> Monitoring Complaints Selabak Estate Division I - IV (June-July 2019). As for complaints / complaints such as broken shoes, picker employees are not careful in the block so that there are still loose fruit, the midrib is not neatly arranged, etc. The document also only informs complaints without a response. In addition, there is no record / monitoring of complaints regarding home improvement. <p>Sangkoh Estate:</p> <ul style="list-style-type: none"> Monitoring complaints contained in the Sangkoh Estate employee complaints recapitulation document. The document does not inform the date of response and completion / realization. For example, on March 23, 2019 with complaints the floor inside the house was broke. The response will be immediately repaired the damaged floor with the status has been completed. <p>Related to this, there is not enough evidence that there has been a record of the process of handling all complaints.</p>			
Root Cause Analysis (filled by organization audited):			
Head of Section has not been consistent in making responses in the complaint register that has been made so that it cannot be traced the continuation of the existing complaints due to directly making request to purchase goods on demand but forgot to record in the complaint register book.			
Correction (filled by organization audited):			
Head of Section has made improvements in the complaint book by completing the responses to the registered complaints and disseminating the complaint mechanism.			
Corrective Action (filled by organization audited):			
<ul style="list-style-type: none"> - PIC makes sure to fill out the complaint response column in the register book (every time there is a complaint entered and registered and given a response in the registration). - Routine checks will be carried out by the Head of Section and Assistant Division at the beginning of each month for evaluation of incoming complaints. - In the division, a complaint record is made by assistant and then will be taken to a main office for further action. 			
Assessor Evaluation and Conclusion (filled by auditor):			
Verification on November 4, 2019			
The company shows evidence of improvements in the form of:			
<ul style="list-style-type: none"> - Register / respond SLE employee complaints that inform the date, complaint, information (worker name), and response. - SNE employee complaints / responses that inform date, name of employee, type of work, complaint, response, date of completion, completion status, etc. 			

- Records of material purchases in the form of purchase orders, purchase requests, etc on 10 August 2019.

Verification on November 20, 2019

The company shows evidence of improvements in the form of:

- Minutes of replacing employees' roofs at Pondok II SNE.
- Minutes of replacing employees' roofs on October 29, 2019 at SLE.

Verification on December 2, 2019

The company shows evidence of improvement in the form of recording / complaint division records.

Verification on December 18, 2019

The company shows evidence of improvement in the form of :

- Minutes of replacing employees' roofs (initials SH) at Pondok II SNE on 29 October 2019. The complaint was submitted on September 14, 2019.
- Minutes of replacement of employees' roofs (initials PN) on October 29, 2019 at SLE. The complaint was submitted on August 26, 2019.

Based on the results of field observations on the housing of employees of Sangkoh Estate pondok III and interviews with housing residents (employee's wives), it is known that the company has carried out housing repairs and repairing damaged septic tanks. Resident of housing explained that the company has provided socialization regarding the mechanism for submitting complaints such as complaints of damage to housing facilities. The company also explained that housing improvements were carried out in stages due to budget constraints and waiting for material.

Based on the analysis of the root causes presented, the evidence of the improvement shown and the preventive actions taken, then this discrepancy is declared fulfilled.

Verified by : **Rizliani Aprianita Hasibuan and Afiffuddin**

NCR No.	: 2019.07	Issued by	: Rizliani Aprianita Hsb
Date Issued	: 11 October 2019	Time Limit	: 9 January 2020
NC Grade	: Major	Date of Closing	: 18 December 2019
Standard Ref. & Requirement	: 6.5.2 Collective Labor Agreement/Company Regulation, in accordance with the manpower regulations, shall be available in understandable language; and explained by the management or Labor Union to the workers		
<i>Non-Conformance Description & Evidence observed (filled by auditor):</i>			
<p>From the results of interviews with the land application officer of Matalok Estate, it was stated that if workers work outside working hours will get a premium of Rp. 20,000 - Rp. 22,000 on a normal day. Whereas if you work on a holiday, will get premium of Rp. 40,000. The hours of work on ordinary days start at 07.00 - 16.00.</p> <p>The verification results of the Premium List document for 2 Land Application workers with initials MM and PW, it was known that land application workers get a premium if:</p> <ul style="list-style-type: none"> • Working from 07.00 to 16.00 will get a premium of Rp. 20,000 • Working from 16.00 to 24.00 will get a premium of Rp. 22,000 • Working on holidays from 07.00 to 16.00 will get a premium of Rp. 40,000 <p>This is not in accordance with Manpower Minister Decree No. 102 of 2004 and CLA</p>			

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

- The premium system has been set from 2008 until now there has been no change, so it is not in accordance with applicable regulations.
- The schedule of the waste application officer shift is not carried out because previously the implementation time did not require overtime because the implementation of the waste application was carried out only during working hours.

