

Roundtable on Sustainable Palm Oil Certification R S P O

[✓] Re-Certification

Name of Management : Betung POM – PT Laguna Mandiri, Sime Darby Plantation Bhd
 Organisation
 Plantation Name : Sekayu Estate and Betung Estate

 Location : Village of Betung, Sub District of Pamukan Utara, District of Kotabaru,
 Province of Kalimantan Selatan, Indonesia
 Certificate Code : **MUTU-RSPO/035**
 Date of Initial Registration : 01 April 2014
 Date of Certificate Issue : 28 June 2019 Date of License Issue : 01 July 2019
 Date of Certificate Expiry : 31 March 2024 Date of License Expiry : 31 March 2020

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
RC	12-16 March 2019	M. Rinaldi (Lead Auditor), Rizliani Aprianita Hsb, Afiffuddin, Yudhi Yuniarto Tallutondok	Ganapathy Ramasamy	Ardiansyah

Assessment	Approved by MUTUAGUNG LESTARI on:
RC	28 June 2019

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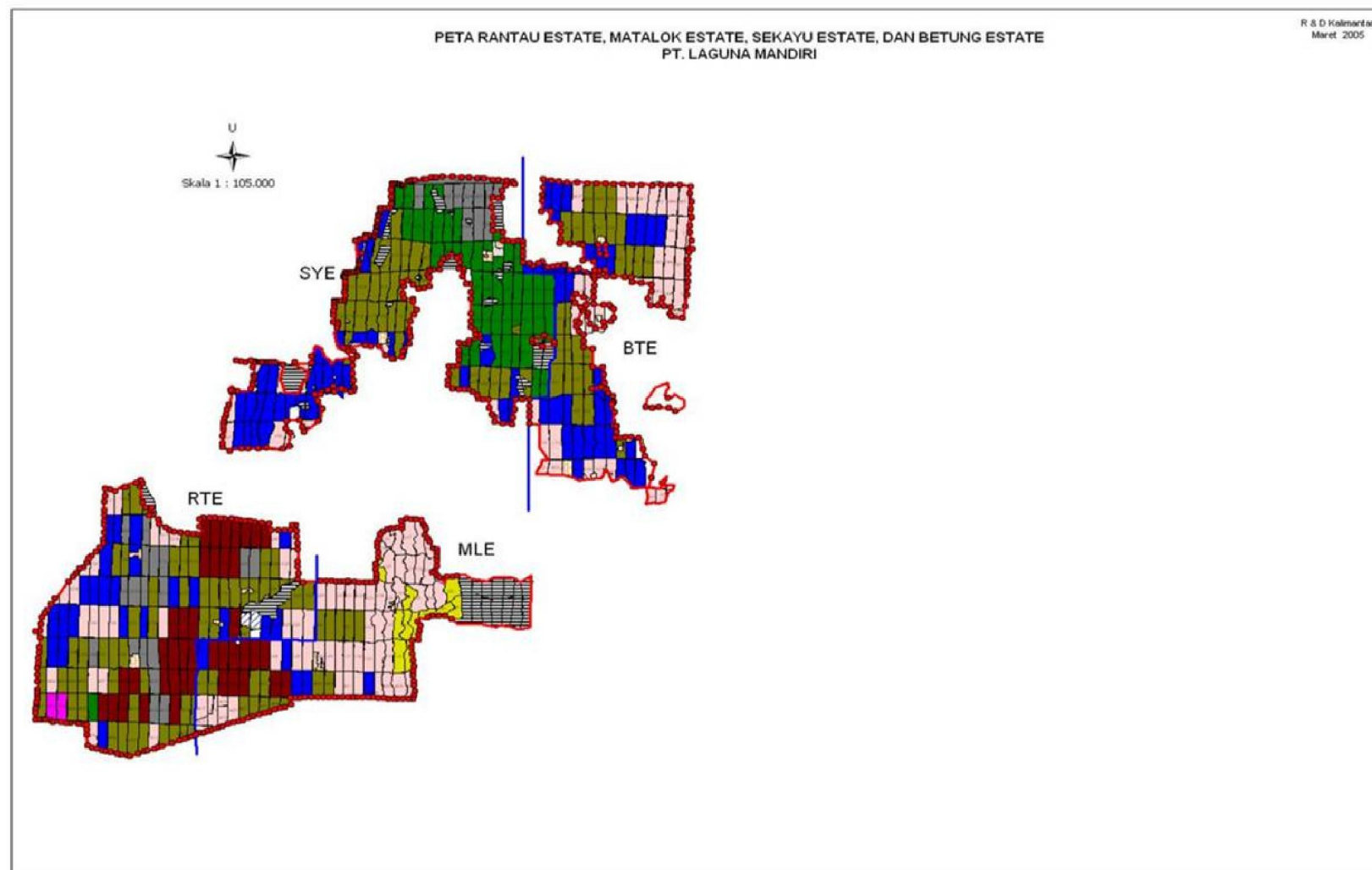
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Figure 1. Location Map of PT Laguna Mandiri



Figure 2. Operational Map of PT Laguna Mandiri



Abbreviations Used

AMDAL	:	<i>Analisis Mengenai Dampak Lingkungan</i> (Environmental Impact Assessment)
ANDAL	:	<i>Analisis Dampak Lingkungan</i> (Environmental Impact Assessment)
APAR	:	<i>Alat Pemadam Api Ringan</i> (Fire Extinguishers)
ASA	:	Annual Surveillance Assessment
BOD	:	Biological Oxygen Demand
BPJS	:	<i>Badan Penyelenggara Jaminan Sosial</i> (Social Assurance of Labor)
BPN	:	<i>Badan Pertanahan Nasional</i> (National Land Agency)
BTE	:	Betung Estate
CB	:	Certification Body
CH	:	Certificate Holder
CLA	:	Collective Labour Agreement
COD	:	Chemical Oxygen Demand
CPO	:	Crude Palm Oil
CSR	:	Corporate Social Responsibility
EFB	:	Empty Fruit Bunch
EIA	:	Environment Impact Assessment
EM	:	Estate Manager
FFB	:	Fresh Fruit Bunch
FPIC	:	Free Prior Informed and Consent
GHG	:	Green House Gas
GM	:	General Manager
HCV	:	High Conservation Value
HGU	:	Land Use Title
HIRAC	:	Hazard Identification, Risk Assessment and Control
ID	:	Identity
IDR	:	Indonesian Rupiah
IUP	:	<i>Izin Usaha Perkebunan</i> (
JHT	:	<i>Jaminan Hari Tua</i> (Old Age Benefit)
JKK	:	<i>Jaminan Kecelakaan Kerja</i> (Work Accident)
JKM	:	<i>Jaminan Kematian</i> (Dead Insurance)
JKS	:	<i>Jaminan Kesehatan</i> (Health Insurance)
JP	:	<i>Jaminan Pensiun</i> (Retirement Insurance)
KER	:	Kernel Extraction Rate
LA	:	Land Application
LMI	:	Laguna Mandiri (PT)
LTA	:	Lost Time Accident
LUCA	:	Land Use Change Analysis
MSDS	:	Material Safety Data Sheets
NC	:	Non Conformity/ies
NCR	:	Non Conformity/ies Report
NGO	:	Non Government Organization
OER	:	Oil Extraction Rate
OFI	:	Opportunity For Improvement
OHS	:	Occupational Health and Safety
OHSE	:	Occupational Health Safety and Environment
PK	:	Palm Kernel
PKS	:	<i>Pabrik Kelapa Sawit</i> (Palm Oil Mill)
POM	:	Palm Oil Mill
POME	:	Palm Oil Mill Effluent

PP	:	<i>Peraturan Perusahaan</i> (Company Regulation)
PPE	:	Personal Protective Equipment
RaCP	:	Remediation and Compensation Procedure
RC	:	Re-Certification
RKL	:	<i>Rencana Pengelolaan Lingkungan</i> (Environment Management Plan)
RPL	:	<i>Rencana Pemantauan Lingkungan</i> (Environment Monitoring Plan)
RSPO	:	Roundtable Sustainable Palm Oil
RTE	:	Rare, Threatened or Endangered
SBA	:	Sinar Bintang Albar
SIA	:	Social Impact Assessment
SOP	:	Standard Operating System
SOU	:	Strategic Operational Unit
SYE	:	Sekayu Estate
WWTP	:	Waste Water Treatment Plant

1.0	SCOPE of the CERTIFICATION ASSESSMENT		
1.1	Assessment Standard Used		
	<ul style="list-style-type: none"> • <i>Indonesian National Interpretation of RSPO P&C 2013 by INA-NITF (Indonesian National Interpretation Task Force) July 2016, endorsed by the RSPO BoG 30th September 2018.</i> • <i>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)</i> • <i>RSPO Certification System for Principles and Criteria, 14 June 2017</i> 		
1.2	Organisation Information		
1.2.1	Organisation name listed in the certificate	PT Laguna Mandiri, subsidiary of Sime Darby Plantation Bhd.	
1.2.2	Contact person	Alagendran A. L. 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	+62-21-29926000	
1.2.5	Fax	+62-21-29922686	
1.2.6	E-mail	alagendran.maniam@sime-darbyplantation.com	
1.2.7	Web page address	www.sime-darby.com	
1.2.8	Management Representative who completed the application for certification	Alagendran A. L. Maniam (Head of PSQM Plantation Minamas Indonesia)	
1.2.9	Registered as RSPO member	1-0008-04-000-00 – 6 September 2004	
1.3	Type of Assessment		
1.3.1	Scope of Assessment and Number of Management Unit	Palm Oil Mill and supply base: Betung Factory, Sekayu Estate and Betung Estate	
1.3.2	Type of certificate	Single	
1.4	Locations of Mill and Plantation		
1.4.1	Location of Mill		
	Name of Mill	Location	Coordinate
			Latitude Longitude
	Betung	Village of Betung, Sub-District of Pamukan Utara, District of Kotabaru, Province of Kalimantan Selatan, Indonesia	S 2° 22' 43" E 116° 12' 18"
1.4.2	Location of Certification Scope of Supply Base		
	Name of Supply Base	Location	Coordinate
			Latitude Longitude
	Sekayu Estate	Village of Sekayu Baru, Sub-District of Pamukan Utara, District of Kotabaru, Province of Kalimantan Selatan, Indonesia	S 2° 19' 34" E 116° 10' 58.0"
	Betung Estate	Village of Betung, Sub-District of Pamukan	S E

		Utara, District of Kotabaru, Province of Kalimantan Selatan, Indonesia	2° 21' 24"	116° 11' 45"			
1.5	Description of Area Statement						
1.5.1	Tenure						
	• State		15,300.00 Ha				
	• Community		- Ha				
1.5.2	Area Statement						
	• Total area		7,579.57	Ha			
	• Mature area		4,269.53	Ha			
	• Immature area		1,661.95	Ha			
	• Mill		18.07	Ha			
	• Emplishment		91.68	Ha			
	• Infrastructure (road and bridge)		331.20	Ha			
	• Unplanted area (Slope area, water body)		41.66	Ha			
	• Occupation		1,076.60	Ha			
	• HCV		88.88	Ha			
* The area of HGU & IUP covers the Rantau, Matalok, Sekayu and Betung plantation areas. For the scope of this certificate (Betung POM) only covers 2 Estate namely Sekayu Estate and Betung Estate with a total area of 7,579.57 Ha. For Matalok and Rantau Estate are included in the Rantau Factory scope.							
1.6	Planting Year and Cycles						
1.6.1	Age profile of planting year						
	Planting Year	Hectarage (Ha)					
		Sekayu Estate	Betung Estate	Total			
	1995	1,051.75	-	1,051.75			
	1996	665.92	433.93	1,099.85			
	1997	467.46	717.00	1,184.46			
	1998	49.38	696.69	746.07			
	2007	-	133.20	133.20			
	2009	-	54.20	54.20			
	Sub Total Mature	2,234.51	2035.02	4,269.53			
	2016	404.74	424.33	829.07			
	2017	390.52	242.32	632.84			
	2018	200.04	-	200.04			
	Sub Total Immature	995.30	666.65	1,661.95			
	TOTAL	3,229.81	2701.67	5,931.48			
1.6.2	New Planting area after January 2010		- Ha				
1.6.3	Planting Cycle		2 nd Cycle				
1.7	Description of Mill and Supply Base						
1.7.1	Description of Mill						
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel	
				Out put (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)
	Betung	45	83,337.57	16,762.16	20.11	4,070.96	4.88
*Production data source from March 2018 – February 2019							

1.7.2	Description of Certification Scope of Supply Base						
	Name of Estate	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ ha/year)	Supplied to Mill	
						FFB (tonnes/year)	%
	Sekayu	4,266.00	3,229.81	46,714.61	20.91	42,021.88	89.95
	Betung	3,313.57	2,701.67	36,589.40	17.89	31,987.52	87.42
	TOTAL	7,579.57	5,931.48	83,304.01	19.51	74,009.40	88.84
*Production data source from March 2018 – February 2019							
1.7.3	FFB description from other source						
	Name of sources/Organisation (RSPO certified / non- certified)	Type of Organisation	number of smallholders	Production Area (Ha)	Supplied to Mill		
					FFB (tonnes/year)		
	Selabak Estate, PT Swadaya Andika (RSPO Certified)	Minamas Group	-	3,327.61	1,348.39		
	Randi Estate, PT Swadaya Andika (RSPO Certified)	Minamas Group	-	2,460.27	1,099.76		
	Sangkoh Estate, PT Swadaya Andika (RSPO Certified)	Minamas Group	-	2,765.57	1,145.01		
	Lanting Estate, PT Swadaya Andika (RSPO Certified)	Minamas Group	-	2,734.62	897.80		
	Matalok Estate, PT Laguna Mandiri scope of Rantau POM (RSPO Certified)	Minamas Group	-	2,630.73	817.84		
	Rantau Estate, PT Laguna Mandiri scope of Rantau POM (RSPO Certified)	Minamas Group	-	4,087.84	1,225.66		
	Bebunga Estate, PT Langgeng Muaramakmur (RSPO Certified)	Minamas Group	-	3,307.35	220.34		
	Bakau Estate, PT Langgeng Muaramakmur (RSPO Certified)	Minamas Group	-	3,227.22	1,084.20		
	Sungai Cengal Estate, PT Langgeng Muaramakmur (RSPO Certified)	Minamas Group	-	4,277.73	194.40		
	KKPA Sungai Cengal (RSPO Certified)	Scheme Smallholder of Sime Darby Group	1,382	2,756.90	1,294.77		
	TOTAL					9,328.17	
	*Production data source from March 2018 – February 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 (March 2018 to February 2019) (MT)	
	FFB Processed			82,835	83,337.57	
	CPO Production			19,052	16,762.16	
	Palm Kernel (PK) Production			4,142	4,070.96	
1.8.2	Product selling					
	Type of selling product			Actual selling product for last year (March 2018 to February 2019) (MT)		
	CSPO sold as RSPO certified product			10,455.83		
	CSPK sold as RSPO certified product			4,064.08		
	CSPO sold under other scheme			-		
	CSPK sold under other scheme			-		
	CSPO sold as conventional			5,521.56		
	CSPK sold as conventional			-		
1.8.3	Estimate of Certified FFB Claim					
	Name of Estates	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)	
	Sekayu	4,266.00	3,229.81	50,452	15.62	
	Betung	3,313.57	2,701.67	39,517	14.63	
	TOTAL	7,579.57	5,931.48	89,969	15.17	
	<i>*Projected FFB production for 12 months of certificate</i>					
1.8.4	Estimate of Certified Palm Product Claim					
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO Out put (tonnes) Extraction (%)	Palm Kernel Out put (tonnes) Extraction (%)	Supply Chain Module
	Betung	45	89,969	18,893 21	4,498 5	
	<i>*Projected CSPO and CSPK production for 12 months of certificate</i>					
1.9	Other Certifications					
	ISPO			The company has obtained Indonesian Sustainability of Palm Oil (ISPO) Certificate since September 9 th 2014 (Certificate Number MUTU-ISPO/026).		
1.10	Time Bound Plan					
1.10.1	Time Bound Plan for Other Management Units					
	Management Unit		Estate (Supply Base)	Time Bound Plan	Location	Status
	Mill	Time bound				
	INDONESIA					
1	Sekunyr.	2010	Sekunyr	2010	Seruyan and West	Certified

	PT. Indotruba Tengah		Seruyan	2010	Kotawaringin District – Central Kalimantan	Certified
2	Manggala. PT. Tunggal Mitra Plantations	2010	Manggala 1	2010	Rokan Hilir District – Riau	Certified
			Manggala 2	2010		Certified
			Manggala 3	2010		Certified
3	Bukit Ajong PT. Sime Indo Agro	2010	West	2010	Sanggau District – West Kalimantan	Certified
			West (HGU on process)	2019		-
			East	2010		Certified
			East (HGU on process)	2019		-
			East Plasma	2010		Certified
			West Plasma	2010		Certified
			Sei Mawang	2019		-
4	Teluk Siak. PT Aneka Inti Persada	2011	Teluk Siak	2011	Siak District – Riau	Certified
			Pinang Sebatang	2011		Certified
			Aneka Persada	2011		Certified
5	Sungai Pinang. PT. Bina Sains Cemerlang	2012	Sungai Pinang	2012	Musi Rawas District – South Sumatera	Certified
			Sungai Pinang (HGU on process)	2020		-
			Bukit Pinang	2012		Certified
			Bukit Pinang (HGU on process)	2020		-
6	Pematang. PT. Teguh Sempurna	2011	Pematang	2011	Seruyan and East Kotawaringin District – Central Kalimantan	Certified
			Kawan Batu	2011		Certified
			Hatan Tiring	2011		Certified
			Batang Garing	2011		Certified
7	Alur Dumai. PT Lahan Tani Sakti	2011	Alur Dumai	2011	Rokan Hilir District – Riau	Certified
8	Teluk Bakau. PT. Bhumireksa Nusa Sejati	2011	Teluk Bakau	2011	Indra Giri Hilir District – Riau	Certified
			Nusa Perkasa	2011		Certified
			Nusa Lestari	2011		Certified
9	Mandah PT. Bhumireksa Nusa Sejati	2014	Mandah	2011	Indra Giri Hilir District – Riau	Certified
			Rotan Semelur	2011		Certified
10	Angsana. PT Ladangrumpun Suburabadi	2011	Angsana	2011	Tanah Bumbu District – South Kalimantan	Certified
			Gunung Sari	2011		Certified
			Pantai Bonati	2011		Certified
			KKPA-1 PT.SHE	2013		Certified
			KKPA-4 PT.SHE	2013		Certified
11	Mustika. PT Sajang Heulang	2013	Mustika	2013	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		-
12	Gunung Aru. PT Bersama Sejahtera Sakti	2011	Gunung Aru	2011	Kotabaru District – South Kalimantan	Certified
			Gunung Kemasari	2011		Certified
			Laut Timur	2011		Certified
			Pantai Timur	2011		Certified
			KKPA BSS	2020		-
13	Bebunga. PT. Langgeng Muaramakmur	2011	Bebunga	2011	Kotabaru District – South Kalimantan	Certified
			Bakau	2011		Certified
			Sungai Cengal	2011		Certified
14	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
15	Pondok Labu. PT Paripurna Swakarsa	2012	Binturung	2012	Kotabaru District – South Kalimantan	Certified
			Pondok Labu	2012		Certified
			Rampa	2012		Certified
			Sesulung	2012		Certified
16	Rantau. PT Laguna Mandiri	2012	Rantau	2012	Kotabaru District – South Kalimantan	Certified
			Matalok	2012		Certified
			KKPA Sungai Cengal (1,382 SH)	2014		Certified
			Selabak (PT SAA)	2012		Certified
			Randi (PT SAA)	2012		Certified
			Sangkoh (PT SAA)	2012		Certified
			Lanting (PT LMR)	2012		Certified
17	Betung. PT Laguna Mandiri	2014	Betung	2012	Kotabaru District – South Kalimantan	Certified
			Sekayu	2012		Certified
18	Ungkaya. PT Tamaco Graha Krida	2012	Ungkaya	2012	Morowali District – Sulawesi Tengah	Certified
			Plasma TKG	2020		-
19	Ladang Panjang. PT Bahari Gembira Ria	2012	Ladang Panjang	2012	Muaro Jambi District - Jambi	Certified
			Ladang Panjang (HGU on process)	2020		-
			Plasma BGR	2020		-
20	Rantau Panjang. PT Guthrie Pecconina Indonesia	2012	Rantau Panjang	2012	Musi Banyuasin District – South Sumatera	Certified
			Rantau Panjang (HGU on process)	2020		-
			Bumi Ayu	2012		Certified
			Karang Ringin	2012		Certified
			Napal	2012		Certified

			Napal (HGU on process)	2020		-
			Mangun Jaya	2012		Certified
			Mangun Jaya (HGU on process)	2020		-
			Sungai Jernih	2020		-
			GPI KKPA	2020		-
21	Blang Simpo. PT Perkasa Subur Sakti	2013	Tamiang (PT PPP)	2013	Aceh Tamiang and East Aceh District – Aceh	Certified
			Batang Ara (PT PSK)	2013		Certified
			Blang Simpo-01	2013		Certified
			Blang Simpo-02	2013		Certified
22	MAS. PT Mitra Austral Sejahtera	2020	MAS 1	2019	Sanggau District – West Kalimantan	-
			MAS 1	2019		-
			MAS 1	2019		-
			Plasma MAS	2020		-
23	Lembiru. PT Sandika Nata Palma	2014	Lembiru	2014	Ketapang District – West Kalimantan	Certified
			Awatan	2014		Certified
			Karya Palma	2019		-
			KKPA SNP	2020		-
			Pelanjau (PT BAL)	2019		IC
			Sungai Putih (PT BAL)	2019		-
			Baturus (PT BAL)	2019		-
			KKPA BAL	2020		-
MALAYSIA						
1	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
2	Chersonese SOU 2	2011	Chersonese	2011	Kuala Kurau, Perak	Certified
			Holyrood	2011		Certified
			Kalumpang	2011		Certified
			Tali Ayer	2011		Certified
3	Elphil SOU 3	2011	Kinta Kellas	2011	Sg Siput, Perak	Certified
			Elphil	2011		Certified
			Kamuning	2011		Certified
4	Flemington	2011	Flemington	2011	Teluk Intan, Perak	Certified