Correction *(filled by organization audited):*

- MLE Memo Manager No. 153 / MLE-Intr / X / 2019 / m dated October 28, 2019 concerning Arrangement of Pome Officer's Shift Schedule and provisions for payment of holidays in accordance with overtime calculations in labor regulations.
- Dissemination to the waste application officer about shift and overtime calculation, so that there is no longer an overtime problem for the waste application Officer.
- The premium regulation stipulated in 2008 is no longer valid, if the application is done outside working hours or holidays will be calculated according to labor regulations.

Corrective Action *(filled by organization audited):*

- Calculations are currently carried out by the Krani Division and known by the Division Assistant and already understands the applicable standards.
- Identification has been carried out for work outside working hours which will be calculated according to the provisions are the application of waste, security, administration, etc.
- Assistants and Head of Section ensure that the work shift runs according to a predetermined schedule and ensures that overtime calculations are in accordance with labor regulations.
- Making overtime letter to the employee concerned who will do overtime work

Assessor Evaluation and Conclusion *(filled by auditor):***Verification on November 4, 2019**

The company shows evidence of improvements in the form of:

- Memo of Arrangement for POME Officer's Picket Schedule No. 153 / MLE-Intr / X / 2019 / m dated October 28, 2019.
- Record of information socialization of MLE waste application officers on 29 October 2019 attended by 3 workers.

Verification on November 20, 2019

The company showed evidence of improvement in the form of a shift schedule for the MLE waste application which had been divided into 3.

Verification on December 18, 2019

Based on the results of interviews with Land Application (LA) operators at Matalok Estate in block B23, it was stated that overtime activities have been abolished since October 2019. Arrangement of working hours for land application is divided into 3 shifts namely:

- Shift 1 at 07.00 - 14.00, shift 2 at 14.00 - 21.00 and shift 3 at 21.00 - 04.00. Then the application stopped at 04.00.
- Short days / Friday: Shift 1 from 07.00 - 12.00, shift 2 from 12.00 - 17.00 and shift 3 from 17.00 - 22.00. Then the application stopped at 22:00.

The company shows salary slips on initial of MM, PW and MN (land application officers), for the November 2019 salary period, which explains that there was no overtime for the month. In addition, there is a premium which is a shortage of payment of the application premium in the previous month.

Based on the analysis of the root causes presented, evidence of corrections shown and preventive actions to be taken, this discrepancy is declared fulfilled.

Verified by : **Rizliani Aprianita Hasibuan and Afiffuddin**

NCR No.	: 2019.08	Issued by	: Rizliani Aprianita Hsb
Date Issued	: 11 October 2019	Time Limit	: ASA 1.4
NC Grade	: Minor	Date of Closing	: 18 December 2019
Standard Ref. & Requirement	: 6.5.3 Growers and millers shall provide adequate housing, water supplies, medical, educational and welfare amenities to national standards or above, where such public facilities are unavailable or inaccessible		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i>			
<p>Based on observations and interviews with housing residents of Selabak Estate division 4, it was known that many housing and septic tank conditions are damaged. The results of observations at the housing complex at Sangkoh Estate revealed that there are several housing conditions and septic tanks also in damaged condition.</p> <p>Based on this explanation, it was known that there was not enough evidence that the company has provided adequate housing for workers.</p>			
Root Cause Analysis <i>(filled by organization audited):</i>			
<ul style="list-style-type: none"> - The company has not yet submitted the identification of conditions that are complemented by the budget program and the plan to realize the improvement of existing facilities in the unit because during the audit the documents were not found by the section head who kept them. - Due to the company's financial condition where CPO prices have fallen, improvements to housing facilities have also been adjusted to prioritize existing conditions. 			
Correction <i>(filled by organization audited):</i>			
Monitoring evidence from MLE, SNE, SLE has been submitted related to the identification of the number of damaged buildings, the budget in one year, the realization that has been carried out, the gradual improvement plan and the documentation that has been carried out for the improvement of existing employee housing.			
Corrective Action <i>(filled by organization audited):</i>			
Assistant, the Section Head continues to make the improvement of employees' homes and other facilities in accordance with the existing identification, available budget and conditions that are the priority scale. Documentation relating to RSPO is carried out by the safety officer so that the RSPO data bank will be stored in a separate document by the safety officer.			

Assessor Evaluation and Conclusion (filled by auditor):

Verification on November 4, 2019

The company shows evidence of improvements in the form of:

- Selabak Estate building improvement data. The document informs about the number of housing units in good and damaged condition, budget, realization and repair plan. The houses in damaged condition amounted to 10 doors / units.
- Data on building improvements to Sangkoh Estate. The document informs about the number of housing units in good and damaged condition, budget, realization and repair plan. Damaged conditions include buildings and facilities (houses, bathrooms including septic tank)

Verification on December 18, 2019

Based on the results of field observations on the housing of employees of Sangkoh Estate pondok III and interviews with housing residents (employee's wives), it is known that the company has carried out housing repairs and repairing damaged septic tanks. Resident of housing explained that the company has provided socialization regarding the mechanism for submitting complaints such as complaints of damage to housing facilities. The company also explained that housing improvements were carried out in stages due to budget constraints and waiting for material.

Here are a few examples:



Based on the analysis of the root causes presented, evidence of corrections shown and preventive actions to be taken, this discrepancy is declared fulfilled.

Verified by : Rizliani Aprianita Hasibuan and Affiuddin

NCR No.	: 2019.09	Issued by	: Sandra Purba
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Date Issued	: 11 October 2019	Time Limit	: ASA 1.4
NC Grade	: Major (given 1 year grace period)	Date of Closing	:
Standard Ref. & Requirement	: 7.3.1 Reports of comprehensive HCV assessment, which involves stakeholder consultation and includes record of land-use change since November 2005, shall be available. This HCV assessment shall be conducted prior to any conversion or new planting.		
<i>Non-Conformance Description & Evidence observed (filled by auditor):</i>			
<p>The company can show the Chronology of LUCA submission by SDP document update until Jan 2019 where the company sent LUCA reports to RSPO (19 reports) along with shapefiles and RSPO responded with a note requiring clarification.</p> <p>There was evidence of PT MAL's communication with the RSPO on February 13, 2019, which the RSPO stated that currently the status of LUCA for all units under SDP was still awaiting finalization and clarification.</p> <p>The company sent proof of communication with RSPO on 9 May 2019, which stated that: "SDP is given a one year time extension period to address all outstanding matters (including the approval of compensation plan), related to non-conformity raised on 7.3.1 during the RSPO Re-certification / Annual Surveillance Audits for the affected units, the RSPO secretariat has agreed to allow the NC raised on 7.3.1 to Sime Darby's units to be opened until the next ASA"</p> <p>Based on the above explanation, the company has not been able to show that the RaCP process for PT LMI, PT SAA+LNE dan KKPA SC has been completed and received approval from the RSPO.</p>			
<i>Root Cause Analysis (filled by organization audited):</i>			
<i>Correction (filled by organization audited):</i>			
<i>Corrective Action (filled by organization audited):</i>			
<i>Assessor Evaluation and Conclusion (filled by auditor):</i>			
Verified by	:		

NCR No.	: 2019.10	Issued by	: Sandra Purba	
Date Issued	: 11 October 2019	Time Limit	: 9 January 2019	
NC Grade	: Major	Date of Closing	: 18 December 2019	
Standard Ref. & Requirement	: SCCS CoC 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			
<i>Non-Conformance Description & Evidence observed (filled by auditor):</i>				
<p>The company can show records of FFB receipts, CSPO / CSPK production, CSPO / CSPK shipments / sales as well as product sales transaction reporting from 1 Oct 2018-30 Sept 2019, based on these data it can be seen that CSPO sales volume is higher than CSPO production, details in the table following:</p>				
FFB receive	CSPO produced	CSPO sales	CSPK produced	CSPK sales
179,888,360 MT	37,179,341 MT	34,274.62 MT	9,271.39 MT	9,271.39 MT

Based on this explanation the company has not been able to show evidence that the SCC implementation records of has done accurately, completely and can be accessed.

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

This condition occurs because the communication of CPO delivery report submission from Bulking to the buyer does not include the amount of interco information from other Mill to marketing departement, so that in the transaction records carried out by Marketing all are allocated to all Overseas POMs, so that it is read that the sales at palmtrace for Overseas POMs are greater than production produced.

Correction *(filled by organization audited):*

PSQM doing socialization about SCCS guidelines to Bulking officers who make Shipping documents to communicate with marketing in the shipping documents that mention CPO from Miil in interco.
PSQM conducts socialization to marketing departement by phone to coordinate with bulking in making shipping documents and marketing activities in conducting transactions in the transaction platform.