	SOU 4		Bagan Datoh	2011		Certified
			Sabak Bernam	2011		Certified
			Sg Samak	2011		Certified
5	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
6	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
7	Tennamaram SOU 6	2011	Tennamaram	2011	Bestari Jaya, Selangor	Certified
			Sungei Buloh	2011		Certified
			Bkt Talang	2011		Certified
8	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
9	East SOU 8	2010	East	2010	Carey Island, Selangor	Certified
			Dusun Durian	2010		Certified
			Sepang	2010		Certified
10	West - SOU 9	2010	West	2010	Carey Island, Selangor	Certified
11	Bukit Putri - SOU 10	2011	Bukit Putri	2011	Raub, Pahang	Certified
12	Kerdau SOU 11	2011	Kerdau	2011	Temerloh, Pahang	Certified
			Jentar	2011		Certified
			Mentakab	2011		Certified
			Sg Mai	2011		Certified
			Chenor	2011		Certified
13	Jabor - SOU 12	2011	Jabor	2011	Kuantan, Pahang	Certified
14	Labu SOU 13	2011	Labu	2011	Nilai, Negeri Sembilan	Certified
			New Labu	2011		Certified
			Bradwall	2011		Certified
15	Tanah Merah SOU 14	2010	Tanah Merah	2010	Port Dickson, Negeri Sembilan	Certified
			Sua Betong	2010		Certified
			Bukit Pelandok	2010		Certified
16	Sua Betong	2014	Salak	2014	Port Dickson, Negeri	Certified

	SOU 15		Sengkang	2014	Sembilan	Certified
			Siliau	2014		Certified
			PD Lukut	2014		Certified
			Sungai Baru	2014		Certified
			Tampin Linggi	2014		Certified
17	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
18	Kempas SOU 17	2010	Kempas	2010	Jasin, Melaka	Certified
			Kemuning	2010		Certified
			Tangkah	2010		Certified
19	Diamond Jubilee SOU 18	2011	Bukit Asahan	2011	Jasin, Melaka	Certified
			Diamond Jubilee	2011		Certified
			Serkam	2011		Certified
20	Pagoh SOU 19	2014	Pagoh	2014	Muar, Johor	Certified
			Lanadron	2014		Certified
			Pengkalan Bukit	2014		Certified
			Welch	2014		Certified
21	Chaah SOU 20	2010	North Labis	2010	Chaah, Johor	Certified
			Cha'ah	2010		Certified
			Sg Simpang Kiri	2010		Certified
22	Gunung Mas SOU 21	2010	Gunung Mas	2010	Kluang, Johor	Certified
			Kempas Klebang	2010		Certified
			Bukit Paloh	2010		Certified
			Yong Peng	2010		Certified
23	Bukit Benut SOU 22	2011	Bukit Benut	2011	Kluang, Johor	Certified
			CEP Niyor	2011		Certified
			Lambak / Elaeis	2011		Certified
24	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
25	Hadapan SOU 24	2011	CEP Rengam	2011	Layang-layang, Johor	Certified
			Kulai	2011		Certified
			Layang	2011		Certified
			Seri Pulai	2011		Certified
26	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
27	Melalap SOU 27	2011	Melalap	2011	Tenom, Sabah	Certified
			Sapong	2011		Certified
28	Binuang SOU 28	2009	Tingkayu	2009	Kunak, Sabah	Certified
			Sungang	2009		Certified
			Jelata Bumi	2009		Certified
			Binuang	2009		Certified
29	Giram SOU 29	2009	Mostyn	2009	Kunak, Sabah	Certified
			Giram	2009		Certified
30	Merotai SOU 30	2009	Imam	2009	Tawau, Sabah	Certified
			Merotai	2009		Certified
			Table	2009		Certified
			Tiger	2009		Certified
31	Lavang SOU 31	2011	Belian	2011	Bintulu, Serawak	Certified
			Kelida	2011		Certified
			Lavang	2011		Certified
			Lavang (SE)	2011		Certified
			Rasan	2011		Certified
			Chartquest	2011		Certified
			Dulang	2011		Certified
			Peroh	2011		Certified
			Pekaka	2011		Certified
			Ruai	2011		Certified
32	Rajawali SOU 32	2011	Rajawali	2011	Bintulu, Serawak	Certified
			Samudera	2011		Certified
			Semarak	2011		Certified
			Bayu	2011		Certified
33	Derawan SOU 33	2011	Takau	2011	Bintulu, Serawak	Certified
			Damai	2011		Certified

			Derawan	2011		Certified
			Sahua	2011		Certified
	LIBERIA					
1	Grand Cape Mount	2018	Matambo	2018	Grand Cape Mount, Liberia	IC
			Grand Cape Mount	2018		IC
			Zodua	2018		IC
			Bomi	2018	Bomi, Liberia	IC
			Lofa	2018		IC
	P & G (New Britain Palm Oil)					
1	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
2	Tetere	2011	Tetere	2011	Gudaicanal, Slomon 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
3	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
4	Gusap	2010	Dumpu	2010	Madang, P&G	Certified
			Surinam	2010		Certified

			Jepcott	2010		Certified
			Gusap	2010		Certified
			Paddox	2010		Certified
			Ngaru	2010		Certified
			Madang VOP (smallholders)	2010		Certified
			Morobe VOP (smallholders)	2010		Certified
5	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
6	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
	<p>Sime Darby has achieved 34 management units in Malaysia, 25 management units in Indonesia, 10 management units in P&G that RSPO certified. Total management unit in Sime Darby Plantation Berhad 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:</p> <ol style="list-style-type: none"> 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 <p>There was change of the Time Bound Plan under Sime Darby on April 2019 cause the Sime Darby postpone the others certification process. Change of the Time Bound Plan explanation: PT Mitra Austral Sejahtera. There are social issue still unresolved from the <i>Serikat Petani Kelapa Sawit</i> (SPKS) Sanggau, however the improvement are in progress. Sime Darby has informed the Time Bound Plan progress, MUTU has consider that Sime Darby still comply with the RSPO requirement for partial certification.</p>					
1.10.2	Progress of Associated Smallholders and Outrowers for Certifiable Standard					
	<p>There is no smallholder's scheme under PT LMI-Betung Factory. 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.</p>					

2.0	ASSESSMENT PROCESS
2.1	Assessment Team
RC	<p>1. Muhammad Rinaldi (Lead Auditor). Indonesian citizen, Diploma of Oil Palm Plantation. He has experience 4 years working as Assistant Agronomy since 2007. He has attended training RSPO Lead Auditor, SCCS training, training of Auditor ISPO, training of Lead Auditor ISO 9001-2008, training of ISO 14000, SA 8000 training, training of HCV identification, training of OHS system management, training of potential and conflict resolution. Experienced in auditing in relevant scheme (ISPO) since 2014 with the aspects of land legality, environmental, social, occupational health and safety, Best Management Practices, Conservation and worker welfare. During the assessment he assigned to verify legal, land dispute and SCCS.</p> <p>2. Rizliani Aprianita Hsb (Auditor). Indonesian Citizen. Bachelor and Magister of Agribusiness, Faculty of Agriculture. She had followed training such as RSPO Lead Auditor Training, SCCS training, SA 8000 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 environmental management, GHG, and HCV</p> <p>3. Yudhi Yuniarto Tallutondok (Auditor). Indonesian citizen, Bachelor of Fisheries, Padjadjaran University. Have experience of working over three years since 2013 as plantation operations staff in private palm oil plantation companies in Indonesia. Training have been followed including Auditor of Indonesian Sustainable Palm Oil (ISPO), Lead Auditor of Roundtable on Sustainable Palm Oil (RSPO) P&C, Lead Auditor of ISO 9001:2015, ISO 14001:2015, ISO 22000:2009, ISO 19011:2011, Social Accountability 8000, Basic Management Development Program Agronomy, Fire Anticipation on Land and Forest, Potential Mapping and Conflict Resolution in Production Forests, Awareness ISO 17021 and ISO 17065. Has participated in audit activities for the ISPO and RSPO scheme since 2017 for agronomy, OHS, labor, social and legality aspects. In this audit activity performs the assessment of worker welfare and OHS.</p> <p>4. 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 support to assess on BMP & Long Term Plan.</p>
2.2	Assessment Methodology, Assessment Process and Locations of Assessment
2.2.1	Figure of person days to implement assessment
RC	<p>Number of auditors : 3 auditor and 1 auditor trainee</p> <p>Number of days for RC at site : 4 days</p> <p>Number of working days for RC at site : 12 Working days</p>
2.2.2	Assessment Process
RC	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT LMI to the requirements of Indonesian National Interpretation of RSPO Principles and Criteria 2013, September 2016 and Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 Revised on 14 June 2017 (Module D / E 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) <i>interview</i>, aiming to obtain more detailed information and cross check the information; and (3) field observation, aiming to observe directly the sufficiency of implementation on site.</p> <p>Some opportunities for improvement of the results RC delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase (ASA-1.1).</p> <p>Improvement of findings from main assesment findings were observed by auditors at this RC assessment. All</p>

	<p>information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of RC.</p> <p>The assessment program please find Appendix 2</p>
2.2.3	Locations of Assessment
RC	<p>The number of management units of this activity consists of two estates that supply material FFB to the Betung Factory. In conducting the assessment, auditor team using formula $0.8 \sqrt{y}$ to determine the sample of and consider the issue of problems arising from the stakeholders (stakeholders) as fundamentally and critical. Based on this formula, the team of auditors determine the location of sample is 1 unit mill and 2 estates (Sekayu Estate and Betung Estate).</p> <p>Betung Factory</p> <ul style="list-style-type: none"> • Weigh Bridge Station. Observation related to FFB receiving and CPO/PK delivery (SCCS implementation), interview to workers (security and operator) regarding to the employment aspect. (1 person) • Security post. Observations related to receipt of FFB. (1 person) • Production Clerk. Observations related to production and shipping documentation (1 person) • Waste Water Treatment Plant. Field observations and interviews with WWTP operators regarding waste water management. • Block 35H div 2 Land Application. Observation and interviews related land application, waste management, OHS and employment. • Well control block 35H. Observation related waste water management. • Housing complex (Mill). Observation of the availability of infrastructure such as employee housing facilities, water facilities, educational facilities, religious facilities, health facilities and sports facilities • WTP. Observation related management of process and domestic water. (2 person) • Empty Bunch Area. Observation related management of EFB • Oil storage. Observation related management of oil. (1 person) • Chemical storage. Observation and interview on environmental aspect, OHS implementation, management of chemical and understanding of working procedure. • 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. (1 person) • Workshop. Observation and interviews with employees related to management of hazardous waste and hazardous material, training, provision of PPE, training, emergency response facilities • Loading Ramp. Observation and interview with sortation personnel related to personnel understanding over sortation procedure, the implementation of sortation, fruit criteria, fruit separation with ripeness and rawness criteria. • Sterilizer Station. Observation and interview with personnel related to FFB's processing into CPO, capacity each station, personnel understanding over the applicable SOP, fire emergency response facilities and infrastructure in mill, liquid waste management, first aid kits, the implementation of occupational health and safety, company's facilities, trainings from company and worker welfare. • Grading Station. Observation and interview with sortation personnel related to personnel understanding over sortation procedure, the implementation of sortation, fruit criteria, fruit separation with ripeness criteria. • Engine room. Observation and interview with the worker related to implementation of OHS, understanding of safe working, administration of fossil fuels use. • Hydrant No 3. Observation on OHS condition and it management. <p>/</p> <p>Sekayu Estate</p> <ul style="list-style-type: none"> • Block E17/18. Observation related to the Kulum River riparian area • Block C/B15. Observation related to HGU boundary mark No. BPN2 • Block B17. Observation related to HGU boundary mark No. LMI4 • Block C16. Observation related to Enclave area. • Chemical storage. Observation and interviews related to chemical and pesticide storage area, hazardous waste management, employment, and implementation OHS. • Fertilizer storage. Observation and interviews related to waste management and implementation OHS. • Material storage. Observation related material storage including PPE.

- **Workshop.** Observation and interviews related to the competence of workers, implementation OHS (including medical check up), employment, waste management and complaint mechanism.
- **Fire Fighter Warehouse.** To observe completeness and readiness of fire fighter equipment.
- **Fuel Storage.** Observation related to implementation of OHS
- **Daycare.** Observation and interviews related to employee welfare facilities, employment and domestic waste management.
- **Housing complex (div 3).** Observation of the availability of infrastructure such as employee housing facilities, water facilities, educational facilities, religious facilities, health facilities and sports facilities
- **Block Spraying System (BSS) House.** Observation the conditions of chemical mixing area, PPE warehouse and PPE handling.
- **Barn Owl Box, Block F31.** Observation the Barn Owl Box is in active conditions.
- **Herbicide application, Block F30/ Field 31 Division 2.** Observation and interview with worker applied pesticide spraying, discussing about OHSAS implementation, worker status, basic salary, women worker rights, etc.
- **Fertilization, Block D17-18.** Observation and interview with fertilizer applicator about worker recruitment, promotion, mutation, worker status, salary, OHSAS implementation, and socialization of company policy.
- **Landfill, Block G29.** Observation related management of domestic waste.
- **Harvesting.** Observation and interview with harvester discussing about worker receiving, worker status, worker rights and implementation on company policy.

Betung Estate

- **Block D/E 35.** Observation related to the Sekayu River riparian area
- **Block C37.** Observation related to the Walen River riparian area
- **Block B37.** Observation related to conservation area of "Sumur7"
- **Block B32.** Observation related to HGU boundary mark No. BPN16
- **Block C33.** Observation related to HGU boundary mark No. LMI 97 & 98
- **Material storage.** Observation related material storage including PPE.
- **Fuel Storage.** Observation related to implementation of OHS
- **Chemical storage.** Observation and interviews related to chemical and pesticide storage area, hazardous waste management, employment, and implementation OHS.
- **Fertilizer storage.** Observation and interviews related to waste management and implementation OHS.
- **Workshop.** Observation and interviews related to the competence of workers, implementation OHS (including medical check up), employment, waste management and complaint mechanism.
- **Clinic.** Observation and interview with paramedic about first aid mechanism, medical waste management and work accident record monitoring.
- **Pesticide application, block B42/ B17 Division 1.** Observation and interview with worker applied pesticide spraying, discussing about OHSAS implementation, worker status, basic salary, women worker rights, etc.
- **Fertilization, block B33/ Field B12 Division 1.** Observation and interview with fertilizer applicator about worker recruitment, promotion, mutation, worker status, salary, OHSAS implementation, and socialization of company policy.
- **Maintenance pruning, block E35/ Field E014.** Observation and interview with harvester discussing about worker receiving, worker status, worker rights and implementation on company policy.
- **Land Application Block H35 Division 2.** Observation related management of liquid waste.
- **Central Housing Complex.** Observation and interview related facilities & infrastructure, domestic waste, and others.
- **Daycare.** Observation and interview related facilities daycare and others.
- **Block Spraying System (BSS).** Field observations on the condition and management of chemicals

Stakeholder

- Surrounding communities (Sekayu Baru Village, Betung Village). Interviews related to the issue of environmental pollution, fire issue, land conflict issue, the company's contribution to society and the impact of corporate activities.
- Environment Agency of Kota Baru District.

2.3	Stakeholder Consultation and Stakeholders Contacted
2.3.1	Summary of stakeholder consultation process.
RC	<p>Consultation of stakeholders for PT Laguna Mandiri was held by:</p> <ul style="list-style-type: none"> • Public announcement at web www.mutucertification.com and RSPO website on 1st February 2019 • Public consultation with government of Kotabaru Regency conducted by phone on 13th March 2019 • Public consultation meeting with local stakeholder conducted by interview on 13th March 2019 • Public consultation meeting with internal stakeholder on 13th March 2019 • Public consultation with NGO by email conducted on 06th February 2019
2.3.2	Stakeholder contacted
	<i>Please find appendix 1</i>
2.4	Determining Next Assessment
	The next visit (ASA-1.1) will be determined 8-12 months after issued certificate.

3.0 ASSESSMENT FINDINGS

3.1 Summary of Assessment Report of the RSPO Certification

MUTUAGUNG LESTARI has conducted an assessment of Betung POM – PT LMI operation consisting of one (1) mill and two (2) oil palm estates.

During the assessment, there were three (3) Nonconformities were assigned against Major Compliance Indicators, three (3) nonconformities were assigned against Minor Compliance Indicators and four (4) nonconformance against supply chain requirement for CPO mill and seven (7) 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 Auditor(s) in form of documentation evidences. Those corrective actions taken that consist of three (3) Major non-conformities and four (4) nonconformance against supply chain requirement for CPO mill.

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

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.	
1.1.1 and 1.1.2	<p>The latest of stakeholder list (updated on Dec 2018) sighted during audit, informs type/group, name, institution, address and contact number, as much as 107 parties was listed consist of : goverment institution, supplier/contractor, NGO and communities leader / village leader.</p> <p>List of publicly accessible document describes in SOP of request of information and response issued on 20 Jan 2015, consist of 29 documents which has been covering the documents listed in IND1.2's requirement.</p> <p>According to the company's SOP, information can be accessed through verbal (by phone), direct visit and writing (email and letter). Adm Head in the respective unit is responsible to verify the request and forward to the intended person (EM/DEPT/DIV). The requests of information that requiring head of department approval will be responded to a maximum of 1 month, otherwise approval will be required for a maximum of 1 week. Confirmed during public consultation to communities, local contractor and relevant institutution, the SOP and mechanism has been understood well.</p> <p>The entire request of information (verbal and written) is recorded and kept in the logbook which is available in all units both of estates and mill, there was no request for information, but recorded several incoming letters which were entirely the proposals of aid that has been responded by the company. In addition, sighted the evidence of report delivery to relevant agencies, among others : report of environmental management and monitoring, report of employment, waste management and plantation report.</p> <p>Based on interviews with government agencies, local communities, local contractors and internal stakeholder known that</p>	

the company has responded to every information request as long as each request is submitted in accordance with the procedure and the requested type of information is publicly available information.

Status: Comply

1.2

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

1.2.1

List of publicly accessible document describes in SOP of request of information and response issued on 20 Jan 2015, consist of 29 documents which has been covering the documents listed in indicator 1.2's requirement. SOPs and accessible list of documents are informed through notice boards in the mill and estates office.

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

Based on interviews with government agencies, local communities, local contractors and internal stakeholder, it is known that the company has carried out socialization related procedures for requesting information and has determined the person responsible for responding to information requests. Each party also knows the types of general information that can be accessed. Further explained that public documents that can be accessed are specific documents from each operational unit.

Status: Comply

1.3

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

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

Interviews with workers in Estate and Factory known that they know about the company policy to respect human rights and commitment to ethical behavior in all working operations. Further explained that the company routinely conducts socialization related to the ethical behavior in work. regular socialization is carried out during a morning briefing before work. In addition, interview with contractor known that the policy has had socialized while contract is made.

Status: Comply

PRINCIPLE #2 COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS

2.1

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

2.1.1

Environment Aspect

PT LMI (Betung and Sekayu Estate) has the environment impact analysis document which covers the environment impact analysis (AMDAL) document, environment management plan document and environment monitoring plan document for study scope such as:

- Estate areas: company has environment impact assessment document which approved by the Agribusiness Board of Department of Agriculture through approval letter No. 008/ANDAL/BA/II/1995 dated February 27th 1995. The EIA has carried out by PT Anima Rekayasa Perkasa. Maximum capacity of mill is 60 ton FFB/hours.
- Betung Factory: Betung Factory is a second mill in PT LMI and has the environment impact assessment document (ANDAL, RKL & RPL) that had approved by the peer review committee and technical team of environment impact

assessment/environment management plan and environment monitoring plan in Kotabaru District No. 660/22/BLHD-AMDAL on August 20th 2010. The document has carried out by Faculty of Forestry, Lambung Mangkurat University in Kalimantan Selatan. Scope of assessment was 20 ha area with capacity of 60 ton FFB/hours. Approval of the assessment is presented in approval letter of Kotabaru District No.188.45/293/KUM/2010.

Employment

The Company has implemented the South Kalimantan Governor Decree No. 188.44/0598/KUM/2018 dated November 19, 2018 concerning the Establishment of the South Kalimantan Province Minimum Wage in 2019 which stipulates the minimum wage amounting to IDR 2,796,819.62 per month for work hours of seven hours a day and forty hours of work a week.

OHS

- The company has undertaken prevention and control measures as listed in Safety Act no. 1 of 1970 Article 3, among others by monitoring the implementation of occupational safety and health, conducting accident investigations, hazard risk analysis, medical checkup, machine operation by persons authorized and socialized safe work practices. Based on the results of document review and interviews with factory workers, for example at boiler stations, it is known that boiler operators have licenses to operate boilers in accordance with Minister of Manpower Regulation No. 1 of 1988.
- The company routinely conducts periodic testing of tools and machines carried out every year, for example testing for boiler machines on February 10, 2019 by PT Dohmon Jaya Mandiri. The inspection results show that the boiler machine is in good condition and ready for use. further inspections are planned for February 11, 2020
- Based on document verification and field visit was known that the company has comply with article 3 of Safety Act No. 1 of 1970 such as providing PPE (ear muff) to employee at engine room, and monitoring air quality every six month (dust, noise level, etc).
- The Company has an Emergency Response Preparedness Team which is responsible for preventing and controlling fires. The firefighting team is ensured to have the ability to handle emergency conditions because they have been trained and routinely carry out fire extinguishing simulations every year such as fire and earthquake simulations carried out on September 24, 2018 at the mill yard by PSQM. In addition, the CH also has an OHS Expert who is also responsible for the emergency events in each unit.
- All vehicle units owned by the company already have operational permits from the local government and annual routine testing has been carried out for example testing on February 11, 2019 which explains that all tools are in good condition and ready for use
- 8 tractor operators have been trained and licensed with validity period until 2023
- Based on the results of field observations, it is known that all tractors that operate and are used for evacuation have anti roll bars

The results of document review, interviews with relevant agency (Environment Agency) and Labor union representatives conveyed that the company had complied with local and national environment regulations.

2.1.2

The company has a list of legal requirements contained in the List of RSPO-related Regulations in 2019. There are a total of 230 regulations with all of them fulfilled in accordance with the evaluation of regulations. Based on the verification of the document, there are still regulations that have not been contained in the list of company regulations so that it becomes **Non-Conformity No 2019.01**, for example but not limited to:

1. Minister of Manpower Regulation No. 6 of 2016 concerning Religious Holidays Allowances for Workers in the Company.
2. Minister of Manpower Regulation No. 37 of 2016 concerning Occupational Safety and Health of Pressure Vessels and Stock Tanks.
3. Minister of Manpower Regulation Number 38 of 2016 concerning Occupational Safety and Health of Energy and Production Equipment.
4. Minister of Manpower Regulation Number 1 of 2017 concerning Structure and Scale of Wages

2.1.3 and 2.1.4

Procedure of laws and regulations pursuant was presented in document procedure No. 724/TQEM-SPMS/09 about guideline of sustainable plantation management and No. 701/TQEM-ESH/10 dated March 6th 2012 about legal requirements of PT LMI. The former procedure in Chapter 12 has mentioned that pursuant of government laws and regulations shall be monitored while the latter has mentioned that laws and regulations pursuant should be identified by Department of PSQM-ESH. Moreover, procedure No. 031/LMI-2011.PUUP-021/2011 dated March 2012 mentioned that all laws and regulations should be evaluate and update quarterly by Legal team, in coordination with PSD and PSQM Department. The regulatory type information is updated annually by PSQM officers and authorized by the Estate Manager.

Minor 2.1.2	Status: Non-Conformity No.2019.01 with minor category
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2.2

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

2.2.1

There is no change of document on land acquisition and exploitation, that listed on:

Land Use Title

The company has had the land rights in the form of Land Use Title (HGU) for an area of 15,300 hectares which consist of 10 certificate.

Plantation Business Permit

The company has an IUP according to Kotabaru Regent Decree No. 188.45 / 390 / KUM / 2009 dated October 15, 2009 with an area of 15,300 ha and a plant capacity of 60 tons of FFB / hour.

The area of HGU & IUP covers the Rantau, Matalok, Sekayu and Betung plantation areas. For the scope of this certificate (PKS Betung) only covers 2 Estate namely Sekayu Estate and Betung Estate with a total area of 7,580 Ha.

2.2.2

The SOP for Boundary Pole Maintenance did not change from the previous assessment stated in the SOP of Block Poles Maintenance (RSPO / 6-1 / PPB / VII / 14) dated August 1, 2014. Based on this procedure, the maintenance of poles must conduct every 6 months.

The company shows monitoring of HGU Poles maintenance every 6 months. The last monitoring activity was carried out in December 2018 with results in Sekayu Estate with 328 poles in good condition and Betung Estate with 175 poles in good condition. Based on field visits on the LMI 4 and BPN 2 poles in Sekayu Estate and BPN 16, LMI 97 & 98 poles, it was found that HGU poles were maintained.

The company is encouraged to improve the quality of HGU boundary monitoring by adding monitoring related to the position of the HGU poles in accordance with the coordinates.**OFI**

2.2.3, 2.2.4 & 2.2.5

SOPs related to resolving land conflicts do not change as stated in the SOP on Conflict Handling No. 059/LMI-PK /2012 which explains that land dispute resolution is carried out through compensation based on the results of land inventory and deliberation by involving related parties (residents claiming, community representative, Village Apparatus, Plantation Service Department of Minamas Group and representatives of the Unit Management).

Based on interviews with the representative of Sekayu Baru Village and Betung Village, it was explained that there were no land disputes in the company's operational area, but there were areas owned by the community that could not be compensated.

Based on visits to enclave areas, for example in Sekayu Estate Blok C16, there are areas that are controlled by the community and there are no indications of land conflicts.

2.2.6

There are no changes related to the company's commitment to avoid escalation of conflict and there should be no use of

violence listed in the Memo from the Chairman of SOU09 of Betung factory on September 1, 2015 regarding to the Policy on Prohibiting the Use of Mercenaries or Paramilitaries.		
	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		
Based on interviews and field visits, it was found that there were no new land clearing and land compensation activities. The last land acquisition activity was carried out in 1999.		
Based on interviews with community leaders and previous landowners from Sekayu Baru and Betung Villages, it was explained that before Sime Darby Group, PT LMI was owned by another group. Land compensation activities to the community were carried out by the Group before Sime Darby. Land compensation activities were carried out in 1994-1997 which were carried out by force and using the military. The company needs to ensure that every land acquisition / compensation activity must go through the FPIC process. OFI		
	Status: Comply	
PRINCIPLE #3 Commitment to long-term economic and financial viability		
3.1		
There is an implemented management plan that aims to achieve long term economic and financial viability.		
3.1.1		
Unit certification shows the projected production in 2018 until 2022 which explains the projected needs of seeds, FFB production, OER projections, the estimated cost of production, CPO price forecasts, expected profits, replanting program and CPO production projections for the next 5 years.		
Certification unit also conducts financial audits performed every year by a public accountant to determine the financial position of the company independently. In addition, the company also regularly conducts internal audits of the execution procedures to ensure the quality of CPO produced.		
The certificate holder also shows the financial account audit report carried out by the Public Accountant Office for the period 30 June 2018. Based on the opinion of the audit results stating that the financial statements, position and performance of PT Laguna Mandiri until 30 June 2018 are presented fairly and in accordance with financial accounting standards Indonesia.		
3.1.2		
The certification unit has made a long-term plan for replanting in Betung Estate in the period of 2019 covering an area of 177.17 ha. In the 2018 period, January - June 2018, planting 30,127 palm or 151 stands per hectare has been realized. Based on the results of field observations in Sekayu Estate and Betung Estate in the areas of 2017 and 2018 planting years, it was found that the oil palm felling was carried out mechanically using excavator heavy equipment and carried out chipping without burning. In addition, there are areas with slopes which have been made terraces at the time of replanting, such as those found in blocks C08 of the 2018 planting year and block E08 of the 2017 planting year of Sekayu Estate.		
	Status: Comply	
PRINCIPLE #4 Use of appropriate best practices by growers and millers		
4.1		
Operating procedures are appropriately documented and consistently implemented and monitored.		
4.1.1		
Certification unit has a Plantation SOP starting from Land Clearing activities up to Harvesting activities in the Reference Manual Agronomy Planting Palm Oil No. 110 / EST-ARM / 13 dated September 1, 2013, signed by Head Plantation Upstream Indonesia Minamas. SOP document has been distributed dated 16 September 2013 to all unit chairman Estate and Mill. Certification unit also has a reception process procedure Fresh Fruit Bunch up to dispatch CPO and kernel, in a palm oil mill engineering guidelines Parts I and II, Minamas Plantation on 30 April 2007. Each of the procedures mentioned such as grading procedures, sterilizer stations, press stations and others are equipped with procedures for safe working practices. In addition, the company also completes work instructions on more specific fields of activity.		

CH also has SOP related to Mill effluent is contained in SOP for Liquid Waste Handling No. 110 / EST-ARM / 08 and SOP of Palm Oil Mill Technical Guidelines - 1 (No.110 / POD-FAC / 07 CHAPTER III) concerning Mill Effluent Management. These procedures explain the management of mill effluent including monitoring and how to work safely. The company also has a risk identification document that regulates the use of PPE in every activity including the management of mill effluent.

Associated with the operational procedures in general have been disseminated to all employees in accordance with their respective fields of work. From the results of field visits in Sekayu Estate and Betung Estate on the harvesting and spraying activity found that the employee can demonstrate how to work in accordance with existing procedures. Employees of the mill during the field visit as security / reception, weighbridge operator, grading officer, also could explain the duties and responsibilities in accordance with the existing working procedures.

4.1.2

Unit certification has SOP Document Creation (023 / LMI-PDS / 10) was enacted on July 1, 2010. In the SOP include mechanisms in the preparation of SOPs and personnel responsible as well as a list of available SOP list. Associated with monitoring the implementation of SOP described in the Guidelines for Sustainable Plantation Management (724 / TQEM-SPMS / 09) was passed on 27 August 2010. In Chapter VII of the SOP Implementation and Monitoring describes the implementation of internal audits, external audits, management evaluation, the level of evaluation, feedback evaluation and revision procedures. Officers who conduct audits and evaluations required competence expected by the company.

4.1.3

The certificate holder has a recording of the results of measurements and monitoring carried out internally, including in *Lembaran Kertas Kerja Kesimpulan Pemeriksaan* PT Laguna Mandiri for document the 2017/2018 Semester II period conducted by the internal auditor, which explains that there are 6 non-conformities found, including harvesting costs and transport of IDR/ kg for the 2017/2018 period exceeded the budget. The incompatibility has been fulfilled by the company in June 2018. Records of immediate corrective actions are filled in in the *Form Lembaran Kertas Kerja Kesimpulan* in the column Root cause, corrective action and implementation date and Initial auditee. Repair records are available at the unit office.

Based on field observations in Betung Estate and Sekayu Estate in harvesting and spraying activity is known that the foreman of the field shall record the results of the work every day then recap it at the estate office. Something similar is done at the factory, the officers noted the results weighbridge scales every transport unit every day as well as the grading officer noted the results of grading each day.

4.1.4

According to the result of filed visit, document review and interview with the management, there is no FFB sourced from external party. The mill only receive FFB from own estate or the other plantation but still in the same group and has been RSPO Certified such as PT Langgeng Muara Makmur (Sungai Cengal Estate, Bebung Estate, KKPA Sungai Cengal), PT Swadaya Andika (Sangoh Estate, Selabak Estate) and PT Paripurna Swakarsa (Sesulung Estate, Binturung Estate, Rampa Estate, Pondok Labu Estate).

Status: Comply

4.2

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

4.2.1

Certification unit has procedures related to fertilization activities contained in the document Agricultural Reference Manual (ARM) (No. Doc. 110 / EST-ARM / 13) Section 8 on oil Palm Plant Fertilization which include : technical fertilization, empty bunch of applications and application of compost on immature plant and mature plant, placement of fertilizer and manure applications on a 'focal feeding' on marginal land.

Implementation of SOP is monitored regularly by the operational audit or Plantation Advisory. In addition, the implementation of fertilization are supervised by a foreman, assistant and in the re-evaluation by the manager. From the results of field visits Betung Estate, block 33 Field B12 Division 1, it is known that fertilizers workers have understood the way of fertilizing, including how to spread fertilizer, which is around the circle of palm close to the midrib and according to the recommended dosage, for example for the type of CCM 44 in block D17 – 18 Sekayu Estate recommended dosage

3.5 kg / palm. The foreman records the results of the work in accordance with the actual work of the day.

4.2.2

Unit certification has documented the use of fertilizer in each estate, like NK-Blend, RP and HGFB. For example, based on the document of recommendations and realization of fertilizing the period 2018 in Betung Estate, the area is 2,705.58 ha and the palm amount is 346,887, programmed the *Rockphospate* type 309,156 kg and 309,458 kg have been realized and the HGFB fertilizer program is 20,852 kg and 20,852 kg has been realized.

4.2.3

The certificate holder conducts soil and leaf analysis as a basis for fertilizer recommendations, including briefly explained as follows:

Analysis of soil

- Betung Estate shows the Land Analysis Results document, number 291-LHU / UN8.2.1 / PL / 2018 from Lambung Mangkurat University dated August 20, 2018 which explains the results of analysis related to texture, nutrients, C, N, P2O5, pH, Ca, Mg, Na, K, Al, Cu, Pb, Cd, Zn and others.
- Sekayu Estate shows the Land Analysis Result document, number 322-LHU / UN8.2.1 / PL / 2018 from Lambung Mangkurat University dated August 20, 2018 which explains the results of analysis related to texture, nutrients, C, N, P2O5, pH, Ca, Mg, Na, K, Al, Cu, Pb, Cd, Zn and others.

Leaf analysis

- Betung Estate shows *Laporan Pengujian Analisa Jaringan Tanaman* documents date of test sample received April 10, 2018, sampling date April 10, 2018 and date of report issued May 4 2018 which describes % Ash dry weight, % P dry weight, % K dry weight, % Mg dry weight, % Ca dry weight, % N dry weight and ppm B dry weight.

The results of the analysis as a basis for fertilizer recommendations.

4.2.4

The unit of certification do the recycling of nutrients by applying a palm oil mill effluent, empty bunch and the residue replanting. Sekayu Estate shows a map plan document and realization of the empty 2019 application that explains the plan and realization of tons, ha and dosages, for example in the Immature Division 1 area programmed in January 1,621 tons (64.84 ha) of 25 tons / ha, and has been realized 13.38 tons (0.54 ha) dose of 25 tons / ha.

The certificate holder also shows Effluent Application Recapitulation Data from PKS Betung, for example for the period of February 2019 the total hours of application are 294 hours and have been applied to land of 10,235 m3.

Status: Comply

4.3

Practices minimize and control erosion and degradation of soils.

4.3.1

Based on the results of detailed soil survey in 2010 by Minamas Research Center (MRC)-Kalimantan, the certification unit has a marginal soil maps with a scale of 1: 50,000. From the map known Sekayu Estate land divided into five series and Betung Estate consists of seven soil series. The certification unit also shows a map of land class with a scale of 1: 50,000 in which areas certification unit is divided into four classes, namely dry and erosion S2 class, dry and erosion S3 class, dry solum shallow and erosion S3 class, dry S2 class and flooding.

4.3.2 & 4.3.6

Certification unit has a protection policy on the slope and buffer zones of the river (no. Doc. SOP 724 / TQEM-SPMS / 09) dated August 27, 2010 were approved by the CEO. Procedure describes the criteria slope, policy area slopes and erosion prevention. Procedures explain, for regions with a slope of > 40%, designated as land reserves that are cultivated or uncultivated, if in the area there are plants and vegetation that must be maintained and recommended for planting vegetation types of forest. For flat terrain until slope < 40% at an early stage to prevent erosion and run off is to plant peas. Management of sloping areas for example be done by creating a terrace or silt pit. Betung Estate shows terrace data documents that explain the location (block / field), planting year, area, number of palm and length of terrace made. For example, in block B32 Field B012 for 2016 planting year with a total number of 3,385 palm and an area of 24.19 ha, the terraces have been made with a total terrace length of 25,902 meters.

In addition, based on the results of field observations, there are areas with slopes that have been made terraces at the

time of replanting, such as those found in blocks C08 of the 2018 planting year and block E08 of the 2017 planting year Sekayu Estate.

4.3.3

Certification unit has a plan of road maintenance and street paving the period 2019 (until January), for example in Betung Estate Realization Road Maintenance for access road length 20,410 meters, Main road 23,400 meters and collection road 144,330 meters.

Based on the results of field observations, all the sample locations in the Sekayu Estate and Betung Estate, discovered some point in disrepair / there is a puddle.

4.3.4 & 4.3.5

Based on a detailed land survey documents did not reveal any kind of peat soil in the immediate work area.

Status: Comply

4.4

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

4.4.1; 4.4.2

The company has managed and maintained water sources. This has been verified through field observations, interviews and document verification. The activities for managing and maintaining water sources are carried out by:

- Planting trees in the bufferzone / river border area
- Making road side drain as a drainage channel and also as a water storage point.
- Management of river borders by allowing the natural condition of the river border in the form of shrubs, there is a plank / signboard for chemical application restrictions, marking the river border area in the form of red paint on live plants \pm 50 meters.

To monitor water quality, the company has also tested the quality of river water and reservoirs every 6 months. All water resources management / maintenance and monitoring activities have also been documented and contained in the second semester of the RKL-RPL Report 2018 and have been submitted to Environmental Agency of Kotabaru Regency.

The company has procedures for managing and maintaining water sources contained in SOP No. Policy: 724 / TQEM-SPMS / 09 concerning guidelines for sustainable plantation management. SOPs explain the slope protection policies and river buffer areas.

The results of field observations in riparian areas such as the Sekayu River and the Walen River, are known that the company has carried out management and maintenance of river border. This is known from the condition of the river border is in natural condition of the river border in the form of shrubs, there is a plank / signboard for chemical application restrictions, marking the river border area in the form of red paint on live plants \pm 50 meters.

In addition, company also conducts water quality testing of the river every 6 months contained in the RKL-RPL implementation report. The results of testing the quality of river water based on regulation No. 82 year 2001 for Class II as follows:

Parameters	Standard	Results	
		Pinang River	Gimbal River
TDS	1.000	97	103
TSS	50	17	19
pH	6-9	7.62	7.4
BOD	3	4	5
COD	25	14	13
NO ₃	10	0.26	0.74
NH ₃ N	-	0.08	0.09
Oil & Fat	Max 1	< 0.2	< 0.2

The company has shown the results of evaluations of all tests carried out including testing the quality of surface water

and reservoir water contained in the second semester RKL-RPL report 2018.

4.4.3

Mill effluent produced by Betung POM processed at waste water treatment plant (WWTP) before it discharged to plantation land as land applications based on Decision Letter of *Bupati Kotabaru* No. 188.45/884/KUM/2014 dated 5 December 2014 and valid until 5 years.

Waste water quality testing document review shown for 2018 all of waste water testing parameters are compliant to the standards quality, and all of waste water management and monitoring has been reported to related institutions for regular basis per 3 month. Field visit results in the block H35 division 2 Betung Estate, it was known that waste water has been flowed to the block in accordance with Land Application license owned. In addition, based on visits in the area of WWTP and LA there is no indication of leakage of liquid waste.

4.4.4

Water usage monitoring was done periodically and recorded, for example on February 2019 FFB processed 3.270 mt, water usage 4.672 m³, and water usage efficiency was 1.4 m³/tonne FFB processed. Observations on Betung POM water treatment plant found monitoring for process water usage was done by officer periodically.

The results of the field visit found that there were 2 flowmeters for process and domestic activities. From the results of the field visit, it was known that the flowmeter in good condition.

Status: Comply

4.5

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

4.5.1

Certification unit detection by receiving reports from workers then carried out a census to determine the actual level of attack through the sampling results. If the census showed the attack was above the threshold then control will be applied by a certification unit. Based on the results of the *Monitoring Sensus dan Pengendalian Oryctes rhinoceros* Betung Estate document review, which describes the location, block data, census date, number of census points, new attacks, old attacks, date of chemical control and explanation of controls, the census results of January 2, 2019 block C33, the palm number of the census 193 with the results of the new attack census was 10 items (5.18%) and the old attack was 112 principal (58.03%). The control is carried out chemically on January 3, 2019 with active ingredients of *cipermethrin* as much as 24 liters (1.2 liters / ha) and *Indostic* as much as 0.8 liters (dose 0.04 liters / ha).

4.5.2

Unit certification demonstrates records of training provided to workers involved in the process of integrated pest management, eg refresh competency and safety integrated pest control, January 7, 2019 in block B25 Division I which was attended by 11 participants. Based on interviews with workers, it is known that the workers understand about integrated pest management, for example, the type of integrated pest management, including the planting of useful plants, the use of natural enemies and the use of chemicals as well as the process of pest control starts from the census and if the census results exceed the threshold then will be controlled. In addition, based on the results of field observations in Sekayu Estate block F30 Field 31 Division 2 in the spraying activity, it was found that workers had understood the spraying work procedures and had taken weed control training.

Status: Comply

4.6

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

4.6.1

The Company has a procedure activities related to chemicals such as spray job and pest and disease control. The procedure stipulated in the Agricultural Reference Manual (ARM) (110/EST-ARM/13) on the protection of plants from pests and disease and weed control in general, including in the circle spray width is 2 meters. Companies use pesticides registered pesticide commissions in accordance with the target and the actual target in the field. Based on the results of field visits in Block F30 spraying activities, Division 2, Sekayu Estate, known spraying herbicide active ingredient *Isopropil amina glifosat* to control broadleaf weeds in the circle immature plants (TBM).

4.6.2

The certificate holder shows a record of the use of pesticides, for example in Sekayu Estate in 2019 listed in the FFB Production Monitoring Pesticide Usage per Hectare and Tonnes document which explains the total pesticides used:

- Total pesticide in January 488.28 litre
- Quantity of a.i./ ha 0.22 kg
- Quantity of a.i./ ton FFB 0.16 kg
- Total planted Ha 2,235
- Total FFB production 2,961.67 tons

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 enemies 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 F31 Sekayu Estate block, 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 Sekayu Estate, *Antigonon leptopus* beneficial plant is well-maintained, for example in the corners of the F / G 30/31 block. Similar to those found at Betung Estate, it is known that companies have planted beneficial plants such as *Turnera subulata* found on main roads and production roads, for example C37 Division 1 blocks.

4.6.4

Certification unit has a complete list of pesticides that are designated WHO (World Health Organisation) Class 1A or 1B, or listed in the Stockholm Convention or Rotterdam. The list contained in appendix 2 SOP Sustainable Plantation Management Guideline No. Policy 724 / TQEM-SPMS / 09 published August 27, 2010. The unit of certification does not use pesticides paraquat and pesticides belonging to the class 1A or 1B. This is confirmed by a policy of not using Paraquat is outlined in the memorandum of the Head Plantations Operation (number: POD-UM-127 / X / 2008, dated November 4, 2008) the Recommendation Replacement Application Active Ingredients Paraquat-Gramoxone at Minamas Environment. Certification unit also has a ban on the use of Ratgone / brodifacoum of Plantation Advisory dated 16 to 18 July 2013.

Based on the results of document review and field observations on spraying activities in Betung Estate and Sekayu Estate and visits in herbicide storage warehouses, it is known that there is no use of pesticides WHO groups 1A and 1B or paraquat.

4.6.5

The certificate holder shows the documents related to the training plan for the period of 2018 as follows:

- Training on the use of pesticides and handling toxic and hazardous waste materials that was held on April 28, 2018 took place at Betung Estate and was attended by 40 representatives of Betung Estate employees. During the audit activity, the company can show documentation, attendance lists and training materials.
- Training on the use of pesticides and handling toxic and hazardous waste materials carried out on January 31, 2019 took place at Sekayu Estate and was attended by 113 Sekayu Estate employee representatives. During the audit activity, the company can show documentation, attendance lists and training materials

4.6.6 & 4.6.10

The company has procedures for handling pesticide waste, including:

1. SOP for Management of Hazardous & Non-Hazardous waste no. RSPO / B.5.5 / LMI dated May 27, 2013. The SOP describes the Management and Management of Hazardous Waste.
2. Work Instructions No. 014 / LMI-IKPKBP / 2012 dated March 1, 2012 concerning handling of used pesticide packaging, which contains stages for the management of pesticide waste.

Based on interviews and field visits at chemical warehouses, chemicals are placed in special warehouses arranged according to size, type and have been equipped with MSDS, spill kits, first aid boxes, cleaning place etc. Warehouse in

and out access is held only by the warehouse responsible. Any interested to enter the storage warehouse must be accompanied by the responsible warehouse. All storage pesticide used are stored in Warehouse Temporary Hazardous Waste that has licensed from related agency. Hazardous waste will be delivered to the licensed hazardous waste collecting and transporter. The results of observations at the housing workers not found pesticide used for other purposes such as water storage. Based on interview with chemical warehouse employees known that the company has given training related to environmental requirements.