Corrective Action *(filled by organization audited):*

PSQM, Bulking and marketing department always coordinate for making shipping documents and also in transactions in transaction platform there is no difference so that CPO production and those sent and announced in transaction platform will be the same (balance).

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

Verification on November 4th, 2019

The company showed evidence of improvement in the form of SCCS socialization minutes to the personnel involved in the factory and in the bulking area and in the HO on October 14, 2019, as many as 12 participants.

However, the company has not been able to show evidence of correction in the sale of interco products (BTF) that were sold on behalf of the RTF. NCR has not been fulfilled.

Verification December 18th, 2019

The company takes corrective action by confirming with the UTZ Palm Oil Support, following the chronology:

- October 23, 2019: The company sent an e-mail to UTZ Palm Oil Support regarding requests for directions and suggestions for canceling transactions on the palm trace platform. (to: palmoil.support@utz.org)
- October 23, 2019: UTZ Palm Oil Support responded by email, "Could you please share the transaction ID in an excel file so we shall do needful for you." (From: palmoil.support@utz.org)
- October 24, 2019: The company returned to communication with UTZ regarding the cancellation of the stock that had occurred. (to: palmoil.support@utz.org)
- 26 October 2019: UTZ Palm Oil Support responded by email, "Please be informed that we have reviewed the transaction of both files and identified that the file is titled LMI - Overseas Mill cannot be reverted in the System as they belong to the previous expired license of the Buyer. We have also attached the file Copy of LMI - Overseas Mill in which the transactions are highlighted with yellow for your perusal. Please note, according to the functionality of the PalmTrace the transaction can only be reverted in the system if it belongs to the Active license period of buyer and seller both. However, the transactions in LMI - Betung Mill can be reverted in the system. In order to revert the transaction in the system we will have to reverse the request to the RSPO Secretariat first once the approves it then we shall not revert the transaction in the system. Please note,

whichever transaction will reverse in the System, these will be reflected in the next month invoices as negative value." from: palmoil.support@utz.org)

- December 9, 2019: The company re-established communication with UTZ to ascertain whether the company was able to cancel the transaction in accordance with the declaration information in the palm trace system. (to: palmoil.support@utz.org)
- December 10, 2019: UTZ Palm Oil Support responded by email, "This is to inform you that we have checked the possibility and all these transactions are not reversible reason being, your license was changed during this period and according to the functionality of the system, in order to reverse a transaction, it should fall under the active license period of both seller and buyer." (from: palmoil.support@utz.org)

Based on this explanation, it is known that the reverse transaction process cannot be carried out because it was in previous license. As a precautionary measure in the future, the company shows the recording of SCCS Socialization & Training minutes to personnel at the Factory and bulking station on October 15, 2019, one of the material is related to the "SCCS Communication Procedure" (No.Pol.:01/RSPO-SCCS/ 2019) as stipulated on October 10, 2019 by Sr. Manager The procedure explains: "Bulking will ensure that there are sales in the document that involve two or more mills in one shipment so that the quantity of the product that is sent in the quantity and origin of the product can be known."

From the results of observations and interviews with the sustainability team, the staff concerned have access to the Palm Trace RSPO platform, so they can carry out checks in real time if there are errors in making transactions.

Based on this explanation, the non-conformities has been fulfilled and will be seen again the consistency of its implementation in the next assessment (Closed with Observation).

Verified by : **Sandra Purba & Briyogi Shadiwa**

NCR No.	: 2019.11	Issued by	: Sandra Purba	
Date Issued	: 11 October 2019	Time Limit	: 9 January 2019	
NC Grade	: Major	Date of Closing	: 18 December 2019	
Standard Ref. & Requirement	: SCCS 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.			
<i>Non-Conformance Description & Evidence observed (filled by auditor):</i>				
The company can show records of FFB receipts, CSPO / CSPK production, CSPO / CSPK shipments / sales as well as product sales transaction reporting from 1 Oct 2018-30 Sept 2019, based on these data it can be seen that CSPO sales volume is higher than CSPO production, details in the table following:				
FFB receive	CSPO produced	CSPO sales	CSPK produced	CSPK sales
179,888,360 MT	37,179,341 MT	34,274.62 MT	9,271.39 MT	9,271.39 MT
Based on CSPO transaction records, known that the reporting of all CSPO transactions by PT LMI (CSPO Interco from BTF and CSPO of RTF) on palm trace was reported under Rantau POM.				
Based on these data, the company has not been able to show the recording of the balancing of FFB receipts and CSPO shipments / sales on a real time basis (monthly) for the period of 1 Oct 2018 - 30 September 2019 in accordance with RSPO SCC requirements.				
Root Cause Analysis (filled by organization audited):				
This condition occurs because the communication of CPO delivery report submission from Bulking to the buyer does				

not include the amount of interco information from other Mill to marketing departement, so that in the transaction records carried out by Marketing all are allocated to all Overseas POMs, so that it is read that the sales at palmtrace for Overseas POMs are greater than production produced.