The certificate holder shows evidence of proper disposal of waste disposal such as the hazardous waste handover to the collector and waste transporter of PT Sinar Bintang ALbar, for example Manifest hazardous waste for agrochemical No. AGU 0008428.

4.6.7

The application of pesticides in the field has been through proven methods to minimize the risks and negative impacts as informed in the document the number 394/IT-LB3-23/11 on general guidelines on safety in working with pesticides, including guidance safe in selecting pesticides, storing pesticides, and using pesticides for example: the selected pesticide formula must be in accordance with the intruder's remains because a pesticide formula will only be effective against one particular type of pest.

The company shows training documents to employees and scheme smallholder related to the use and handling of pesticides as follows:

- Training on the use of pesticides and handling toxic and hazardous waste materials that was held on April 28, 2018 took place at Betung Estate and was attended by 40 representatives of Betung Estate employees. During the audit activity, the company can show documentation, attendance lists and training materials.
- Training on the use of pesticides and handling toxic and hazardous waste materials carried out on January 31, 2019 took place at Sekayu Estate and was attended by 113 Sekayu Esytate employee representatives. During the audit activity, the company can show documentation, attendance lists and training materials

Based on field observations and interviews with pesticide applicators on Betung Estate and Sekayu Estate are known as follows:

- Employees have understood work procedures that are safe in using chemicals such as spraying techniques, target weeds for each pesticide, use of PPE and actions taken when poisoning occurs.
- Regular employees get direction from supervisor before work and also get regular internal training by the company.
- The company provides facilities for mixing pesticides, storing work tools and PPE as well as places for bathing employees when completing the application of pesticides.
- Employees bring food from home, the company in this case provides clean water and soap to clean hands before eating and the location of the place to eat must be different from the location of the application of pesticides.
- The company provides PPE for each employee free of charge and if damaged will be given a replacement PPE with the provision of returning the damaged PPE.
- Supervisors always carry a first aid kit that will be used as first aid when there is a work accident. The results of checking are known that the contents of the first aid kit are complete and ready to use.

4.6.8

Based on the results of verification of documents and interviews with employees of the spray as well as representatives of the local community, not obtained information that the certification unit apply pesticides from the air.

4.6.9

Certification unit provides training to employees on a regular basis related to the use and handling of pesticides in accordance with the technical guidelines and how to work safely. Examples of training provided to employees, refresh competency and spray safety, pesticide handling and Buffer Zone socialization, on 26 January 2019 in block F31 Division II which was attended by 15 participants. Based on the results of field observations in Sekayu Estate in weed control with chemicals, the results of interviews with sprayers is known that they have been trained spraying, training in safe work and training introduction hazardous and toxic materials. Sprayers and foreman also states that the certification unit does not use the active ingredient *paraquat*.

4.6.11

The company shows the results of the employee health examination conducted on January 10, 2019 by Dr. Hj. Widiyanti, N. MKK. Examination was carried out for 36 employees from Sekayu Estate and 21 for Betung Estate who were chemical workers and high-risk workers. Examination includes *spirometry* and *cholinesterase*. From the results of the examination it was found that all employees were in good health and ready to work.

4.6.12

The company's commitment not to employ pregnant and lactating women has been outlined in the Circular No: 066/RSPO-BSSPSS/2011 dated January 2, 2011, stating that the company banned female workers from carrying out spraying work.

The company already has a checklist of spray workers who are not pregnant or breastfeeding, which is conducted once a month by medical officers at the clinic. For example, in the February 2018 period it was discovered that no spray female employees were pregnant and breastfeeding.

Based on interviews with workers in spraying activities in Betung and Sekayu Estate, known that workers have understood the prohibition of pregnant and lactating women to work in spray activities, if any are pregnant or lactating workers transferred to manual care activities and not related to agrochemicals.

Status: Comply

4.7

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

4.7.1

Policy on OHS of CH has issued by the President Director on December 2011. The policy indicates company commitment towards OHS implementation through:

- To communicate policy and OHS procedures to all employees and stakeholders which have interest.
- To comply with government OHS related regulations.
- To ensure implementation of OHS as a part of operational process.
- To identify, appraising, and control of continuous improvement in order to avoid work accident.
- To manage and monitor OHS indicators and conducting a continuous improvement.

The results of field observations and interviews with estate and mill employees are known that the company has routinely conducted socialization regarding the company's OHS policy. The employee explained that the socialization was carried out during the morning briefing before work and the installation of OHS warning boards in several strategic places that were easily seen by employees.

The work plan of the OHS Program for January to December 2019 covers the areas of extension & training, supervision field, evaluation field; Field of research, Health Sector; PIC; Cost Forecast, Timeline of completion (Jan - Dec 2010) and description. Based on interview result the workers are given guidance through socialization, warning boards and morning briefings before the work. Based on the above explanation, the workers has known about OHS policy.

Evidence of OHS work program implementation has recorded in training report, medical check-up report, records of purchasing of OHS related equipment's (PPE, first aid kit, fire extinguisher, hydrant, etc.), OHS Committee monthly meeting notes and three-monthly OHS Committee reports. Furthermore, Evaluation of OHS program, achievements and its monitoring was presented in OHS Committee monthly meeting notes and three-monthly OHS Committee reports. Based on observation Sekayu Estate, Betung Estate and Betung Factory, it was found first aid box, and fire extinguishers stations were satisfactory maintained. Regular checklist monitoring were also available. Moreover, simulation of hydrant were considered satisfactory.

4.7.2.

Certificate holder has showed the document of Hazard Identification, Risk Assessment and Control (HIRAC) for the period of January-December 2019. The HIRAC has covers all working activities on the mill and estates. The analysis has covers risk hazard identification, sources of hazard risk, frequency (routine, non-routine, emergency), potential risk identification (sources and impacts), control management, risk analysis of severity level and value level. Crosscheck to the field, the

compliance of application of product requirements which presented in MSDS and HIRADC document. For example, based on observation towards pesticide applicator in Sekayu Estate, it was found that respirator used by applicators were in accordance with MSDS and HIRADC requirement.

The company routinely measures noise levels every 6 months at 5 different stations including engine room, boiler, kernel, press and clarification (for sterilization stations not included in the sampling location). The last measurement was carried out by the South Kalimantan Government Occupational Health and Safety Laboratory on September 28, 2018. From the results of the last measurement, it was found that from 5 sampling stations, only the clarification stations were below the quality standard while for boiler stations the measurement results showed 88.8 dBA (standard 85 dBA). The company in this case provides recommendations for the use of eaf plug and ear muff together when working at the 4 stations.

4.7.3

The Company has conduct several training and socialization related to OHS, for example as follows:

- Risk Management Training held on June 11, 2018 took place at the Mill Office. Training by Secretary of OHS Committee and attended by employees as many as 25 employees. Material, documentation and attendance list are available during audit activities.
- First aid officer internal training held on August 22, 2018 took place at the Sekayu Estate Office. Training by Secretary of OHS Committee and attended by employees as many as 15 people. Material, documentation and attendance list are available during audit activities.
- Safe spray and handling toxic and hazardous material waste training held on October 16, 2018 took place at the Betung Estate Office. Training by Secretary of OHS Committee and attended by employees as many as 50 people. Material, documentation and attendance list are available during audit activities

The company has included every employee in a training program to improve employee skills in accordance with the applicable legal requirements. during the audit activity, the company can show mill and estate training certificates and licenses.

The company has shown document of PPE distribution to all workers in estates and mill, which signed by Assistants, Chief of OHS Committee and the respective workers. Based on field observations and interviews with harvesters, pesticide applicators and mill operators, they have been equipped with PPE in accordance with procedures owned by the company for example, PPE for harvesters such as helmets, glasses and boots. Further explained that, workers can apply for the replacement by providing the damaged PPE to the foreman and the foreman will check and apply to Assistant to provide new PPE for the workers.

During audit activities the company can show documents related to the results of high-risk employee health checks carried out on January 10, 2019. Employee health checks include audiometry and spirometry. The results of the interview with the employee revealed that the employee had obtained information on the results of the medical examination, the company also kept records of the results of medical examinations in the estate/mill office and the doctor as the person in charge.

During the audit activity, the auditor conducts interviews at stations with high noise levels such as engine room operators and boiler operators. The results of the interview indicated that there were no employee complaints because the company always provided PPE that was in accordance with the standards to protect employees from high noise exposure. Further explained that if the PPE is damaged it can be replaced with a new one. The company also routinely conducts annual health checks for employees with a high level of work risk.

4.7.4

- Betung Estate
There is a change in the OHS Committee and has been submitted to the Regional Inspection Office of the Region IV of South Kalimantan Province on September 13, 2018. The Secretary of OHS Committee is Antonius Dedi (No. KEP.P.3246/NAKER-BINWASK3/II/2016 dated February 17, 2016, valid for 3 years and currently under renewal).
- Sekayu Estate
There is a change in the OHS Committee and has been submitted to the Regional Inspection Office of the Region IV of South Kalimantan Province on September 17, 2018. The Secretary of OHS Committee is Antonius Dedi (No. KEP.P.3246/NAKER-BINWASK3/II/2016 dated February 17, 2016, valid for 3 years and currently under renewal).
- Betung Factory

The company shows the Decree of the Head of the Manpower and Transmigration Office of South Kalimantan Province with number 566/548/Disnakertrans dated October 23, 2018 concerning the Approval Letter of Betung Factory OHS Committee Structure in 2017. Betung Factory Estate has OHS Expert on behalf of Doni Kusuma (No. KEP.P.2183/NAKER-BINWASK3/X/2016 dated October 24, 2016, valid for 3 years)

Minutes of Guiding Committee of Occupational Safety & Health meetings were held on December 8th, 2018 (Sekayu Estate), January 4th, 2019 (Betung Estate) and February 2nd, 2019 (Betung Fctory), the materials discussed were among others: inventory of OHS issues, application of OHS norms, OHS inspections, work accident investigations and analyzes, training and counseling, emergency response, job risk analysis in 2018, risk analysis and OHS program preparation in 2019, preparation of National OHS months, and preventive maintenance at several stations at Mill. The meeting of OHS committee has been conducted every month.

4.7.5.

Certificate holder already has procedures in case of accident and emergency along with its instructions, CH show the following documents:

- Preparedness and emergency preparedness SOP no document SOP-PK/08-LMI dated April 1st, 2013. In the SOP has been explained about the purpose, scope, definition. There is also a flow chart of the preparedness and explanation of the flow and the flow chart of emergency simulations and explanations.
- SOP for accident handling and occupational diseases no document 711/TQEMS-P2K3/07. Explain the stages of handling in case of accident, accident reporting.

Based on interview with mill and estate workers are known that the company already know the procedure about OHS. To facilitate evacuation in the event of an emergency, the company has established an evacuation route. The evacuation route is available in offices, housing and mill. Besides that, it has been equipped with maps and other markers and adequate sign boards. To the visitors who come will be socialize safety induction as a guide health and safety in the visit process.

4.7.6

The company has registered all of its employees as member of government scheme on health and workforce insurance (*BPJS Ketenagakerjaan* and *BPJS Kesehatan*). Permanent worker daily and/or monthly basis got Insurance on work accident (*JKK*), old age benefit (*JHT*), dead insurance (*JKM*), retirement insurance (*JP*) and health insurance (*JKS*). Meanwhile for piece-worker, the company has only responsible for work accident insurance and dead insurance. However, most of non-permanent workers were family member of permanent workers (as wife). Hence, its health insurance was under their husband. Record of insurance payment for example:

- Employment insurance for 53 permanent worker of Betung Factory period of January 2019, has been paid on January 2, 2019. Payment receipt has been verify by auditor.
- Employment insurance for 347 permanent worker of Betung Estate period of December 2018, has been paid on January 4, 2019. Payment receipt has been verify by auditor.
- Employment insurance for 126 contract worker of Betung Estate period of February 2019, has been paid on March 2, 2019. Payment receipt has been verify by auditor.
- Employment insurance for 428 permanent worker of Betung Estate period of January 2019, has been paid on February 2, 2019. Payment receipt has been verify by auditor.
- Employment insurance for 135 contract worker of Betung Estate period of January 2019, has been paid on February 2, 2019. Payment receipt has been verify by auditor

Based on the results of verification of work accident monitoring documents in 2018 and interviews with employees at mill and estate it is known that in 2018 there are only accidents with minor categories in workplace so that there are no claims for workplace accidents in 2018.

4.7.7

The company has records of work accidents for estate and mill for the period January - December 2018. Records of work accidents use the LTA method. From the results of document verification, it was found that there was 8 work accident in Sekayu Estate with values of FR 20 and SR 45.

	Status: Comply	
4.8		
All staff, workers, smallholders and contractors are appropriately trained.		
4.8.1		
<p>The certificate holder has list of worker status. There is no smallholder scheme of certificate holder. The certificate holder has also list of training program for 2019 which include : best management practices (spraying, harvesting, fertilizer, pest and disease, first aid kit, land fire management, and environment emergency respond. The program was based on identification needs. Training programs are also provided to workers with high noise risk. The training provided was in the form of socialization the use of PPE in the form of earmuff and earplug (according to the risk analysis) carried out every morning before work.</p>		
4.8.2		
<p>The certificate holder has a list of training for worker in estate and factory, as example:</p> <ul style="list-style-type: none"> • Leaf census simulation training, on March 8, 2018 in block F29 Division II Sekayu Estate attended by 18 workers. • Refresh competence & safety harvest, on January 4, 2019 in block C21 Division I which was attended by 24 harvest worker • Refresh competence & safety spraying, pesticide handling and Buffer Zone socialization, on January 26, 2019 in block F31 Division II which was attended by 15 participants • Coordination Meeting with Contractors on February 18, 2019 in the SYE Meeting Room attended by 5 contractors, KTU and manager. Topics submitted regarding training and outreach to contractors. The description of the delivery is related to the number of jobs, quality and use of PPE. • Socialization of Stone Contractors' OSH on May 31, 2018 with speakers of Division 3 Assistant in block C36, attended by 3 contractors, 1 contractor foreman and division assistant. Topics submitted regarding contractors must use complete PPE so that in the process of working safely. 		
	Status: Comply	
PRINCIPLE #5 Environmental responsibility and conservation of natural resources and biodiversity		
5.1		
Aspects of plantation and mill management, including replanting, that have environmental impacts are identified, and plans to negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continuous improvement.		
5.1.1; 5.1.2 ; 5.1.3.		
<p>PT LMI (Betung and Sekayu Estate) has the environment impact analysis document which covers the environment impact analysis (AMDAL) document, environment management plan document and environment monitoring plan document for study scope such as:</p> <ul style="list-style-type: none"> - Estate areas: company has environment impact assessment document which approved by the Agribusiness Board of Department of Agriculture through approval letter No. 008/ANDAL/BA/II/1995 dated February 27th 1995. The EIA has carried out by PT Anima Rekayasa Perkasa. Maximum capacity of mill is 60 ton FFB/hours. - Betung Factory: Betung Factory is a second mill in PT LMI and has the environment impact assessment document (ANDAL, RKL & RPL) that had approved by the peer review committee and technical team of environment impact assessment/environment management plan and environment monitoring plan in Kotabaru District No. 660/22/BLHD-AMDAL on August 20th 2010. The document has carried out by Faculty of Forestry, Lambung Mangkurat University in Kalimantan Selatan. Scope of assessment was 20 ha area with capacity of 60 ton FFB/hours. Approval of the assessment is presented in approval letter of Kotabaru District No.188.45/293/KUM/2010. 		
<p>Based on the results of the field visit, known that the company has carried out environmental management activities, such as:</p>		
<ul style="list-style-type: none"> • Managing river boundaries or other water sources by not carrying out the application of chemicals and fertilizers along the river with a distance of 50 meters, installing a ban on the application of chemicals and fertilizers with red marks, 		

and allowing the border to be in natural / shrub conditions.

- Management of waste water
- Examining land fire facilities and infrastructure
- etc

Company also has conducted environmental monitoring as outlined in the Report of the Environmental Management and Monitoring for regular basis. These report described realization of monitoring and management of the environment in accordance with environmental parameters in the RKL/RPL.

Based on document verification and field visits, it is known that the company has conducted environmental monitoring, such as:

- Monitoring river water quality
- Monitoring fire-prone areas carried out through monitoring towers.
- Monitoring of quality of liquid waste
- etc

Results of document verification of RKL-RPL Implementation Report semester 2 2018, known that the company has conducted environmental management and monitoring in accordance with the matrix in the Environment Impact Assessment document including evaluation of management and monitoring activities that have been carried out. RKL-RPL report also submitted every semester to the relevant agencies. Based on interview with Environment Agency of Kotabaru District, said that no issues or community reports related to environmental pollution or land fires.

Status: Comply

5.2

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

5.2.1; 5.2.5

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

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

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

Location (Blocks)	Area (ha)	Remarks	Land Control (ha)	
			Company	Community
Betung Estate				
K38-K40	46.68	Wetland		46.68
E29/30, J27-J31, D36-38, C36-38, E35-36 and F36-36	193.88*	Natural vegetation		193.88
D32-D33, E7, H38, I38, J38 and J41	74.31	Riparian zone of Sekayu River		74.31
J26-J30	28.09	Riparian zone of Pinang River		28.09

B36, C36, D36 and D37	38.50	Riparian zone of Walen River		38.50
I29 and I30	12.42	Riparian zone of Enten River		12.42
C37, J40 and K33	3.72	Buffer zone of Betung Basin		3.72
F36	2.00*	Basin		2.00
Sub Total HCV Betung Estate			205.72	399.60
Sekayu Estate				
D27, D28, E29 and E30	30.50	Riparian zone of Sekayu River	30.50	
G13	0.25	Riparian zone of Tamerung River	0.25	
D26-D27, E26-E28, F27-F29, G29 and H29	63.10	Riparian zone of Enten River	42.52	20.58
C15-C17, D14-D17, E17-E18 and F19	50.42	Riparian zone of Kulum River	10.05	40.37
F26, D28, G15, G32 and I08	5.78	Buffer zone of Sekayu Basin	5.78	
G17	0.50	Gua Batu Spring.		0.50
B21, C/D16, E26/27, H29/30 and G25/26	80.38*	Secondary forest		80.38
G14-G16	45.00	Buffer zone of Gua Batu Spring area		45.00
Sub Total HCV Sekayu Estate*			89.10	186.88
Grand Total			89.10	586.48

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

HCV study has identified wildlife in PT LMI with its status according to IUCN, CITES and Government Regulation (PP) No. 7 year 1999. There was identified totaling 23 species of mamals, 48 species of aves and 9 species of reptiles. From those wildlife mentioned, 17 mamals, 10 aves and 3 reptiles were listed in IUCN, CITES and PP No. 7 year 1999.

5.2.2; 5.2.3 & 5.2.4

To provide protection against wildlife or RTE species, management unit has made the hunting ban signboard, patrolling, doing rehabilitation of riparian as habitat and report to relevant agencies if there is a protected flora and fauna. Company also conducted a periodically monitoring every month for HCV areas, and species monitoring by assistant who is also a HCV officer.

CH has shown records of monitoring of flora and fauna, for example:

- fauna identification found by officers conducted on September 3, 2018 in block C17/18/19 Sekayu Estate, seen several species such as *kutilang*, *burung bubut*, *burung tekukur*, *teruwok*, *monyet*, *biawak*, *ular air*.
- flora identification found by officers conducted on November 2, 2018 in block E27/E26 Sekayu Estate, there were still several plant species such as *Laban*, *bendo*, *bambu*, *ketapang*, *rotan*, *manggis*, *ilalang*, *kerisan* and *mekania*.

The socialization of HCV areas is done through the installation of planks / signboards around the conservation area and installing signposts that are prohibited from hunting in the river border areas and areas designated as conservation areas. The results of interviews with workers and community leaders in Betung Village and Sekayu Village, said that the company had provided information on HCV areas.

In addition, the results of interviews with workers such as harvester, spraying team it is known that workers understand the protection of wildlife and protection of other HCV areas. There are also ban on cutting down trees, hunting, catching and killing wildlife.

Based on field visits in riparian of Pinang River and Walen River and also document review, known that company had realized an HCV management plan, for example:

- There is already a conservation area / HCV signboard
- Management of river borders by allowing the natural condition of the river border in the form of shrubs, there is a plank / signboard for chemical application restrictions, marking the river border area in the form of red paint on live plants \pm 50 meters.
- Conduct the enrichment in the HCV area.

- HCV patrol to monitor the condition of flora and fauna.

Company has evaluated HCV management plans on December 10, 2018. In the document, it was explained about the results of the evaluation of the monitoring activities that have been carried out. From the evaluation results, there are a number of activities that will be carried out such as repainting HCV boundaries that are starting to fade, routine checking of HCV signboards, special planting in erosion-prone areas targeted to be completed in June 2019.

Status: Comply

5.3

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

5.3.1

Company has identified waste and pollution products for estate and mill activities, which includes the identification of the source of waste from each activity in the plantation and mill, name of waste, type of waste, classification and management. For example: liquid waste, hazardous waste, domestic waste, solid waste and others.

5.3.2 & 5.3.3

The hazardous waste has been stored at the hazardous waste temporary warehouse which has already gotten the permit of hazardous waste storage based on the Decision Letter of Regent of Kotabaru No.188.45/883/KUM/2014 dated 5 December 2014 and valid until 5 December 2019.

Based on field observations in the hazardous waste storage known that waste stored in the hazardous Waste Temporary Storage in accordance with the requirements in accordance with applicable regulations, such as: eyewash or shower, emergency response such as APAR, first aid box, sirene emergency response, symbols and labels of hazardous waste, in flood-free areas, etc.

During the Re-Certification Assessment, discrepancies were found, including:

- Based on the results of field visits in factory housing complex, known that hazardous waste packaging (used oil drum) is used as a container for water storage. The results of the interview with the residents of housing, said that the packaging was obtained from the factory. This is not in accordance with the SOP for Management of Hazardous & Non-hazardous waste No. RSPO / B.5.5 / LMI dated May 27, 2013.
- The company shows evidence of transportation of hazardous waste by PT Sinar Bintang Albar on March 8, 2019. However, the agreement letter between company and PT SBA cannot be demonstrated. In addition, the third-party licensing has not been demonstrated.