Correction *(filled by organization audited):*

PSQM doing socialization about SCCS guidelines to Bulking officers who make Shipping documents to communicate with marketing in the shipping documents that mention CPO from Miil in interco.

PSQM conducts socialization to marketing departement by phone to coordinate with bulking in making shipping documents and marketing activities in conducting transactions in the transaction platform.

Corrective Action *(filled by organization audited):*

PSQM, Bulking and marketing department always coordinate for making shipping documents and also in transactions in transaction platform there is no difference so that CPO production and those sent and announced in transaction platform will be the same (balance).

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

Verification on November 4th, 2019

The company showed evidence of improvement in the form of SCCS socialization minutes to the personnel involved in the factory and in the bulking area and in the HO on October 14, 2019, as many as 12 participants.

However, the company has not been able to show evidence of improvements in the sale of interco products (BTF) that were sold on behalf of the RTF. NCR has not been fulfilled.

Verification December 18th, 2019

The company takes corrective action by confirming with the UTZ Palm Oil Support, following the chronology:

- October 23, 2019: The company sent an e-mail to UTZ Palm Oil Support regarding requests for directions and suggestions for canceling transactions on the palm trace platform. (to: palmoil.support@utz.org)
- October 23, 2019: UTZ Palm Oil Support responded by email, "Could you please share the transaction ID in an excel file so we shall do needful for you." (From: palmoil.support@utz.org)
- October 24, 2019: The company returned to communication with UTZ regarding the cancellation of the stock that had occurred. (to: palmoil.support@utz.org)
- 26 October 2019: UTZ Palm Oil Support responded by email, "Please be informed that we have reviewed the transaction of both files and identified that the file is titled LMI - Overseas Mill cannot be reverted in the System as they belong to the previous expired license of the Buyer. We have also attached the file Copy of LMI - Overseas Mill in which the transactions are highlighted with yellow for your perusal. Please note, according to the functionality of the PalmTrace the transaction can only be reverted in the system if it belongs to the Active license period of buyer and seller both. However, the transactions in LMI - Betung Mill can be reverted in the system. In order to revert the transaction in the system we will have to reverse the request to the RSPO Secretariat first once the approves it then we shall not revert the transaction in the system. Please note, whichever transaction will reverse in the System, these will be reflected in the next month invoices as negative value." from: palmoil.support@utz.org)
- December 9, 2019: The company re-established communication with UTZ to ascertain whether the company was able to cancel the transaction in accordance with the declaration information in the palm trace system. (to: palmoil.support@utz.org)

- December 10, 2019: UTZ Palm Oil Support responded by email, *"This is to inform you that we have checked the possibility and all these transactions are not reversible reason being, your license was changed during this period and according to the functionality of the system, in order to reverse a transaction, it should fall under the active license period of both seller and buyer."* (from: palmoil.support@utz.org)

Based on this explanation, it is known that the reverse transaction process cannot be carried out because it has passed the license deadline. As a precautionary measure in the future, the company shows the recording of SCCS Socialization & Training minutes to personnel at the Factory and bulking station on October 15, 2019, one of the material is related to the "SCCS Communication Procedure" (No.Pol.:01/RSPO-SCCS/ 2019) as stipulated on October 10, 2019 by Sr. Manager The procedure explains: "Bulking will ensure that there are sales in the document that involve two or more mills in one shipment so that the quantity of the product that is sent in the quantity and origin of the product can be known."

From the results of observations and interviews with the sustainability team, the staff concerned have access to the Palm Trace RSPO platform, so they can carry out checks in real time if there are errors in making transactions.

Based on this explanation, the non-conformities has been fulfilled and will be seen again the consistency of its implementation in the next assessment (Closed with Observation).