This becomes a non-conformity no. 2019.2 with Major category

For liquid waste, company utilizes POME on the application land, it is accordance with the permit to utilize wastewater for PT LMI with number 188.45/884/KUM/2014 covering an area of 180.3 ha located in Betung estate. This decision is valid for 5 years from 5 December 2014. In addition, based on visits in the area of WWTP and LA there is no indication of leakage of liquid waste. For shells and fiber, the company utilizes the solid waste for boiler fuel.

The company has provided training or socialization related to environmental requirements for workers including landfill workers that conducted during the morning briefing.

Based on the results of a field visit in factory housing complex, known that a lot of waste has accumulated in the waste dumpsite which is located in front of the workers housing. Interviews with workers and residents of housing said that the transportation of domestic waste from housing to the landfill did not have a certain period and it was conveyed that almost a month the waste had not been transported to landfill. In addition, there are traces of burning waste in the factory housing complex. This is not in accordance with the domestic waste management SOP dated October 1, 2013. **This is a nonconformity no. 2019.3 with Minor Category**

Major 5.3.2 Status: Nonconformity no. 2019.2 with Major category

Minor 5.3.3 Status: Nonconformity no. 2019.3 with Minor Category

5.4

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

5.4.1

The company has plan to improve the efficiency of fossil fuel use and optimize the use of renewable energy by consistently using fiber and shells as boiler fuel. The company has plan to improve the efficiency of fossil fuel use and optimize the use of renewable energy by consistently using fiber and shells as boiler fuel. The total use of fiber and shells for the period January - December 2017 amounted to 2,033.937 ton and the use of fiber and shells for the period June - December 2018 amounted to 4,637.7 ton. From the data recorded, it is known that there has been an increase in the use of shells and fiber to optimize the use of renewable energy.

Company has calculated the use of fossil fuel in the June - December 2018 period with average usage of fossil fuel consumption of 28,815.17 liters with average FFB for the June - December 2018 is 9,923.5. So that the use of fossil fuel usage efficiency for June - December 2018 period average usage is 3.4 per FFB. Shell and fiber usage also have been monitored per month. During June - December 2018, fiber and shell usage for boiler resulting average energy efficiency are 0.46 MT/ton FFB.

Status: Comply

5.5

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

5.5.1 & 5.5.2

Company has documented policies in Head Plantation Upstream Indonesia Memorandum on August 7, 2014 No.M-077/HPUI/VIII/2014 stating that the company does not do the burning of any kind, and must implement zero burning in all activities of the plantation. In addition to the policy expressed also in the form of "Procedures Reference Manual Oil Palm Planting Agronomy", or the Agricultural Reference Manual No. Policy 110/EST-ARM/13, signed by Head Plantation Upstream Indonesia dated 16 September 2013 regarding the land clearing process is done mechanically without burning.

Observations in the replanting area revealed that there was no indication of the use of fire in the replanting activities. Replanting activities are carried out by tumbling, chopping and stacking.

Based on interviews with workers, known that the company always provides information on the prohibition of land clearing by burning to workers. Further explained by the employee that the socialization was given at the morning briefing in the estate office before leaving for work.

Status: Comply

5.6

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

5.6.1; 5.6.2

The company has shown the sources identification of emission at PT LMI:

Source of waste and pollution	Type of waste and pollution
Land Clearing (Replanting)	CO ₂
Fertilization & chemical	CO ₂ & NO ₂
Use of diesel fuel	CO ₂
The transportation	CO ₂
The operational of mill	CO ₂
POME	CH ₂

CH has also conducted an assessment of activities that cause pollution or emissions, for example:

- air quality testing
- testing of emissions of boilers and generators
- noise testing
- etc

From the results of the air quality testing conducted, it is known that there are no test results that are above the thresholds. The company has managed the areas (risk of noise level) by providing PPE in the form of earplugs and earmuffs and

monitoring periodically health checks for officers in these areas. This has been proven based on the results of interviews, field visits in the area and verification of health examination documents and the provision of PPE.

The company has plans to reduce greenhouse gas emissions, such as:

- Conduct preventive maintenance according to a predetermined schedule and carry out emission testing of boilers and generators.
- Utilization of solid waste (EFB) for fertilization.
- Use shells and fiber as boiler fuel
- Make efforts by forming a special team to monitor, prevent early, countermeasure and provide fire-fighting equipment, monitoring equipment and patrols for fire prevention.
- Etc.

5.6.3

Company has conducted GHG emission calculations period 2018 make use of Calculator Palm GHG version 3.0.1. Accurate data has been put into the RSPO PalmGHG Calculator (Palm GHG version 3.0.1) and has been verified. Summary of net GHG emissions from PalmGHG calculator of the audit report which calculation option is applied for the reporting.

Summary of GHG emission for Betung POM are listed as follows :

1.	RSPO PalmGHG	Ver 3.0.1
2.	Site	PT
3.	Certificate validity	1 April 2014 – 31 Maret 2019
4.	Certificate Registration no	MUTU-RSPO/035
5.	CB	Mutu Certification International
6.	Audit date	12 – 16 Maret 2019
7.	Data set	Jan – Dec 2018

Summary of Net GHG Emissions

Emmision per product	tCO2e/tProduct
CPO	0.96
PK	0.96

Production	t/yr
FFB processed	81640.15
CPO produced	11811.91
PK produced	2723.36

Extraction	%
OER	14.47
KER	3.34

Lan use	Ha
Planted area	34054.03
Planted on peat	0
Conservation Area	451.43

Summary of field emission and Sinks

Description	Own crop	Group	3 rd party
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Emissions Sources	tCO2e	tCO2e/tFFB	tCO2e	tCO2e/tFFB	tCO2e	tCO2e/tFFB
Land conversion	43385.64	0.59	7249.75	0.84	0	0
CO2 emissions from fertilizer	2951.43	0.06	983.45	0.1	0	0
NO2 emissions	2591.77	0.05	309.98	0.04	0	0
Fuel consumption	1453.44	0.02	214.6	0.03	0	0
Peat oxidation	0	0	0	0	0	0
Sinks						
Crop sequestration	-51718.4	-0.72	-6567.77	-0.81	0	0
Sequestration in Conservation area	-1131.44	-0.01	-46.72	-0.01	0	0
Total	-2467.56	-0.01	2143.29	0.19	0	0

Summary Oil Mill Emissions and Credits

Remarks	tCO2e	tCO2e/t FFB
Emissions sources		
POME	13120.55	0.16
Fuel consumption	1148.15	0.01
Grid electricity	0	0
Credits		
Export of grid electricity	0	0
Sales of PKS	0	0
Sales of EFB	0	0
Total	14268.7	0.17

Palm Oil Mill Effluent (POME) Treatment

Divert to compost (%)	0
Divert to anaerobic digestion (%)	100

POME Divert to Anaerobic Digestion

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

Status: Comply

PRINCIPLE #6 Responsible consideration of employees and of individuals and communities affected by growers and mills

6.1

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

6.1.1; 6.1.2; 6.1.3 & 6.1.4

No changes to SIA report until re-certification, which has been done in 2010 by YASBI, compiled was based on the participatory way through focus group discussion with affected parties (Rampang Cengal village, Binturung village, Sesulung village, Bepara village, Pamukan Utara village, Betung village, Bakau village) and also by involve in the Sub-district meeting (Musrenbang). The assessment covering: transportation, communities economic, communities health, employment, education and cultural and religious aspect.

The company has a documented SOU Betung management and monitoring program that has been documented with a clear schedule, for period January-December 2018, including:

- Health services
- Education. Such as: Conducting socialization and introduction of cultivation and industry of oil palm plantations for school students around the company.
- Community assistance (CSR)
- Empowering communities around the plantation, with employment opportunities for the community around the plantation and providing employment to local contractors.
- Village infrastructure development
- Assistance for village honor teachers.

The company has demonstrated several realization in the social impact management program.

Based on the results of interviews with the Head of Sekayu Village and the Betung Village community leaders, it was found that there were social issues or negative perceptions from the community such as: plasma demands, demands for community FFB acceptance and horn beetle pest issues due to replanting activities. Based on the results of the interview, it was stated that the horn beetle pest issue had existed since 2017.

The company has reviewed the management and monitoring of social impacts in April 2018 involving workers, Betung Village, Sekayu Village and Balaimea Village. Regarding this, the company shows the monitoring document of PT LMI's social impact on 30 April 2018. However, in the document which is the result of the review, it does not cover the negative issues / perceptions of the community, namely the demands of plasma, demands for community FFB acceptance and pest issues horn beetles due to replanting activities. **This becomes a nonconformity no. 2019.4 with minor category.**

6.1.5

Result of verification of documents and interviews with management, it is known that there are no schemes of plasma farmers in the company.

Minor 6.1.4	Status: Nonconformity no. 2019.4 with minor category
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6.2

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

6.2.1 and 6.2.2

The latest of stakeholder list (updated on Dec 2018) sighted during audit, informs type/group, name, institution, address and contact number, as much as 107 parties was listed consist of : goverment institution, supplier/contractor, NGO and communities leader / village leader.

The procedure and mechanism for consultation and communication describes in policy no.: 10/LMI-B/SOP-K/2017 revision 01, issued on July 12, 2017 covers all internal and external communication activities related to OHSE and RSPO. Based on interviews with local communities (Betung and Sekayu Baru village) and interviews with labor union stated that the communication mechanism has been known, the responsible PIC is the PSD Staff/ADM Head and EM in respective

unit staff. External information and communications are responded to by the max 15 days after receipt, all communications recorded in the communication logbook, stored and reviewed every 6 months. The document retention refers to the record control procedure no.: 701 / TQEM-PC / 10 namely 10 years.

6.2.3

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

The results of field observations and interviews with estate and mill employees are known that the company has communication and consultation procedures that have been routinely and gradually socialized to workers. Further explained that employees have understood the procedure for requesting information, the response period of the company and the person in charge.

Status: Comply

6.3

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

6.3.1 and 6.3.2

The company has an SOP for handling complaints and grievance from various parties, namely in the SOP no: 077/LMI-Stkhldr.ADM/2012, dated October 8, 2015. In the SOP describes the handling of complaints starting from the stage of receiving complaints from internal and external, Verification and ranking of complaints, preparation of treatment plans, implementation of handling, monitoring of implementation, and documentation to completion through legal channels. Guarantee anonymity of the whistle-blower of the case has been maintained since from first stage. In the SOP it is stated that the settlement of complaints is made no later than 1 month after receipt.

Confirmed to sample stakeholders during the public consultation, namely village communities, government agencies, local contractors and FFB suppliers who stated that the SOP was understood by all parties.

All complaints conveyed to the mill and estates have been recorded and followed up by the company in accordance with the SOP. During the 2018, there were no complaints.

The results of the verification of the complaint book document are known that in 2018 there was no compliance from both internal and external stakeholders. This was confirmed during an interview with the labor union and the community which stated that communication between the company and stakeholders was good enough so that there were no complaints from each stakeholder.

Status: Comply

6.4

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

6.4.1 & 6.4.2

Procedures for identifying legal, customary or usage rights, and procedures for identifying, calculating and distributing fair compensation do not change from previous assessments listed in the SOP of Occupational Land Acquisition Number 343 / PSD-OKUP / 11 approved on 23 Feb 2012.

6.4.3

Based on the results of the document review and field visit, there is no new land clearing activity (expansion). The last land clearing and compensation process was carried out in 1999.

All negotiated agreements are available and well documented including documentation of land claims that have occurred, proof of completion and recording of negotiations, maps of claimed area, records of land compensation, results of compensation meetings, letters of the release of land rights, statements and proof of hand over the land compensation

(receipt). These documents are stored by the PSD Department.

Status: Comply

6.5

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

6.5.1

The company has an overtime wage system set in:

- Collective Labor Agreement Article 23 concerning "Overtime Work". It was stated that overtime hours were carried out by workers outside the normal working time provisions, calculation of overtime work was guided by Minister of Manpower and Transmigration Regulation No. 102 of 2004. Overtime work can also be done in the case of shift workers due to the nature of work that cannot be abandoned or urged and must be completed immediately or workers replacement shift hasn't arrived yet.
- Overtarget Premium of Sungai Durian Determination - Revised in March 2013 by the Sungai Durian Area Premium Overtarget System Preparation Team approved by GM Sungai Durian Area/Sulawesi GM in March 2013. In part B the Overtarget Premium stipulation is explained related to the Overtarget Premium security unit as follows:

Description	Overtarget Premium Position (IDR)	2 Shift System (Hour)	3 Shift System (Hour)	Payroll Safeguard
Head of the security	200,000	157	157	25,000
Deputy chairman of the security	100,000	144	100	25,000
Security member	-	144	85	25,000

- Overtarget premium security guards include Sundays and national holidays.
- The undiscipline of officers' work can be a deduction for hours premium according to the provisions.

But based on the results of document verification on the list of wages for security unit employees in the estate in February 2019, it is known that the payment of security unit employees' wages after 7 hours of work uses the premium overtarget system in accordance with the Overtarget Premium of Sungai Durian Area - March 2013 revision.

The auditor conducted a simulation of the calculation of security overtime employees along with management representatives in accordance with Minister of Manpower and Transmigration Regulation No. 102 of 2004 and compared with premium overtarget wages received by security unit employees in February 2019 as follows:

1. Security Sekayu Estate
Premium overtarget wages: IDR 1,061,441.00
Simulation results: IDR 1,776,395.50
Difference: IDR 714,954.50
2. Security Betung Estate
Premium overtarget wages: IDR 1,019,940.00
Simulation results: IDR 1,963,384.50
Difference: IDR 943,444.50

Based on the above, it is known that the system of payment of wages exceeds working hours (overtarget premium) that the company has set is not in accordance with the Minister of Manpower and Transmigration Regulation No. 102 of 2004.

Non-conformity No 2019.05 with Major Category

6.5.2

The Company has a Collective Work Agreement with worker union 2016-2018 based on the Decree of the Director General of PHIJSK dated July 26, 2016. The validity period of the CLA is 2 years after it was signed. If a new CLA has not been established on the expiration date of this CLA, then this collective labor agreement will all be valid until a new Collective Labor Agreement comes into force.

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 Indonesian Language and workers are

understood the substance of the contract

The results of interviews with operational employees in the estate and mill are known that employees have understood the rights of employees listed in the Collective Labor Agreement, for example: the right to get in kind, the right when employees are sick, reproductive rights for female employees, and the right to get wages feasible in accordance with applicable regulations. In addition, the employee also explained that the union regularly held socialization related to the contents of the CLA to employees who did not understand.

Based on interviews with the management, known that the company never deducts wages from employees. The company pays employee wages in accordance with applicable regulations. During the audit activity, the company shows sample salary payment for estate and mill worker period of February 2019. From the results of document review, known that employees have received basic wages in accordance with the minimum wage stipulated by the local government.

6.5.3 and 6.5.4

The company has provided facilities and infrastructure to support the worker welfare in each management unit, such as permanent housing, electricity sources through generator sets available in each housing, clean water through the provision of bore wells and the provision of clean water tanks in each unit, clinics available in each unit, there is a place for kindergarten and elementary school. Based on field visits in the housing area are known that there are several stalls belonging to employees that provide basic daily necessities at affordable prices.

The results of field observations and interviews at the employees of Betung and Sekayu Estate housing are known that the company has provided adequate housing facilities for employees. family-owned employees are given 1 house while single employees are given 1 house for 3 people. further explained by the employee that damage to the house can be reported to housing supervision for further corrective action in accordance with the applicable mechanism.

Major 6.5.1	Status: Non conformity No.2019.05 with major category
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6.6

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

6.6.1 and 6.6.2

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

Based on document verification, bipartite council has attended the meeting regularly. During audit activities, the company shows minutes of meetings between Worker Union and companies in the 2018 period as follows:

- The minutes of the meeting of the Betung Worker Union were held on January 24, 2018 with discussion related to the submission of proposals for volleyball tournaments.
- The minutes of the meeting of the Sekayu Worker Union were held on March 24, 2018 with discussion related to the requests for funds for international labor day events
- The minutes of the meeting of the Factory Worker Union were held on August 11, 2018 with discussion related to the formation of employee cooperatives

Based on interviews with Worker Union in each unit known that the company always support work programs of Worker Union, companies give rights to Worker Union in accordance with applicable regulations, while for election of Worker Union officials is carried out through member voting and no intervention from the company.

Status: Comply

6.7

Children are not employed or exploited.

6.7.1

Available SOP Employee recruitment at PT Laguna Mandiri (028 / LMI-SKU / 2012). That was explain about prohibits to

employ children and make a prevention the use of child labor in our operations. Take a corrective action, if founded the child labor and ensuring that the appropriate follow up and provide safety to them. According to interviews with worker union, filed visit in mill and estate, there was no child labor usage has found.

Based on interviews with workers on estate and mill, known that each employee knows the minimum age at work, which is 18 years, further explained that this is routinely delivered at the morning briefing and through the installation of appeal boards in several places. This is in line with the results of verification of the employee list document which is known that the company does not employ under 18 year old workers.

Based on field observations of harvesting activities at Betung Estate and Sekayu Estate known that there are special female worker to collect loose fruit, there are no children found on the harvesting areal. All harvester include the female worker are registered as company employees.

Status: Comply

6.8

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

6.8.1; 6.8.2 and 6.8.3

The policy of non discrimination is written in point 1 of 6 of social policy (number 724/TQEM-SPMS/09, dated April 1 2010). That was explain about the company will give equal opportunities to all workers and embrace diversity, regardless of ethnicity, religion, disability, gender, political affiliation, sexual orientation and or worker union.

During the audit activity, the company can show a record of the identity of the worker when applying for an employee. Available copies of ID cards, educational certificates, family cards, biography, marriage certificates and good conduct certificates from the police.

Based on field observations at Mill office and Estate Office known that the policy is installed on the front office wall so that it is easily known to stakeholders and employees. Further explained by the management representative that the company routinely provides socialization regarding equality of rights to employees during the morning briefing. Whereas the results of field observations and interviews with employees in estate and mill operational areas were not identified as complaints related to discrimination.

The company shows a list of employees for the period 2019 which describes the age, gender, religion, ethnicity, place and date of birth. Based on the document, known that workers come from various ethnicities, religions, regions of origin, ages, sexes and companies also do not have migrant workers. Based on interviews with Worker Union and Workers, it was explained that the company did not discriminate against workers from admission to promotion.

Status: Comply

6.9

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

6.9.1

The certificate holder has social policy number 724/TQEM-SPMS/09 dated April 1 2010. The policy explained that the company strongly opposed acts of sexual harassment and was committed to creating and ensuring a work environment free of acts of sexual harassment. The policy is communicated by means of information dissemination from company representatives and policies installed in offices and clinics. Based interviews with workers, known that the policy has been disseminated to employees, especially women who are aware of the policy on protecting women's rights.

The company has formed a Gender Committee in management unit chaired by Nina. Based on interviews with the Gender Committee and female workers known that breastfeeding workers are not permitted to work using chemicals. Workers who are breastfeeding are also given the opportunity to breastfeed their children.

6.9.2

The certificate holder commitment on reproduction right is written in social policy number 724/TQEM-SPMS/09 dated April

1 2010. The policy explains that female worker during menstruation who feel pain and notify employers, are not obliged to work on the first and second days of menstruation by getting full wages if accompanied by a letter of recommendation from a doctor or paramedic company.

The interview results with the management known that the policy is communicated by socialization to employees and the installation of banners in offices and clinics. Based on interviews with the Gender Committee and female workers, known that workers can explain the reproductive rights of women who are given such leave for 2 days of menstruation and maternity leave for 3 months.

6.9.3

The certificate holder has procedure of handling complaint mechanism for all stakeholder (Number 077/LMI .Stkhldr. ADM/2012, Revision 1, dated October 8 2015. The SOP explains the flowchart and handling of internal and external complaints and dissatisfaction processes. Responses to complaints and dissatisfaction are given as soon as possible and no later than 1 month after the problem is received. In the SOP, there is also an explanation of the process of handling complaints and internal disregard that states that the company guarantees the whistleblower.

Based on interviews with workers in the estate and mill, it is known that each worker knows the mechanism for submitting complaints. Complaints can be submitted to the Worker Union, Gender Committee or direct supervisor of the workers (foreman / assistant).

Based on interviews with Labor Union and the Gender Committee, known that there were no complaints especially related to immoral act, If there is a complaint, it will be recorded in the complaint book and a complaint resolution will be sought and the results submitted to the worker.

Status: Comply

6.10

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

6.10.1 and 6.10.2

Betung Factory did not receive FFB from scheme smallholder and outgrower, but receive FFB from other company which is in the same group and has been RSPO certified.

6.10.3 and 6.10.4

CH conduct cooperation with third parties for certain activities such as the FFB transport, replanting activities and procurement of crushed stone. Based on interview with contractor is known that the contractor is given time to learn the contract. It is also stated that up to now there are no problems between the contractor and company. It has also been shown the Examination and Payment Minutes and proof of payment for the work according to the agreement.

Status: Comply

6.11

Growers and millers contribute to local sustainable development wherever appropriate.

6.11.1, 6.11.2

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

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

Status: Comply

6.12

No forms of forced or trafficked labour are used.

6.12.1; 6.12.2 and 6.12.3

Based on verification document of employee, work agreements, employment mandatory report and the results of interviews with local government, community and employees during field observations, there were several things, for example: no identification of contract substitutions, companies not using migrant workers, companies not trading labor or forms of forced labor because all workers already have work agreements with companies.

Based on interviews with Mill and Estate employees it was found that there was no indication of forced labor. Employees explain that all rules in working at the company have been regulated in a Collective Labor Agreement that has been agreed upon between the company and the Workers' Union as representatives of workers.

Status: Comply	
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6.13
Growers and millers respect human rights
6.13.1

A human rights policy document that defines basic human rights, including reproductive rights, privacy rights, women's rights and children's rights. Issued on 1 September 2015 by SOU9 Chairman. The policy describes respecting human rights and respecting race, nation, culture, religion and without forced labor, ensuring that all employees receive fair remuneration, fair management and opportunities to develop careers. The company has socializing this policy to all workers and contractor on each unit. For example: Sekayu Estate has socializing this policy dated August 8th 2018 to all workers and local contractor and October 2nd 2018 in Betung Estate

Based on the results of interviews with the local government, surrounding communities and interviews with employees when field observations were not identified there were cases of human rights violations in the company's operational area

Status: Comply	
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PRINCIPLE #7 Responsible development of new plantings
7.1

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

7.1

Based on areal statement, interviews with agencies, management and surrounding communities are known that there was no land clearing or expansion above in 2010.

Status: Comply	
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7.2

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

7.2.1 and 7.2.2

Unit certification is not doing land clearing in new areas, simply engaged in replanting.