<i>Verified by</i>	:	Sandra Purba & Briyogi Shadiwa
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3.5.3 Opportunity for Improvement

No	Ref. Std.	Description
1	1.1.2	Ensuring responses to requests for information/assistance
2	2.1.3	Ensure evaluation of compliance with regulations related to contract workers and contractor employees
3	2.2.1	Follow up of CPCL decree issuance over KKPA area of 1679.27 to Kotabaru Regent
4	2.2.2	Progress of program realization of HGU poles (loss and damage) based on 2019 monitoring result
5	2.2.3	Progress of land dispute settlement in the KKPA area of Trombong Sari village
6	4.1.1	Normalizing pruning maintenance
7	6.2.3	Ensure the stakeholder list contains internal stakeholders
8	6.9.1	Ensure the socialization of the Gender Committee
9	8.1	Adjustment the implementation of RSPO standard to the new P&C 2019
10	SCCS	Increased understanding of all key personnel in the unit and in the HO-Jakarta office related to the implementation of the RSPO

4.5.4 Noteworthy Positive Components







No	Descriptions
1	Implementation of loading FFB with a mechanical system using a crane grabber
2	The company's commitment not to use daily/casual workers
3	Road improvement program with a concrete system

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

Public Issues (Institution/ NGO/Community)	Auditor Responses
<p>Manpower Agency of Kotabaru Regency</p> <ul style="list-style-type: none"> • Company routinely submit mandatory reporting to the Manpower Agency. • Workers at the company have been included in the BPJS employment and health program • The company has applied wages and overtime according to labor regulations. • There are no issues or reporting related to labor violations and industrial relations • The company has an active labor union that has been registered with the Manpower Agency • There are no fatal accidents in the company in the past year. • There is no request for information that has not been responded to by the company. 	<p>Has been described in criterion 1.1, 4.7, 6.5, 6.6, 6.7.</p> <p>However, there is implementation related to labour that has become NC in criteria 6.5</p>
<p>Environment Agency of Kotabaru Regency</p> <ul style="list-style-type: none"> • The Company has a hazardous Waste storage license and still valid. • Company routinely report mandatory reporting such as hazardous waste reports, Waste water reports and RKL-RPL reports. • No negative issues related to environmental management. • There is no issue of fire or environmental pollution or related to the management of the company's operations. • There is no request for information that has not been responded to by the company. 	<p>Auditor team has verified related to environment aspects and has been described in principle 5 and indicator 4.4.1, 4.4.2 and 4.4.3.</p>
<p>National Land Agency of Kotabaru Regency</p> <ul style="list-style-type: none"> • There was no new development area / new HGU in certification unit. • No information related to land conflict in certification area • Company has Land Permit / HGU. • There is no information or reports of planting outside the HGU or abandoned land. • There is no request for information that has not been responded to by the company. 	<p>Auditor team has verified related to legal aspects and has been described in criteria 2.2 & 2.3</p>
<p>Gender Committee of LMI</p> <ul style="list-style-type: none"> - There's no issue related to sexual harassment. - The company uses woman as workers in unit. - No discrimination issue. - Company provided medical check-up routine for workers. 	<p>There's no negative issues need to be further observation.</p>
<p>Labor union of Sangko Estate, Matalok Estate</p> <ul style="list-style-type: none"> - There is no temporary daily worker. The type of worker is contract and permanent worker. - PPE is provided by the company 	<p>Issue related to harvesting scheme has not been identified on Social document review (NCR No.2019.05)</p>