Status: Comply	
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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; 7.3.4 & 7.3.5.

The company shows the RaCP process for all Sime Darby Plantation subsidiaries, Bhd. As follows:

- Liability and Disclosure to RSPO on December 2, 2014
- Concept Note was sent to RSPO on March 25, 2016 and was responded to on December 5, 2016.
- Revised LUCA report is sent back on December 8, 2017.
- Released the shapefile on August 27, 2018

Based on the results of communication between PT Mutuagung Lestari and RSPO on February 8, 2019, information was obtained that PT LMI had not sent a compensation plan to RSPO. In this regard, the company has not been able to show that the RaCP compensation plan has been approved by the RSPO.

The company has not been able to show evidence that the RaCP compensation plan has been approved by the RSPO.

This is a non-conformity no. 2019.6

Major 7.3.1	Status: nonconformity no. 2019.06 with Major Category.	
7.4		
Extensive planting on steep terrain, and/or on marginal and fragile soils, is avoided.		
7.4.1 and 7.4.2		
Unit certification is not doing land clearing in new areas, simply engaged in replanting.		
	Status: Comply	
7.5		
No new plantings are established on local peoples' land without their free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.		
7.5		
From ASA-4 to RC activities, it is known that there are no new land clearing activities and there are only replanting activities starting in 2016.		
	Status: Comply	
7.6		
Where it can be demonstrated that local peoples have legal, customary or user rights, they are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.		
7.6		
From ASA-4 to RC activities, it is known that there are no new land clearing activities and there are only replanting activities starting in 2016.		
	Status: Comply	
7.7		
Use of fire in the preparation of new plantings is avoided other than in specific situations, as identified in the ASEAN guidelines or other regional best practice.		
7.7		
Based on areal statement, interviews with agencies, management and surrounding communities are known that there was no land clearing or expansion above in 2010.		
Company has documented policies in Head Plantation Upstream Indonesia Memorandum on August 7, 2014 No.M-077/HPUI/VIII/2014 stating that the company does not do the burning of any kind, and must implement zero burning in all activities of the plantation. In addition to the policy expressed also in the form of "Procedures Reference Manual Oil Palm Planting Agronomy", or the Agricultural Reference Manual No. Policy 110/EST-ARM/13, signed by Head Plantation Upstream Indonesia dated 16 September 2013 regarding the land clearing process is done mechanically without burning.		
Observations in the replanting area revealed that there was no indication of the use of fire in the replanting activities. Replanting activities are carried out by tumbling, chopping and stacking.		
	Status: Comply	
7.8		
New plantation developments are designed to minimise net greenhouse gas emissions.		
7.8		
Based on areal statement, interviews with agencies, management and surrounding communities are known that there was no land clearing or expansion above in 2010.		
	Status: Comply	

PRINCIPLE #8 Commitment to continuous improvement in key areas of activity	
8.1 Growers and millers regularly monitor and review their activities and develop and implement action plans that allow demonstrable continuous improvement in key operations.	
8.1.1 Environmental Impacts <p>Company has undertaken environmental management and monitoring activities in accordance with its environmental document matrix. CH will continue to make efforts to reduce waste and pollution, such as boiler, and generator emission testing, reducing the use of diesel fuel and replacing it with shells and fiber for boiler, POME utilization for land application and etc.</p>	
Social Impact <p>PT LMI has compiled a social impact management plan and has demonstrated the implementation of the social impact management plan in accordance with the results of the identification of social impacts.</p>	
Production <p>The certificate holder shows the Manager Report document made every month, in the document explaining the evaluation of the different budgets and realization in terms of production to operational costs.</p> <p>The company shows the RSPO internal audit document of PT LMI - Betung Factory, on the 21 – 23 February, 2019, with the findings of 17 indicators. The company carried out corrective actions to fulfill the findings of the non-conformity on March 4, 2019.</p>	
	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 mill take legal ownership for all FFB within its scope, as well all phisically handling.</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>The mill does not use traders and distributors. All of selling certified product has been done by the mill.</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>PT Laguna Mandiri, subsidiary of Sime Darby Plantation Bhd has registered in RSPO membership 1-0008-04-000-00 since 8 September 2004</p> <p>Betung Factory has been registered in IT platform palmtrace RSPO https://palmtrace.rspo.org/web/rspo/member-directory which information as follows:</p> <ul style="list-style-type: none"> Member Name: PT. Laguna Mandiri Member ID: RSPO_PO100001380
	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 the operational BTF.</p>
	Status: Comply
5.2	Supply chain model
5.2.1	<p>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.</p> <p>Based on verification document and interview with weighbridge operator, Betung Factory (BTF) only received and processed FFB from own plantation and other certificate scope. The FFB supplied from own estate; consist of Sekayu Estate, Betung Estate and from other certificate scope consist of Rantau Estate, Lanting Estate, Selabak Estate till KKPA Sungai Cengal. Based on explanation above, BTF apply the requirements of SCCS Module D (IP).</p>
	Status: Comply

5.2.2	<p>The site can use one (1) or a combination of supply chain models as audited and certified by the CB.</p>
	<p>BTF just apply one supply chain models which is Identity Preserved (IP).</p>
	<p>Status: Comply</p>
5.3	<p>Documented procedures</p>
5.3.1	<p>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>
	<p>The Certificate Holder has RSPO SCCS Manual- RSPO Supply Chain Certification Standard No. SCCS-Std/RSPO/PSQM/02 dated on 02 January 2018. The scope of RSPO Supply Chain System: FFB Certificate processing from raw material acceptance to storage and delivery process produces Certified Sustainable Palm Oil (CSPO) and CSPK with module D (IP) both physical and office administration. The summary of this procedure were explain on below points:</p>
4.2.1.	<p>The procedure is documented</p>
4.2.2.	<p>Internal audits are conducted at least annually to ensure: the organization complies with RSPO SCCS requirements and RSPO Market Communication & Claim documents. Where the internal audit is done at least 2 months before the external audit. The internal audit results are included in the management review conducted at least once a year.</p>
4.3.	<p>The Mill ensures the purchase of incoming goods, however the marketing division in Jakarta's is responsible for checking the validity of supplier certificates, licenses for traders and distributors.</p>
4.3.2.	<p>The Unique code/ unique identification number aims to ensure that products are sold through quality tests and can be traced back to the beginning of the process.</p>
4.5.	<p>Third party activities (outsourcing)</p>
4.6.	<p>Sales and goods out Units that need to make announcements and trade confirmations in the RSPO IT Platform, this should also include making shipping announcements (each shipment/shipping group by the marketing division). Certified products sold through other schemes or conventional means or in case of lack of production, lost or damaged shall be removed.</p>
4.8.	<p>Training→ The training plan for RSPO SCCS requirements process should be reviewed continuously/annually.</p>
4.9.	<p>The record keeping The record keeping of all documents are minimum 10 years for financial report documents and transactions; and minimum 2 years for data other than financial documents.</p>
4.10	<p>Conversion Factor Conversion value is determined by marketing division in Jakarta, based on data sent by Mill on the basis of the resulting of FFB processing, so that the conversion value obtained is the same as the actual obtained by the Mill, and the conversion reference by marketing follows the mill manager monthly report period.</p>
4.11.	<p>Claim pursuant to RSPO communication and claim.</p>
4.12.	<p>Complaint Stakeholders may complain by email or face directly to the management representative. The complaint should be handled no later than one month after the complaint is received. Especially for complaints related to salary rights, incentive benefits, product complaints, and payments is should be acted upon no later than 14 days after the complaint has been received. All complaints and responses should be recorded.</p>
4.13.	<p>Management review Management review plan is established: after internal audit, before external audit checks and minimally done once in twelve months /one year. Input for management review should include information: internal audit results of SCCS requirements, production achievements, customer feedback, preventive and corrective action status, follow up on review management, changes that may affect system management and improvement recommendations.</p>
	<p>Status: Comply</p>

5.3.2

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

Internal Audit procedure has been include on SOP of RSPO SCCS Manual- RSPO Supply Chain Certification Standard No. SCCS-Std/RSPO/PSQM/02 dated on 02 January 2018 which describes Internal audits are conducted at least annually to ensure: the organization complies with RSPO SCCS requirements and RSPO Market Communication & Claim documents. Where the internal audit is done at least 2 months before the external audit. The internal audit results are included in the management review conducted at least once a year.

CH can show the result of internal audit conducted on 25 February 2019. In the Audit Report document, it is known that the mill has performed an internal audit using SCCS standard (General COC and Module D). There are 7 non-compliance for example there is no certificate number on selling document.

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

BTF does not purchase RSPO certified oil palm products. BTF is the producer of RSPO certified oil palm products.

Status: Comply

5.4.2

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

BTF does not purchase RSPO certified oil palm products. BTF is the producer of RSPO certified oil palm products.

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.

BTF doesn't outsource refining, storage/bulking and crushing activity. The company only use third party contractors for PK transportation activities.

Status: Comply

5.5.2

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

- The site has legal ownership of all input material to be included in outsourced processes;
- The site has an agreement or contract covering the outsourced process with each contractor through a signed and enforceable agreement with the contractor. The onus is on the site to ensure that certification bodies (CBs) have access to the outsourcing contractor or operation if an audit is deemed necessary.
- The site has a documented control system with explicit procedures for the outsourced process which is communicated to the relevant contractor.
- d) The site seeking or holding certification shall furthermore ensure (e.g. through contractual arrangements) that independent third parties engaged provide relevant access for duly accredited CBs to their respective operations, systems, and any and all information, when this is announced in advance

For transportation of certified products, the company uses contracting services. Based on the contractor's list, there are 13 contractors to transport PK. The company has also shown work contract with all PK transport contractors, for example:

- a. Transport Agreement Letter No. 014/ Jasa Pengangkutan /LMI-Abdul Kadir/X/2014 Addendum V dated 30 March 2019 with Abdul Kadir with a validity period until 31 December 2018.

Based on the review of the Transportation Services Agreement document to CSPK shipping, it is known that the validity period of the Agreement has expired on 31 December 2018, for example SPK No. 014 / Freight Services / LMI-Abdul Kadir / X / 2014 in the name of Abdul Kadir. This shows that the activities of contractors for handling certified products have not been equipped with an agreed of work agreement. **Non-Conformity No. 2019.07 with Major Category**

Status: Non-Conformity No. 2019.07 with Major Category

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 Certificate Holder has record names and contact details of all contractors on document of "List Kontraktor BTF (Angkut CPO & PK) on 2018 ", such as:

1. Abdul Kadir as PK Transporter
2. Yensmit as PK Transporter
3. Lansap N. as PK Transporter
4. Mahlan as PK Transporter
5. Harinal Rominadi as PK Transporter
6. PT Sarana Lintas Bersama as PK Transporter
7. CV. Karya Pamukan Jaya as PK Transporter
8. PT Cindra Kasih as PK Transporter
9. PT Bintang Timur as PK Transporter
10. CV Usaha Mandiri as PK Transporter
11. CV Karya Sthil as PK Transporter
12. SPSI TKBM as PK Transporter
13. CV RPM as PK Transporter

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 new contractor in BTF

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

PK

Information relating to the sale of CSPK are listed in the document of Weighing ticket that explains the name of the buyer & seller, quality, vehicle number, quantity, SCCS model. For example weighing Ticket No. 013348 dated March 13, 2019; Delivery Destination is Q648; the number of PK is 8,430 Kg; Supply Chain Segregation model.

Non-Conformity No. 2019.08 with Major Category

- a. The company has not been able to show CSPO sales documentation
- b. The company can show CSPK shipping / sales documents in the form of weigh tickets, but the document still has discrepancies, including:
 - There is no information such as the seller's address, buyer's name and address, RSPO certificate number of the

seller.

- Supply chain model information in the sales document is Segregation that is not in accordance with the supply chain model on palmtrace sales that is Identity Preserved.

Status: Non-Conformity No. 2019.08 with Major Category

5.7 Registration of transactions

5.7.1

Supply chain actors who:

- are mills, traders, crushers and refineries; and
- take legal ownership and/or physically handle RSPO Certified Sustainable oil palm products that are available in the yield scheme of the RSPO IT Platform (Figure 2 and 3, refer Annex 1) shall register their transaction in the RSPO IT platform and confirm upon receipt where applicable

RSPO IT Platform member registration number: **RSPO_PO100001380**

All transaction of RSPO certified oil palm products has been registered in RSPO IT Platform (see indicator SCCS 5.7.2).

Status: Comply

5.7.2

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

- 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.

The BTF has been take action at RSPO IT Platform with the data:

• Certified CPO sold to period last year (March 2018 to February 2019)

Type of selling product	Volume
CSPPO sold as RSPO certified product	10,455.83
CSPPO sold under other scheme	0
CSPPO sold as conventional	5,521.56
Total	15,977.39

• Certified Palm Kernel sold to period last year (March 2018 to February 2019)

Type of selling product	Volume
CSPK sold as RSPO certified product	4,064.08
CSPK sold under other scheme	0
CSPK sold as conventional	0
Total	4,064.08

All transactions have been shown in shipping announcement, for example Shipping Announcement no. TR-aa0d42a2-6e90 dated 31 January 2018 related to the sale of CSPK of 127.62 tons to PT. Laguna Mandiri - Rantau Kernel Crushing Plant.

Non-Conformity No. 2019.09 with Major Category	
<ul style="list-style-type: none"> The company has not been able to demonstrate that all shipping announcements for the delivery of certified CPO can be traced. Based on Transaction data and Shipping Announcement data on Palmtrace, there is a PK transaction with Transaction ID No. TR-8c06ef63-eaef dated April 30, 2018 as many as 343.47 tons, but in the SCCS document PT LMI-Betung in April 2018 there were no PK shipments. This shows that the company has not been able to show the ability to trace the shipment of certified PK products. 	
	Status: Non-Conformity No. 2019.09 with Major Category
5.8	Training
5.8.1	
The organization shall have a training plan on RSPO Supply Chain Standards requirements, which is subject to on-going review and is supported by records of the training provided to staff	
Mill has Training Program in 2019 that contain the training program of SCCS planned on February 2019.	
	Status: Comply
5.8.2	
Appropriate training shall be provided by the organization for personnel carrying out the tasks critical to the effective implementation of the supply chain certification standard requirements. Training shall be specific and relevant to the task(s) performed	
Based on interviews with Weight Bridge Operator and production clerk, it is known that the personnel have been aware of the duties and responsibilities related to the implementation of supply chain, for example the weighbridge officer can explain that the mill cannot accept the FFB from other source and all weighing tickets for CPO and Kernel must be given the RSPO stamp.	
The company showed proof of SCCS training to BTF employees conducted on February 10, 2019 with a total of 20 employees (mill staff, weighbridge operator, and production clerk).	
	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	
Based on RSPO SCCS Manual- RSPO Supply Chain Certification Standard No. SCCS-Std/RSPO/PSQM/02 dated on 02 January 2018 which explains that record keeping all of documents are minimum 10 years for financial report documents and transactions; and minimum two years for data other than financial documents.	
BTF can showed the documentation of supply chain on 2017, consist of: weighbridge ticket, DO and production record.	
	Status: Comply
5.9.2	
Retention times for all records and reports shall be a minimum of two (2) years and shall comply with legal and regulatory requirements and be able to confirm the certified status of raw materials or products held in stock	
Based on RSPO SCCS Manual- RSPO Supply Chain Certification Standard No. SCCS-Std/RSPO/PSQM/02 dated on 02 January 2018 which explains that record keeping all of documents are minimum 10 years for financial report documents and transactions; and minimum two years for data other than financial documents.	
	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.	
Estimates of CPO and PK produced by BTF obtained from the actual data of 12 months before the audit activities and have been described in this recertification report, consist of: FFB: 89,969 ton CPO: 18,893 ton (OER: 21%) PK: 4,498 ton (KER: 5 %)	
	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	
BTF only performs FFB processing up to CPO and PK. Based on RSPO SCCS Manual, it is explained that the conversion factors of CPO and PK are based on actual extraction.	
	Status: Comply
5.10.2 Conversion rates shall be periodically updated to ensure accuracy against actual performance or industry average if appropriate.	
BTF only performs FFB processing up to CPO and PK. Based on RSPO SCCS Manual, it is explained that the conversion factors of CPO and PK are based on actual extraction.	
	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.	
Based on transaction report documents, all CSPO and CSPK submitted are in accordance with the applied supply chain model that is Identity Preserved.	
	Status: Comply
5.12	Complaints
5.12.1 The organization shall have in place and maintain documented procedures for collecting and resolving stakeholder complaints.	
Based on management review on 01 February 2019 and book of Record of complaint, it is known that there is no complaint to the Sustainable product from buyer on 2018.	
	Status: Comply

5.13	Management review
5.13.1	<p>The organization is required to hold management reviews annually at planned intervals, appropriate to the scale and nature of the activities undertaken</p> <p>The CH has RSPO SCCS Manual- RSPO Supply Chain Certification Standard No. SCCS-Std/RSPO/PSQM/02 dated on 02 January 2018 which explains that management review activity is done at least once a year.</p>
	Status: Comply
5.13.2	<p>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>The CH shows Management Review Minutes conducted on February 01, 2019 with a total of 9 consist of staff and worker discussing the results of internal audits, discussion of operational quality, follow-up from previous review management to discussion of changes that could improve the quality management system.</p>
	Status: Comply
5.13.3	<p>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>The CH shows Management Review Minutes conducted on February 01, 2019 with a total of 9 consist of staff and worker discussing the results of internal audits, discussion of operational quality, follow-up from previous review management to discussion of changes that could improve the quality management system.</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>Based on verification document and interview with weighbridge operator, Betung Factory (BTF) only received and processed FFB from own plantation and other certificate scope. The FFB supplied from own estate; consist of Sekayu Estate, Betung Estate and from other certificate scope consist of Rantau Estate, Lanting Estate, Selabak Estate till KKPA Sungai Cengal. Based on explanation above, BTF apply the requirements of SCCS Module D (IP).</p>										
	Status: Comply										
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 CPO and PK produced by TBF obtained from the actual data of 12 months before the audit activities and have been described in this recertification report, consist of:</p> <p>FFB: 89,969 ton</p> <p>CPO: 18,893 ton (OER: 21%)</p> <p>PK: 4,498 ton (KER: 5 %)</p>										
	Status: Comply										
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>The mill has sold their product as do:</p> <ul style="list-style-type: none"> Certified CPO sold to period last year (March 2018 to February 2019) <table border="1"> <thead> <tr> <th>Type of selling product</th><th>Volume</th></tr> </thead> <tbody> <tr> <td>CSPO sold as RSPO certified product</td><td>10,455.83</td></tr> <tr> <td>CSPO sold under other scheme</td><td>0</td></tr> <tr> <td>CSPO sold as conventional</td><td>5,521.56</td></tr> <tr> <td>Total</td><td>15,977.39</td></tr> </tbody> </table> <ul style="list-style-type: none"> Certified Palm Kernel sold to period last year (March 2018 to February 2019) 	Type of selling product	Volume	CSPO sold as RSPO certified product	10,455.83	CSPO sold under other scheme	0	CSPO sold as conventional	5,521.56	Total	15,977.39
Type of selling product	Volume										
CSPO sold as RSPO certified product	10,455.83										
CSPO sold under other scheme	0										
CSPO sold as conventional	5,521.56										
Total	15,977.39										

Type of selling product	Volume
CSPK sold as RSPO certified product	4,064.08
CSPK sold under other scheme	0
CSPK sold as conventional	0
Total	4,064.08

All transactions have been shown in shipping announcement, for example Shipping Announcement no. TR-aa0d42a2-6e90 dated 31 January 2018 related to the sale of CSPK of 127.62 tons to PT. Laguna Mandiri - Rantau Kernel Crushing Plant.

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.**

The Certificate Holder has RSPO SCCS Manual- RSPO Supply Chain Certification Standard No. SCCS-Std/RSPO/PSQM/02 dated on 02 January 2018. The scope of RSPO Supply Chain System: FFB Certificate processing from raw material acceptance to storage and delivery process produces Certified Sustainable Palm Oil (CSPO) and CSPK with module D (IP) both physical and office administration. The summary of this procedure were explain on below points:

4.2.1. The procedure is documented

4.2.2. Internal audits are conducted at least annually to ensure: the organization complies with RSPO SCCS requirements and RSPO Market Communication & Claim documents. Where the internal audit is done at least 2 months before the external audit. The internal audit results are included in the management review conducted at least once a year.

4.3. The Mill ensures the purchase of incoming goods, however the marketing division in Jakarta's is responsible for checking the validity of supplier certificates, licenses for traders and distributors.

4.3.2. The Unique code/ unique identification number aims to ensure that products are sold through quality tests and can be traced back to the beginning of the process.

4.5. Third party activities (outsourcing)

4.6. Sales and goods out

Units that need to make announcements and trade confirmations in the RSPO IT Platform, this should also include making shipping announcements (each shipment/shipping group by the marketing division). Certified products sold through other schemes or conventional means or in case of lack of production, lost or damaged shall be removed.

4.8. Training → The training plan for RSPO SCCS requirements process should be reviewed continuously/annually.

4.9. The record keeping

The record keeping of all documents are minimum 10 years for financial report documents and transactions; and minimum 2 years for data other than financial documents.

4.10 Conversion Factor

Conversion value is determined by marketing division in Jakarta, based on data sent by Mill on the basis of the resulting of FFB processing, so that the conversion value obtained is the same as the actual obtained by the Mill, and the conversion reference by marketing follows the mill manager monthly report period.

4.11. Claim pursuant to RSPO communication and claim.

4.12. Complaint

Stakeholders may complain by email or face directly to the management representative. The complaint should be handled no later than one month after the complaint is received. Especially for complaints related to salary rights, incentive benefits, product complaints, and payments is should be acted upon no later than 14 days after the complaint

has been received. All complaints and responses should be recorded.

4.13. Management review

Management review plan is established: after internal audit, before external audit checks and minimally done once in twelve months /one year.

Input for management review should include information: internal audit results of SCCS requirements, production achievements, customer feedback, preventive and corrective action status, follow up on review management, changes that may affect system management and improvement recommendations.

Status: Comply

D.3.2

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

The procedure about acceptance and processing FFB has include in the RSPO SCCS Manual- RSPO Supply Chain Certification Standard No. SCCS-Std/RSPO/PSQM/02 dated on 02 January 2018. (see D.3.1)

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.

- Certified and non-certified FFB received period of March 2018 to February 2019

Month	FFB (Kg)		
	RSPO Certified	Non Certified	Total
March 2018 to Feb 2019	83,337,570	-	83,337,570

Status: Comply

D.4.2

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

In the previous certified (ASA-4) period April 01, 2017 until March 31, 2018, production of CSPO and CSPK does not exceed the RSPO certificate issued.

- CPO: 9,426 Ton → Total estimate in certificate is 14,725 Ton
- PK: 2,285 Ton → Total estimate in certificate is 3,180 Ton

For this period (RC) from March 2018 until Feb 2019, BTF production of CSPO and CSPK does not exceed the RSPO certificate issued.

- CPO: 16,762.16 Ton → Total estimate in certificate is 19,052 Ton
- PK: 4,070.96 Ton → Total estimate in certificate is 4,142 Ton

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 BTF has a monitoring report for RSPO certified product (CPO & PK).

Month	CPO			
	Production (Kg)		Sold (Kg)	
	Certified	Non-Certified	Certified	Conventional
March 2018 to Feb 2019	16,762,160	-	15,977,390	

Month	PK			
	Production (Kg)		Sold (Kg)	
	Certified	Non-Certified	Certified	Conventional
March 2018 to Feb 2019	4,070,966	-	4,064,085	-

The company has shown the PT LMI SCCS document which informs the FFB, CPO & PK production and Kernel sales, but has not been able to show data on CPO certified or non-certified sales to third parties/buyers. **Non-conformity No. 2019.10 with Major Category**

	Status: Non-conformity No. 2019.10 with Major Category
D.6	Processing

D.6.1
The site shall assure and verify through documented procedures and record keeping that the RSPO certified oil palm product is kept separated from non-certified oil palm product including during transport and storage to strive for 100% separation.

The entire accepted and processed product in BTF comes from RSPO certified own estate and other scope certificate). Until now, BTF does not accept and process FFB from not certified sources.

Based on interview weighbridge personnel and document verification of FFB receive, the worker explained that the Based on interviews with Weight Bridge Operator and production clerk, it is known that the personnel have been aware of the duties and responsibilities related to the implementation of supply chain, for example the weighbridge officer can explain that the mill cannot accept the FFB from other source and all weighing tickets for CPO and Kernel must be given the RSPO stamp.

	Status: Comply
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3.3 Conformity Checklist of Certificate and Logo Use

1.	Evidence of permission or approval certificate and trademark from Certification Body which submitted by Client	X or√
RC	PT Laguna Mandiri (Sime Darby Plantation Bhd) do not use RSPO trademark and CB Logo. Trademark License Number of Sime Darby Plantation Bhd is "RSPO-1106024" Can be seen at: https://www.rspo.org/trademark/current-licensees	√
	Status: Comply	
2.	Implementation of certificate and trademark used by Client comply with size and type (shape) against Guideline of trademark Use	X or√
RC	PT Laguna Mandiri (Sime Darby Plantation Bhd) do not use RSPO trademark and CB Logo. Trademark License Number of Sime Darby Plantation Bhd is "RSPO-1106024" Can be seen at: https://www.rspo.org/trademark/current-licensees	√
	Status: Comply	
3.	Implementation of Certificate and Trademark is not used on product	X or√
RC	PT Laguna Mandiri (Sime Darby Plantation Bhd) do not use RSPO trademark and CB Logo. Trademark License Number of Sime Darby Plantation Bhd is "RSPO-1106024" Can be seen at: https://www.rspo.org/trademark/current-licensees	√
	Status: Comply	
4.	Controlling of Certificate and Trademark, including withdrawing inappropriate trademark.	X or√
RC	PT Laguna Mandiri (Sime Darby Plantation Bhd) do not use RSPO trademark and CB Logo. Trademark License Number of Sime Darby Plantation Bhd is "RSPO-1106024" Can be seen at: https://www.rspo.org/trademark/current-licensees	√
	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 (TBP) is explained in table 1.10. Sime Darby Plantation Bhd 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 TBP progress, MUTU has considered that Sime Darby Plantation Bhd is complied with the RSPO requirement for TBP. The Time Bound Plan was revised and declared by Sime Darby Plantation Bhd on June 16th, 2016 by the Head of PSQM.

MUTU has verified partial certification for un-certified unit's subsidiary of Sime Darby Plantation Bhd based on their Time Bound Plan. MUTU Auditor verified positive assurance against the company internal audit and supporting evidence as well as any information from others sources.

MUTU Auditor has verified company partial certification and concludes that:

- There are significant land conflicts in PT Mitra Austral Sejahtera, there is still an issue that remain unresolved social i.e. from Serikat Petani Kelapa Sawit (SPKS), but improvements are ongoing.
- PT Budidaya Agro Lestari waiting for land title process.
- The company has follow RSPO requirement related to New Planting Procedure and Remediation and Compensation Procedure.
- There is no labour disputes that are not being resolved through an agreed process
- All plantations established since 2005 have been done so in accordance with the applicable laws of the country and that there is no evidence of non-compliance with law in any of the non-certified holdings which has not been declared above

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.</p> <p>Auditor Verification: Internal Audit report available for uncertified management unit for example PT Sandika Natapalma – Karya Palma Estate on 10 February 2017.</p>
i.	<p>No replacement after dates defined in NIs Criterion 7.3 of:</p> <ul style="list-style-type: none"> • Primary forest. • Any area identified as containing High Conservation Values (HCVs). • Any area required to maintain or enhance HCVs in accordance with RSPO criterion 7.3. 	<p>Company Group/Holding Statement: HCV assessment has been conducted for uncertified units i.e. PT Mitra Austral Sejahtera (by Aksenta in March 2009) and Sime Darby Plantation Liberia operations (by RSPO approved assessors – Dr SK Yap in 2011).</p> <p>Auditor Verification: Sime Darby Plantation Bhd sent disclosure of liability including LUCA analysis to RSPO Secretariat on 2 December 2014 and 2nd revision on 24 June 2016. The companies ensuring reporting of disclosure of liability progress to RSPO and according to the CB's</p>

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

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

3.5.1. Identification of Findings, Corrective Actions and Observations at ASA-4 Assessment

NCR No.	:	2018.01	Issued by	:	Yudhi Yuniarto Tallutondok & Sandra Purba
Date Issued	:	9 February 2018	Time Limit	:	10 April 2018
NC Grade	:	Major	Date of Closing	:	2 April 2018
Standard Ref. & Requirement	:	2.1.1 There should be evidence of compliance with relevant legal requirements			
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i>					
<ul style="list-style-type: none">Based on the result of field observation at Sekayu Estate Workshop, known that there are employees doing welding activity, but the result of interview and document verification is known that the employee has not followed the welder training according to Permenakertrans No. 02/1982 on Qualification of Laser at workplace.PT Laguna Mandiri has not been able to show evidence of land use reporting to National Land Agency in accordance with the requirement in Agrarian Ministry Regulation No 07/2017.					
Root Cause Analysis <i>(filled by organization audited):</i>					
<ul style="list-style-type: none">Employees do not comply with the applicable regulations that is doing welding work without having a special license so that it is dangerous for all parties. The relevant employees are still in training and not fully understand the rules that apply when working.The management of the company especially the Plantation Support Department (PSD) has not updated the regulations in accordance with the latest Regulation Agrarian Ministry Regulation No 07/2017.					
Correction <i>(filled by organization audited):</i>					
<ul style="list-style-type: none">Conduct socialization to all employees by responsible staff and directs how to work properly and properly to the new employee.Updating the latest regulations by the PSD department, preparing and submitting the intended report to the responsible agency based on appendix 2 of the Agrarian Ministry Regulation No 07/2017.					
Corrective Action <i>(filled by organization audited):</i>					
<ul style="list-style-type: none">Prepare MEMO on Welding Work Affirmation In the workshop to be obeyed by all employees. Memo with Number 012 / SYE-Int / II / 2018 / M.Coordinate with the PSD department to update the latest government regulations.					
Assessor Evaluation and Conclusion <i>(filled by auditor):</i>					
The Company sends some improvement evidence as follows:					
<ul style="list-style-type: none">Inter Office Mail (IOM) with the number 012 / SYE-Int / II / 2018 / M dated February 15, 2018. The IOM was issued by the SYE Manager to the Workshop Assistant on "Welding Work Assignment at SYE Workshop". The IOM includes 4 points explaining that welding works should only be done by employees who already have a welder license using standard PPE that has been set and if the future found there are employees who violate, it will be subject to sanctions.Socialization related to Inter Office Mail (IOM) number 012 / SYE-Int / II / 2018 / M which was held on February 17, 2018. The socialization was conducted by Senior Assistant in SYE workshop and attended by 22					

employees.

- Proof of delivery land use and utilization report to Head of National Land Agency of Kotabaru Regency on April 1, 2018 (Proof of delivery of goods by receipt number 030087677560).

The evidences had been verified and accepted to be closed out and complied.

Verified by : **Yudhi Yuniarto Tallutondok**

NCR No.	:	2018.02.	Issued by	:	Andi Pratama Pasaribu
Date Issued	:	9 February 2018	Time Limit	:	Re-certification
NC Grade	:	Minor	Date of Closing	:	29 March 2018
Standard Ref. & Requirement	:	2.2.2 Legal boundaries are demonstrated clearly and maintained.			
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i>					
Not enough evidence that legal boundaries are demonstrated clearly and maintained. The company has had boundary poles maintain procedure that approved since August 1 st 2014. According to it procedure, boundary pole shall observed each semester. Based on document verification, each estate has conducted regularly monitoring of boundary poles on July 2017 (Sekayu Estate) and August 2017 (Betung Estate). According to the monitoring report, 68 poles in Betung Estate was not founded. For example, boundary poles no. 40, 45 and 46 in Division 2. Based on field observation, there is no corrective action to completing the boundary poles so far.					
Root Cause Analysis <i>(filled by organization audited):</i>					
The process of repairing the missing boundaries pole based on 2017 monitoring has not been done because the improvement process is done gradually, starting from the Division 3 BTE, so the boundaries pole found in Division 2 has not been replaced and repaired.					
Correction <i>(filled by organization audited):</i>					
Fixed all missing boundaries poles in all BTE divisions by increasing the amount of replacement material and the employee responsible for installing the lost pole.					
Corrective Action <i>(filled by organization audited):</i>					
The Management Unit at BTE monitors once a year and follows the monitoring results based on the pole treatment program that is three times a year and done gradually with the target completion within a year of pole repair and maintenance.					
Assessor Evaluation and Conclusion <i>(filled by auditor):</i>					
The Company has demonstrated documentary evidence of improvements in the form of minutes of meeting installation and maintenance the boundaries pole at Betung Estate. Based on the monitoring result, it is stated that all poles have been installed / equipped.					
The evidences had been verified and accepted to be closed out and complied. (Closed with Observation).					

Re-Certification :

During Re-Certification field visit for example at block C/B15 (Sekayu Estate) and block B32 (Betung Estate), found that legal boundaries are demonstrated clearly and maintained.

Verified by : **Andi Pratama Pasaribu**

NCR No.	: 2018.03	Issued by	: Brigitta Prita
Date Issued	: 9 February 2018	Time Limit	: 10 April 2018
NC Grade	: Major	Date of Closing	: 29 March 2018
Standard Ref. & Requirement	4.4.2. The protection of water bodies and wetlands, including maintaining and maintaining rivers and other buffer zones of pads during or before replanting shall be demonstrable.		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> Based on field observations in Sekayu River border Block D-E 34/35 Division 2 Betung Estate, known that there are marks of spraying in the river border. This is not in accordance with the Bufferzone Management SOP No. 006 / LMI-PBZ / 2010 on points (d) stating that there is no chemist treatment activity around the river border area.			
Root Cause Analysis <i>(filled by organization audited):</i> The buffer zone area is sprayed due to negligence in carrying out its work and the spray boundary marks in the area are fading so that the pesticide applicator does not see the buffer zone boundary and also to complete the daily spray target.			
Correction <i>(filled by organization audited):</i> Re-socialize back to the pesticide applicators so as not to spray in the buffer zone area along the river and update the boundary marks in accordance with the rules of management of the high conservation area that is 50 meters around the sekayu river (small river). Attached document.			
Corrective Action <i>(filled by organization audited):</i> The BTE Management Unit always socializes the spraying prohibition in the buffer zone area during safety briefing before work. The BTE Management Unit added a warning sign of spraying prohibition in the buffer zone area. Attached document.			
Assessor Evaluation and Conclusion <i>(filled by auditor):</i> The company showed evidence of improvement by spraying the spray border and bullet prohibition board in the DE 34/35 Block (Sekayu River Block) and socialization to pesticide applicants on the ban on 12 March 2018. Attendees were 15 spray (Proof of photo documentation and attendance list). The evidences had been verified and accepted to be closed out and complied.			
Re-Certification : The results of field observations in riparian areas such as the Sekayu River and the Walen River, are known that the company has carried out management and maintenance of river border. This is known from the condition of the river			

border is in natural condition of the river border in the form of shrubs, there is a plank / signboard for chemical application restrictions, marking the river border area in the form of red paint on live plants \pm 50 meters.

Verified by : Brigitta Prita

NCR No.	: 2018.04	Issued by	: Yudhi Yuniarto Tallutondok
Date Issued	: 9 February 2018	Time Limit	: 10 April 2018
NC Grade	: Major	Date of Closing	: 3 April 2018
Standard Ref. & Requirement	4.7.2 A documented risk assessment should be available and an implementation record.		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> Understanding of hazards and risks The Company already has document of Hazard Identification and Risk Assessment for working area of workshop, traction, warehouse, harvest, shoot, fertilization, spraying, replanting, bridge and road maintenance, racking and others. However, based on the results of field observations found that: <ul style="list-style-type: none"> There is a work implementation that is less secure (unsafe condition) where found 2 employees sitting on the side of the wheel tractor unit is running. The results of field observations and interviews with spray employees in Block C39 Division I BTE are known that spray employees have not been able to demonstrate an understanding of the hazards and risks of working with chemicals, as evidenced by the fact that employees take the dosage of poison in knapsack without the use of hand protection. 			
Root Cause Analysis <i>(filled by organization audited):</i> <ul style="list-style-type: none"> Lack of awareness by the FFB loader employee about safety work. Pesticide applicator negligent in running procedure of spray and the employee is a new in spray team moving from manual maintenance team. 			
Correction <i>(filled by organization audited):</i> <ul style="list-style-type: none"> Socialization back to FFB loader employees about the importance of OHS in working for personal safety. And put up a prohibition on occupying the side of the tractor wheel unit so that employees are aware of the importance of self-safety. Attached document. Socialization to FFB loader employees and Operator at SYE dated March 31, 2018 and BTE dated 12 and 31 March 2018. Attached. Sosialization of safe spraying in accordance with the spray procedure and prioritize OHS in work. Attached document. 			
Corrective Action <i>(filled by organization audited):</i> <ul style="list-style-type: none"> Provide safety briefing every morning to the FFB loader employees by assistant to always prioritize safety, and foreman ensure the employee when work in the field in accordance with the direction of assistant at the time of safety briefing, so the accident does not happen again. Ensure to complete the PPE of pesticide applicator before leaving for work done during safety briefing. The Assistant ensures that the foreman plays an active role in doing safety work well and correctly. 			
Assessor Evaluation and Conclusion <i>(filled by auditor):</i>			

The Company sends some improvement evidence as follows:

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

The evidences had been verified and accepted to be closed out and complied.

Verified by : **Yudhi Yuniarto Tallutondok**

NCR No.	: 2018.05	Issued by	: Yudhi Yuniarto Tallutondok
Date Issued	: 9 February 2018	Time Limit	: 10 April 2018
NC Grade	: Major	Date of Closing	: 29 March 2018
Standard Ref. & Requirement	4.7.3 Records of Occupational Safety and Health (OHS) training programs (see 4.8) and Personal Protective Equipment (PPE) in accordance with hazard identification and risk assessment results shall be made available to all workers.		

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

Use of Personal Protective Equipment (PPE)

- The results of field observations and interviews with spray employees in Block C39 Division I BTE known that employees have not used PPE in accordance with procedures that have been owned by the company. For example, spray employees use cloth gloves that should be rubber gloves and do not use a blindfold / face shield.



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



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

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

Correction *(filled by organization audited):*

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

Corrective Action *(filled by organization audited):*

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

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

The Company sends some improvement evidence as follows:

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

The evidences had been verified and accepted to be closed out and complied.

Verified by : Yudhi Yuniarto Tallutondok

NCR No.	: 2018.06	Issued by	: Yudhi Yuniarto Tallutondok
Date Issued	: 9 February 2018	Time Limit	: Re-Certification
NC Grade	: Minor	Date of Closing	: 4 April 2018
Standard Ref. & Requirement	4.7.5 Should be available emergency and work accident procedures in the Indonesian language and available workers who have received first-aid training in accidents in the work area.		

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

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

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



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



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

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

Correction *(filled by organization audited):*

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

Corrective Action *(filled by organization audited):*

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

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



The Company sends some improvement evidence as follows:

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

The evidences had been verified and accepted to be closed out and complied.

Verified by : **Yudhi Yuniarto Tallutondok**

NCR No.	: 2018.07	Issued by	: Brigitta Prita
Date Issued	: 9 February 2018	Time Limit	: 10 April 2018
NC Grade	: Major	Date of Closing	: 4 April 2018

Standard Ref. & Requirement	: 5.3.2 There shall be evidence that all chemical wastes and containers are disposed of responsibly.
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> Based on field visit Housing Division I Sekayu Estate note that the packaging of toxic and hazardous waste materials used as a container of water. This is not yet compatible with Procedure Management of toxic and hazardous & Non-toxic and hazardous substances RSPO/B.5.5/LMI number dated May 27, 2013. <div style="display: flex; justify-content: space-around; align-items: center;">   </div>	
Root Cause Analysis <i>(filled by organization audited):</i> Employees do not understand all types of toxic and hazardous waste packaging should not be used in residential environments. What is found in housing is ex drum. The packaging of toxic and hazardous waste is similar with drum water that can be bought in the market. Thus, the employee assumes can use the drums because the physical criteria are the same despite the drum of the former chemicals.	
Correction <i>(filled by organization audited):</i> <ul style="list-style-type: none"> • Re-socialization of MEMO about prohibition on using any type of toxic and hazardous waste packaging in an employee housing environment of any kind. Documentation attached. • Seized all types of toxic and hazardous packaging in the residential area and delivered to Schedule Waste Storage on March 17, 2018 (attached) 	
Corrective Action <i>(filled by organization audited):</i> <ul style="list-style-type: none"> • Make a Memo about prohibition to use/keep toxic and hazardous waste in a residential environment to employees. Documentation attached. • Checked the housing by the safety officer every month if found the use of toxic and hazardous packaging directly carried out foreclosures and warnings to employees together with the inspection of fire extinguisher. 	
Assessor Evaluation and Conclusion <i>(filled by auditor):</i> The Company sends some improvement evidence as follows: <ul style="list-style-type: none"> • The Company shows the withdrawal documents of toxic and hazardous waste dated February 9, 2018 and March 19, 2018 in Housing Division 1 Sekayu Estate in the form of photo documentation • The Company shows the memorandum of prohibition on use and storage of toxic and hazardous waste from Estate Manager & Factory by letter number 013 / SOU Betung-Intern / III / 2018 dated March 1, 2018. And socialization to employees dated March 5, 2018. • The company showed the minutes of meeting toxic and hazardous waste packaging from SYE housing dated 	

17 February 2018 totaling 41 pieces to Schedule Waste Storage of Betung Factory.

The evidences had been verified and accepted to be closed out and complied.

Verified by : **Brigitta Prita**

NCR No.	: 2018.08	Issued by	: Brigitta Prita
Date Issued	: 9 February 2018	Time Limit	: Re-certification
NC Grade	: Minor	Date of Closing	: 2 April 2018
Standard Ref. & Requirement	5.3.3. A waste management plan should be available that is documented and implemented to avoid and reduce pollution.		

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

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



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

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

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

Correction *(filled by organization audited):*

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

while filling diesel fuel (attached doc).

- socialization of procedures for the acceptance and handling of diesel fuel, and how to handle diesel fuel. Documentation attached.

Corrective Action (filled by organization audited):

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

Assessor Evaluation and Conclusion (filled by auditor):

The Company sends some improvement evidence as follows:

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

The evidences had been verified and accepted to be closed out and complied.

Verified by : **Brigitta Prita**

NCR No.	:	2018.09	Issued by	:	Sandra Purba
Date Issued	:	8 February 2018	Time Limit	:	10 April 2018
NC Grade	:	Major	Date of Closing	:	4 April 2018
Standard Ref. & Requirement	:	6.1.3 Social impact management and monitoring plans should be available to avoid or mitigate negative impacts and enhance positive impacts based on the results of Social Impact analysis through consultation process with affected, documented and scheduled parties including implementation responsibilities.			
Non-Conformance Description & Evidence observed (filled by auditor):					
Betung POM and its supply base have not been able to show a scheduled social impact management plan					

developed in a participatory manner and completed with the PIC.

Root Cause Analysis (filled by organization audited):

The company's management has not yet communicated to the public about the social impact management plan in the company's area and in accordance with the communications plan with the community using questionnaire will be done no later than May 2018.

Correction (filled by organization audited):

Has been communicated with the community and simultaneously by doing the questionnaire in the assisted villages of laguna mandiri on April 2, 2018 and has also made social management programs in accordance with the results of the questionnaire delivered.

Corrective Action (filled by organization audited):

A community social management plan has been developed to suit the communication and input from the community when conducting interviews and questionnaires.

Assessor Evaluation and Conclusion (filled by auditor):

- Social impact management evaluation program that informs plan, respondent, method, PIC and schedule.
- Results of communication and consultation with surrounding communities in the form of questionnaires to 27 participants. It can be shown that the community's social impact management program consists of 5 programs based on issues that arise from the results of the questionnaire, the program has explained the village target, time line and responsible PIC.
- Establish a preventive action management program for the period of 2018 that describes description, preventive actions, methods / means and time.

The evidences had been verified and accepted to be closed out and complied.