Public Issues (Institution/ NGO/Community)	Auditor Responses
<ul style="list-style-type: none"> - Basic wage is in accordance with applicable regulation, Decree of Kalimantan Selatan Province Governor about Minimum Wage for Kotabaru Regency, overtime payment is paid in accordance with applicable regulation. - There is a collective labor agreement. - There is no issue related to discrimination or child worker. - There's an issue related to new harvesting scheme, worker union said that there's no policy or procedure about C1R1 system but in the field the scheme must be implemented. 	
<p>Chief of Bina Swadaya Karya Cooperative (KKPA – SC)</p> <ul style="list-style-type: none"> • Communication is not really good, cooperative board is less involved by the company • There was a letter form cooperative on July 26, 2019 that hasn't been responded by the company regarding to the status of the cooperative's management and the cooperative board fee • The community area was planted since 2007, there has been no payment to farmers, only bailout funds, the funds no longer appropriate, have been submitted by the village head to the company • The KKPA area managed differently from the company' area • There was an arable area in KKPA of Trombong Sari village which is still in not settled, the area cannot be managed/harvest by the company, (the area has included in a credit agreement), and this is the responsibility of the company. 	<p>The communication to the cooperative board has been conducted by the PSD dept., related to the fee the representative stated that it's between community and the cooperative board.</p> <p>The letter mentioned can't be traced by the auditors (the letter number not able to shows by the cooperative)</p> <p>The company can show evidence of settlement such as: joint mapping with a scale of 1: 25000, evidence of a meeting to discuss the rehabilitation of KKPA areas with the people of Trombong Sari Village and involving by the local government, and a letter of confirmation from Agriculture Dept. on 3 October 2018.</p>
<p>Village of Manunggul Lama</p> <ul style="list-style-type: none"> • Company assistance in the form of repairing roads, repairing football fields, providing culverts, giving <i>qurban</i> cows, village operational assistance and assistance for the elderly in the form of rice, picking up school children and water during the dry season. • The village will submit a proposal for educational assistance for kindergarten teacher honorariums, installation of road signs in Sangkoh Hamlet. • Requests from the Dayak Sangkoh community to fence the cemetery area and exclude it from the HGU. The information is final but still awaiting a decision from the P3D Team. • There is no pollution issue. • The company cooperates with BUMDES (Village-Owned Enterprises) for stone laying activities. • In the Musrebang activity, road repair will be proposed along 1,160 meters because the road is used together. • The preparation of CSR programs has not been done in a participatory manner, only based on letters of request and proposals. • There has been no consultation with affected parties, such as questionnaires submitted to the company. • Explanation of the village head, for many of the previous 	<p>Has been verified by the auditor, explained in the C2.3,C6.1, C6.2, C6.3, C6.11</p>

Public Issues (Institution/ NGO/Community)	Auditor Responses
<p>landowners who have died, but based on information from the previous village head related to the acquisition of land already completely clear.</p> <ul style="list-style-type: none"> • The village is aware of public relations, namely Pak Ruslian Noor • Collaboration with the Lembah Meratus Foundation • The company has conducted socialization to the community such as regarding fire and fire simulation • Job vacancies are always communicated to the village. 	
<p>Village of Bepara</p> <ul style="list-style-type: none"> • With the existence of a company, job opportunities are opened • Assistance from the company to the village in the form of road improvements, clean water, road concrete since 2018. • The preparation of CSR programs so far has not been participatory. • The company was invited to Musrembang activities but was not present • Requests for assistance are often slow to respond • The village does not yet know the company's public relations • Claims + 172 ha in block E Division 2 Matalok Estate with a demand of 20% yield given to the village or ask for the land to be returned. It has been written by the village since 2018. But there has been no response. The current condition is that the area has not been replanted • The company has conducted socialization to the community such as regarding fire and fire simulation. But related training such as technical cultivation of oil palm has never been done. • For KKPA, the production results are still used for credit and there are no bailouts. 	<p>Has been verified by the auditor, explained in the C2.3,C6.1, C6.2, C6.3, C6.11</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 style="text-align: center;">Signed on behalf of:</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; text-align: center; vertical-align: top;"> <p>PT Laguna Mandiri Head of Sustainability Minamas Plantation</p>  <p><u>Alagendran Maniam</u> Thursday, 18 December 2019</p> </td> <td style="width: 50%; text-align: center; vertical-align: top;"> <p>PT Mutuagung Lestari Lead Auditor</p>  <p><u>Sandra Purba</u> Thursday, 18 December 2019</p> </td> </tr> </table>	<p>PT Laguna Mandiri Head of Sustainability Minamas Plantation</p>  <p><u>Alagendran Maniam</u> Thursday, 18 December 2019</p>	<p>PT Mutuagung Lestari Lead Auditor</p>  <p><u>Sandra Purba</u> Thursday, 18 December 2019</p>
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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.	Plantation Agency, District of Kotabaru, Province of South Kalimantan	District of Kotabaru, Province of South Kalimantan	-	Phone	October 8 th , 2019		✓
2.	Environmental Agency, District of Kotabaru, Province of South Kalimantan	District of Kotabaru, Province of South Kalimantan	-	Phone	October 8 th , 2019	✓	
3.	ManPower and Transmigration Agency, District of Kotabaru, Province of South Kalimantan	District of Kotabaru, Province of South Kalimantan	-	Phone	October 8 th , 2019	✓	
4.	National Land Agency, District of Kotabaru, Province of South Kalimantan	District of Kotabaru, Province of South Kalimantan	-	Phone	October 8 th , 2019	✓	
5.	Gender Committee	District of Kotabaru, Province of South Kalimantan	-	Interview	October 8 th , 2019	✓	
6.	Labor Union	District of Kotabaru, Province of South Kalimantan	-	Interview	October 8 th , 2019	✓	
7.	Local Contractor	District of Kotabaru, Province of South Kalimantan	-	Interview	October 8 th , 2019	✓	
8.	Village of Manunggal Lama & Bepara	District of Kotabaru, Province of South Kalimantan	-	Interview	October 8 th , 2019	✓	
9.	Bina Swadaya Karya Cooperative	District of Kotabaru, Province of South Kalimantan	-	Interview	October 8 th , 2019	✓	
10.	USAID	-	info@lestari-indonesia.org	Email	September 26 th , 2019		✓
11.	AURIGA	-	info@auriga.or.id	Email	September 26 th , 2019		✓
12.	Green Peace Indonesia	-	supporterservices.id@greenpeace.org	Email	September 26 th , 2019		✓
13.	Selabak Estate: - 3 Harvester - 2 Mechanic	PT Swadaya Andika	-	Interview and Field Observation	October 9 th , 2019	✓	
14.	Matalok Estate: - 1 Land Application streaming officer - 1 foreman and 3 female herbicide applicators - 1 warehouse officer - 2 workshop	PT Laguna Mandiri	-	Interview and Field Observation	October 9 th , 2019	✓	

	mechanics - 1 heavy equipment operator						
15.	Rantau POM: - Loading Ramp (2 workers) - Boiler Room (2 operators) - Engine Room (1 operator) - Pressing Room (1 operator)	PT Laguna Mandiri	-	Interview and Field Observation	October 8 th , 2019	✓	
16.	Sangkoh Estate: - 1 foreman and 2 harvesters - 1 female foreman and 3 female herbicide applicators - 1 pole check officer	PT Swadaya Andika	-	Interview and Field Observation	October 10 th , 2019	✓	

Appendix 2. Assessment Program

DATE	07 to 12 October 2019	
PROGRAM	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
Monday, 7 October 2019		
06.50 – 09.00	Jakarta – Balikpapan	ALL TEAM MEMBER
09.00 – 20.00	Balikpapan – PT. Laguna Mandiri	ALL TEAM MEMBER
Tuesday, 8 October 2019		
08.00 – 09.00	Opening meeting	ALL TEAM MEMBER
09.00 – 10.00	Verification of previous assessment (ASA-1.2) findings and field observation plan	ALL TEAM MEMBER
	Public consultation to government agency (by phone)	RAH
09.00 – 10.00	Public consultation to nearest community	AFF
	Public consultation to internal stakeholder and local contractor	BYG
09.00 – 12.00	- Labour union	BYG
	- Gender committee	SDP
	- Smallholder board committee	SDP
10.00 – 12.00	- Local contractor and Transporter FFB / CPO / PK	SDP
12.00 – 14.00	Break	
14.00 – 16.00	Field observation to Rantau Factory	SDP
14.00 – 16.00	RSPO Supply Chain, interview to transporter/supplier FFB	
	POM waste management (hazardous, emission, pollution, POME application, etc.)	RAH
16.00 – 17.00	Mill processing, water management	BYG/AFF
Wednesday, 9 October 2019		
08.00 – 12.00	Field observation to Matalok Estate and Selabak Estate & KKPA Sungai Cengal	SDP / RAH
	Legal boundary, HCV management area, firefighting facilities, housing complex, clinic	AFF / BYG
	BMP agronomy, storages, landfill, workshop and other facilities	
12.00 – 14.00	Break	

14.00 – 17.00	Continuing field observation and document verification	All Auditor
Thursday, 10 October 2019		
08.00 – 12.00	Field observation to Sangkoh Estate and Bulking Legal boundary and Bulking HCV management area, firefighting facilities, housing complex, clinic BMP agronomy, storages, landfill, workshop and other facilities	SDP RAH AFF / BYG
12.00 – 13.00	Break	
14.00 – 17.00	Continuing field observation and document verification	<ul style="list-style-type: none"> • All Auditor
Friday, 11 October 2019		
08.00 – 11.00	Continuing field observation and document verification	<ul style="list-style-type: none"> • All Auditor
11.00 – 12.00	Closing meeting preparation	ALL TEAM MEMBER
14.00 – 15.00	Closing meeting	
15.00 -	Travelling from site – Balikpapan	
Saturday, 12 October 2019		
10.00 -	Balikpapan - Jakarta	ALL TEAM MEMBER