Verified by : **Sandra Purba**

NCR No.	:	2018.10	Issued by	:	Andi Pratama Pasaribu
Date Issued	:	9 February 2018	Time Limit	:	10 April 2018
NC Grade	:	Major	Date of Closing	:	4 April 2018
Standard Ref. & Requirement	:	8.1.1. The action plan for monitoring shall be available, based on a consideration of the social and environmental impacts and routine evaluation of the plantation and mill operations. As a minimum, these shall include, but are not necessarily be limited to: <ul style="list-style-type: none">• Reduction in use of certain chemicals (Criterion 4.6);• Environmental impacts (Criteria 4.3, 5.1 and 5.2);• Waste reduction (Criterion 5.3);• Pollution and greenhouse gas (GHG) emissions (Criteria 5.6 and 7.8);• Social impacts (Criterion 6.1);• Optimizing the yield of FFB production (Criterion 4.2)			
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i>					

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

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

Those NCR above has raised again during this ASA-4. Regarding to this case, the company has not show all the system and corrective action that set has well implemented and monitored.

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

There are still some employees who have not understood the importance of applying RSPO Principles and Criteria within the company.

Correction *(filled by organization audited):*

Make a memorandum to all employees regarding the precaution and correction of RSPO ASA 4 audit findings in PT LMI, then socialize it through the fulfillment of RSPO ASA 4 audit results.

Corrective Action *(filled by organization audited):*

The Management Unit ensures that all employees implement RSPO principles and criteria at PT.LMI through an RSPO internal audit conducted by the PSQM Department and immediately follow up on the findings of the RSPO internal audit.

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

The Company sends some improvement evidence as follows:

- Intern Office Mail from Area Controller of Pamukan I to all plantation managers and factories (No. 014 / SOU Betung - Intern / III / 2018) dated March 1, 2018 on Improvement and Prevention of RSPO ASA-4 Audit Findings in PT LMI.
- Management review is related to the recurrent findings of RSPO non-compliance.
- Social impact management activities, preventive measures by conducting interviews & questionnaires to the community and following musrenbang activities and conducted once a year. (Evidence of questionnaire form 2018 period).
- Fire Extinguisher & First Aid inspection, precautions with monthly check up and conducted once a month (proof form of fire extinguisher inspection and check box P3K).
- Inspection of PPE before work is done routinely by using the format of absence and monitoring safety.
- Management of toxic and hazardous waste by sending to Schedule Waste Storage is routinely done on a monthly basis.
- The OHS socialization was conducted during daily morning briefing.

The evidences had been verified and accepted to be closed out and complied.

Verified by : **Andi Pratama Pasaribu**

NCR No.	:	2018.11	Issued by	:	Andi Pratama Pasaribu
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Date Issued	:	9 February 2018	Time Limit	:	10 April 2018
NC Grade	:	Major	Date of Closing	:	3 April 2018
Standard Ref. & Requirement	:	General Chain of Custody 5.3.2 The site shall have a written procedure to conduct annual internal audit			
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i>					
Facility can not show the internal audit procedure that covering the requirements in the RSPO Supply Chain Certification Standard and the RSPO Market Communications and Claims Documents including assessment of it effectively.					
Root Cause Analysis <i>(filled by organization audited):</i>					
The existing SCCS procedures at BTF-PT.LMI have not been updated based on the latest SCCS procedure of 2017 from the RSPO secretariat.					
Correction <i>(filled by organization audited):</i>					
Update the SCCS 2015 procedure implemented at BTF-PT.LMI into SCCS 2017 procedure. In the updated SCCS 2017 procedure has been explained that BTF must perform internal audit once a year at BTF-PT.LMI.					
Corrective Action <i>(filled by organization audited):</i>					
Always coordinate to the PSQM-ESH team to keep abreast of and implement the latest regulations issued by the RSPO secretariat.					
Assessor Evaluation and Conclusion <i>(filled by auditor):</i>					
The Company sends some improvement evidence as follows					
<ul style="list-style-type: none">- The Company has presented the Internal Audit (LMI-IA / BTF / OP / QESH / 04) document dated March 1, 2018 which regulates the internal audit implementation at the factory.- The revision of the internal audit procedure (LMI-IA / BTF / OP / QESH / 04) dated March 1, 2018 stated that the internal audit is conducted at least 2 months before the external audit or once in a year.					
The evidences had been verified and accepted to be closed out and complied.					
Verified by	:	Andi Pratama Pasaribu			

NCR No.	:	2018.12	Issued by	:	Andi Pratama Pasaribu
Date Issued	:	9 February 2018	Time Limit	:	10 April 2018
NC Grade	:	Major	Date of Closing	:	3 April 2018
Standard Ref. & Requirement	:	General Chain of Custody 5.8.2 Appropriate training shall be provided by the organization for personnel carrying out the tasks critical to the effective implementation of the supply chain certification standard requirements. Training shall be specific and relevant to the task(s) performed			
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i>					

Facility cannot show the evidence of RSPO Supply Chain Standards training to the related supply chain officer. Based on interview with key person of supply chain implementation concluded that they were lack of knowledge in supply chain procedure.

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

BTF employees have not received the latest SCCS training procedures of 2017 and unable to adequately explain and demonstrate supply chain procedures in accordance with the latest SCCS procedures.

Correction *(filled by organization audited):*

Conducting training to employees, especially the main officers and other employees regarding the procedure update SCCS 2017 update. Attached document.

Corrective Action *(filled by organization audited):*

Coordinate to the PSQM-ESH team on all the latest regulatory updates from the RSPO secretariat at the website www.RSPO.org.

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

The Company sends some improvement evidence as follows:

- The Company has shown the attendance list of SCCS training which was held on March 10, 2018 located at Betung Factory and followed by 64 participants from the estate and factory.
- The Company has demonstrated training materials conducted on March 10, 2018 held at the meeting hall of Betung Factory (BTF).

The evidences had been verified and accepted to be closed out and complied.

Verified by : **Andi Pratama Pasaribu**

3.5.2. Identification of Findings, Corrective Actions and Observations at Re-Certification Assessment

NCR No.	:	2019.1	Issued by	:	Yudhi Yuniarto Tallutondok
Date Issued	:	16 March 2019	Time Limit	:	Next Surveillance
NC Grade	:	Minor	Date of Closing	:	
Standard Ref. & Requirement	:	2.1.2 A documented system, which includes written information on legal requirements, shall be maintained			
Evidence observed & Non-Conformance Description (filled by auditor): <p>The company has a list of legal requirements contained in the List of RSPO-related Regulations in 2019. There are a total of 230 regulations with all of them fulfilled in accordance with the evaluation of regulations. Based on the verification of the document, there are still regulations that have not been contained in the list of company regulations, for example but not limited to:</p> <ol style="list-style-type: none"> 1. Minister of Manpower Regulation No. 6 of 2016 concerning Religious Holidays Allowances for Workers in the Company. 2. Minister of Manpower Regulation No. 37 of 2016 concerning Occupational Safety and Health of Pressure Vessels and Stock Tanks. 3. Minister of Manpower Regulation Number 38 of 2016 concerning Occupational Safety and Health of Energy and Production Equipment. 4. Minister of Manpower Regulation Number 1 of 2017 concerning Structure and Scale of Wages 					
Root Cause Analysis (filled by organization audited):					
Correction (filled by organization audited):					
Corrective Action (filled by organization audited):					
Assessor Evaluation and Conclusion (filled by auditor):					
Verified by	:				

NCR No.	:	2019.2	Issued by	:	Rizliani Aprianita Hsb
Date Issued	:	16 March 2019	Time Limit	:	15 June 2019
NC Grade	:	Major	Date of Closing	:	14 June 2019
Standard Ref. & Requirement	:	5.3.2 There shall be evidence that all chemicals and their empty containers are disposed of responsibly			
Non-Conformance Description & Evidence observed (filled by auditor): <p>During the Re-Certification Assessment, discrepancies were found, including:</p> <ul style="list-style-type: none"> - Based on the results of field visits in factory housing complex, known that hazardous waste packaging (used oil drum) is used as a container for water storage. The results of the interview with the residents of housing, 					

said that the packaging was obtained from the factory. This is not in accordance with the SOP for Management of Hazardous & Non-hazardous waste No. RSPO / B.5.5 / LMI dated May 27, 2013.

- The company shows evidence of transportation of hazardous waste by PT Sinar Bintang Albar on March 8, 2019. However, the agreement letter between company and PT SBA cannot be demonstrated. In addition, the third-party licensing has not been demonstrated.

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

- There is not enough water storage in the employee's house to be used for daily domestic activities because the water is flowed only 6 hours a day. So that the employees took the initiative themselves and some asked the Factory to use used oil drums for water storage because there was insufficient water storage in the employees' homes.
- The agreement has been sent by BTF to PT. SBA as a third party, but the agreement signed by PT SBA has not been sent back to the company.

Correction *(filled by organization audited):*

- Dissemination of the prohibition on the use of used oil drum and confiscating all used oil drum contained in the housing of employees and the Company making a schedule to drain water more than 6 hours a day which is total 10 hours so that the water container continues to be filled. And socialize the prohibition on using hazardous waste to employees and staff involved in hazardous waste entry and exit activities at mill.
- It has been socialized to Warehouse officers not to give used oil drums to employees.
- The company requests to PT SBA that to sent the latest agreement that has been signed and also the PT SBA company profile and has been sent on March 16, 2019

Corrective Action *(filled by organization audited):*

- Conduct housing checks including oil drums once a month and send water according to the schedule set in BTF housing and not provide oil drums to housing employees. The PIC appointed to check the housing is the safety officer.
- Ensure that warehouse personnel do not give / remove used oil drums to employees for domestic purposes, and stored in hazardous waste warehouses.
- Archiving documents of PT. SBA conducted by head section BTF will monitor the completeness of documents and ensure that the document is still valid.

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

Verification on March 18 2019

NC Point 1

The company shows evidence of improvement in the form of:

- Schedule of change in water use that was previously only 6 hours, added to 10 hours from 07.00 to 17.00 and has been approved by Betung POM Manager.
- Memorandum No. 057 / BTF-Int / III / 2019 dated March 16, 2019 concerning Prohibition of Using used oil drum & Chemical Packaging.
- Socialization of Prohibition on the Use of used oil drum and withdrawal of oil drums in BTF housing on March 16, 2019 and evidence of attendance to 29 participants consisting of employees and housewives.

NC Point 2

The company shows evidence of improvement in the form of:

- Work Agreement with PT Sinar Bintang Albar for hazardous waste management No. 101 / LM-SBA / K3L / IX / 2018 dated 4 September 2018 and is valid until 4 September 2019.
- The company shows a list of legality and licensing photos of PT Sinar Bintang Albar. However, the copy sent is not clearly visible.

Based on the explanation above, the discrepancies have not been fulfilled.

Verification on June 1 2019

The company shows evidence of the Company Profile which is the same as the evidence sent on March 16, 2019.

Verification on June 12 2019

The company shows evidence of improvement in the form of:

- The socialization of the ban on the giving of oil drums for domestic purposes on June 8, 2019 to 4 factory employees consists of the head of the warehouse, the foreman of the process, the foreman of maintenance and bookkeeping.
- Recommendation for hazardous waste transportation PT Sinar Bintang Albar No. S.544 / VPLB3 / PPLB3 / PLB.3 / 6/2017 dated June 12, 2017 and is valid for 5 years.
- Hazardous Waste Management Permit for hazardous Waste Collection activities in accordance with Decree of the Minister of Environment and Forestry No. SK.151 / Menlhk / Setjen / PLB.3 / 3/2018 dated 7 March 2018 and is valid for 5 years.

However, the company has not shown the hazardous waste transportation permit.

Based on the explanation above, the discrepancies have not been fulfilled.

Verification on June 14 2019

The company shows evidence of improvement in the form of a Transport Permit No. SK.3517 / AJ.309 / DJPD / 2017 / 630720549BB dated July 31, 2017 and the Operational Permit Monitoring Card Special goods transportation for transporting dangerous goods No. SK3559 / AJ.309 / DJPD / 2017 / 630720549BB-0009 dated 8 August 2018 the period is valid until 8 August 2019 vehicle No DA 1909 AL.

The evidences had been verified and accepted to be closed out and complied.

Verified by : Rizliani A. Hsb.

NCR No.	:	2019.3	Issued by	:	Rizliani Aprianita Hsb
Date Issued	:	16 March 2019	Time Limit	:	Next Surveillance
NC Grade	:	Minor	Date of Closing	:	
Standard Ref. & Requirement	:	5.3.3 A documented waste management plan to avoid or reduce pollution and its implementation shall be available			
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> Based on the results of a field visit in factory housing complex, known that a lot of waste has accumulated in the waste dumpsite which is located in front of the workers housing. Interviews with workers and residents of housing said that the transportation of domestic waste from housing to the landfill did not have a certain period and it was conveyed that almost a month the waste had not been transported to landfill. In addition, there are traces of burning waste in the factory housing complex. This is not in accordance with the domestic waste management SOP dated October 1, 2013.					
Root Cause Analysis <i>(filled by organization audited):</i>					
Correction <i>(filled by organization audited):</i>					

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

NCR No.	:	2019.4	Issued by	:	Rizliani Aprianita Hsb
Date Issued	:	16 March 2019	Time Limit	:	Next Surveillance
NC Grade	:	Minor	Date of Closing	:	
Standard Ref. & Requirement	:	6.1.4 The documented plan for management and monitoring of social impacts, shall be reviewed at least on two-yearly basis. If necessary, the plan should be updated. There shall be evidence that the review process includes participation of all affected parties.			
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i>					
<p>Based on the results of interviews with the Head of Sekayu Village and the Betung Village community leaders, it was found that there were social issues or negative perceptions from the community such as: plasma demands, demands for community FFB acceptance and horn beetle pest issues due to replanting activities. Based on the results of the interview, it was stated that the horn beetle pest issue had existed since 2017.</p> <p>The company has reviewed the management and monitoring of social impacts in April 2018 involving workers, Betung Village, Sekayu Village and Balaimea Village. Regarding this, the company shows the monitoring document of PT LMI's social impact on 30 April 2018. However, in the document which is the result of the review, it does not cover the negative issues / perceptions of the community, namely the demands of plasma, demands for community FFB acceptance and pest issues horn beetles due to replanting activities.</p>					
Root Cause Analysis <i>(filled by organization audited):</i>					
Correction <i>(filled by organization audited):</i>					
Corrective Action <i>(filled by organization audited):</i>					
Assessor Evaluation and Conclusion <i>(filled by auditor):</i>					
Verified by	:				

NCR No.	:	2019.5	Issued by	:	Yudhi Yuniarto Tallutondok
Date Issued	:	16 March 2019	Time Limit	:	15 June 2019
NC Grade	:	Major	Date of Closing	:	14 June 2019
Standard Ref. & Requirement	:	6.5.1 Documentation of pay and conditions for employees based on the existing manpower regulations shall be available			

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

The company has an overtime wage system set in:

- Collective Labor Agreement Article 23 concerning "Overtime Work". It was stated that overtime hours were carried out by workers outside the normal working time provisions, calculation of overtime work was guided by Minister of Manpower and Transmigration Regulation No. 102 of 2004. Overtime work can also be done in the case of shift workers due to the nature of work that cannot be abandoned or urged and must be completed immediately or workers replacement shift hasn't arrived yet.
- Overtarget Premium of Sungai Durian Determination - Revised in March 2013 by the Sungai Durian Area Premium Overtarget System Preparation Team approved by GM Sungai Durian Area/Sulawesi GM in March 2013. In part B the Overtarget Premium stipulation is explained related to the Overtarget Premium security unit as follows:

Description	Overtarget Premium Position (IDR)	2 Shift System (Hour)	3 Shift System (Hour)	Payroll Safeguard
Head of the security	200,000	157	157	25,000
Deputy chairman of the security	100,000	144	100	25,000
Security member	-	144	85	25,000

- Overtarget premium security guards include Sundays and national holidays.
- The undiscipline of officers' work can be a deduction for hours premium according to the provisions.

But based on the results of document verification on the list of wages for security unit employees in the estate in February 2019, it is known that the payment of security unit employees' wages after 7 hours of work uses the premium overtarget system in accordance with the Overtarget Premium of Sungai Durian Area - March 2013 revision.

The auditor conducted a simulation of the calculation of security overtime employees along with management representatives in accordance with Minister of Manpower and Transmigration Regulation No. 102 of 2004 and compared with premium overtarget wages received by security unit employees in February 2019 as follows:

1. Security Sekayu Estate
Premium overtarget wages: IDR 1,061,441.00
Simulation results: IDR 1,776,395.50
Difference: IDR 714,954.50
2. Security Betung Estate
Premium overtarget wages: IDR 1,019,940.00
Simulation results: IDR 1,963,384.50
Difference: IDR 943,444.50

Based on the above, it is known that the system of payment of wages exceeds working hours (overtarget premium) that the company has set is not in accordance with the Minister of Manpower and Transmigration Regulation No. 102 of 2004.

Root Cause Analysis (filled by organization audited):

The security guard's payment system exceeds working hours with premium wages because there are no readjustments made by 30% overtime hours premium deductions by the company.

Correction (filled by organization audited):

The company recalculates the premium given so that it is in accordance with the overtime hours that have been stipulated in the Minister of Manpower and Transmigration Regulation No. 102 of 2004. The overtime hours and memo for working hours are attached.

Corrective Action (filled by organization audited):

The company set the head of administration as a PIC to monitor employee overtime calculations and coordinate with Senior Assistants who determine work hours per employee shift.

Assessor Evaluation and Conclusion (filled by auditor):

Auditor Verification June 14, 2019

The Company sends proof of repairs in the form of Memorandum by the Estate Managers of SYE and BTE under number 016 / SOU Betung-Int / VI / 2019 dated June 13, 2019 concerning Regulations on Working Hours and Payment of Premium National Holiday Security Guards. In the memorandum explained:

1. Security guards are given 5 hours shift time and the premium calculation is adjusted to the calculation of overtime in accordance with Minister of Manpower and Transmigration Regulation No. 102 of 2004.
2. The head of the security guard is given 6 hours of work and the premium calculation is adjusted to the calculation of overtime in accordance with Minister of Manpower and Transmigration Regulation No. 102 of 2004 with additional incentives as the Security Guard on the existing regulations.
3. This policy is valid from June 2019 until changes are made again.

Based on the above, the auditor states that the discrepancies are stated to be in accordance with the observational record in the next assessment.

Verified by : Yudhi Yuniarto Tallutondok

NCR No.	:	2019.6	Issued by	:	Rizliani Aprianita Hsb.
Date Issued	:	16 March 2019	Time Limit	:	Next Surveillance
NC Grade	:	Major	Date of Closing	:	
Standard Ref. & Requirement	:	7.3.1 There shall be evidence that no new plantings have replaced primary forest, or any area required to maintain or enhance one or more High Conservation Values (HCVs), since November 2005. New plantings shall be planned and managed to best ensure the HCVs identified are maintained and/or enhanced (see Criterion 5.2).			
Evidence observed (filled by auditor): The company shows the RaCP process for all Sime Darby Plantation subsidiaries, Bhd. As follows: <ul style="list-style-type: none">• Liability and Disclosure to RSPO on December 2, 2014• Concept Note was sent to RSPO on March 25, 2016 and was responded to on December 5, 2016.• Revised LUCA report is sent back on December 8, 2017.• Released the shapefile on August 27, 2018 Based on the results of communication between PT Mutuagung Lestari and RSPO on February 8, 2019, information was obtained that PT LMI had not sent a compensation plan to RSPO. In this regard, the company has not been able to show that the RaCP compensation plan has been approved by the RSPO. The company has not been able to show evidence that the RaCP compensation plan has been approved by the RSPO.					
Non-Conformance Description (filled by auditor): The company has not been able to show evidence that the RaCP compensation plan has been approved by the RSPO.					

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

The unit has not received information from Sime Darby regarding the progress of LUCA PT LMI

Correction *(filled by organization audited):*

Request a document stating that LUCA has been approved by the RSPO Secretariat to the Jakarta PSQM team as the staff responsible for managing LUCA to the RSPO Secretariat.

Corrective Action *(filled by organization audited):*

PSQM staff continues to coordinate with Jakarta PSQM staff regarding the documents needed to meet RSPO principles and criteria. And conduct internal audits by PSQM once a year, which is 3 months before the RSPO audit is carried out.

Assessor Evaluation and Conclusion *(filled by auditor):*
Verification on May 30 2019

The company has shown evidence of communication with the RSPO Secretariat on May 09, 2019 which informed that there had been a meeting with the RSPO on May 8, 2019, at the meeting agreed:

Considering the historical involvement and events (as presentation slides and documents attached), 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 timeframe of one year whether from May 2019 or maybe staggered according to the certification dates of each Unit of Certification will be advised by RSPO Secretariat.).

based on the explanation above, the correction period is extended to 1 year in accordance with RSPO approval.

Verified by : Rizliani Aprianita Hsb.

NCR No.	:	2019.7	Issued by	:	Muhammad Rinaldi
Date Issued	:	16 March 2019	Time Limit	:	15 June 2019
NC Grade	:	Major	Date of Closing	:	14 June 2019
Standard Ref. & Requirement	:	SCCS General COC 5.5.2 Sites which include outsourcing within the scope of their RSPO Supply Chain certificate shall ensure the following: <div><div>a.</div><div>The site has legal ownership of all input material to be included in outsourced processes;</div><div>b.</div><div>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.</div><div>c.</div><div>The site has a documented control system with explicit procedures for the outsourced process which is communicated to the relevant contractor.</div><div>d.</div><div>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</div></div>			
Evidence observed & Non-Conformance Description (filled by auditor): Based on the review of the Transportation Services Agreement document to CSPK shipping, it is known that the					

validity period of the Agreement has expired on 31 December 2018, for example SPK No. 014 / Freight Services / LMI-Abdul Kadir / X / 2014 in the name of Abdul Kadir. This shows that the activities of contractors for handling certified products have not been equipped with an agreed of work agreement

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

The latest updated Agreement has not been received by BTF because the Logistics Department wants a re-tender to the Kernel transport contractor so that it takes time to discuss the agreement.

Correction *(filled by organization audited):*

On April 24, 2019, there is a meeting was held between management and kernel transporters at Rantau factory where the discussion was about the price agreement, which at that date agreed the price of external transport.

Corrective Action *(filled by organization audited):*

BTF continues to coordinate with the logistics department to anticipate the agreement extension . BTF appointed the PIC to monitor the agreement status found in BTF. And re-submit the agreement extension two months before the agreement expired.

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

13 June 2019

The Company shows the Minutes of Meeting on April 24, 2019 with 5 transporters related to the Negotiation of Adjusting PK Transport Prices in the Sungai Durian Area. In addition, there was the Minamas Management Tender Committee on May 8, 2019 which explained that the committee agreed to the latest adjustment prices and the contract was extended for 1 + 1 year. However, evidence of agreement transport of certified products has not yet been shown that has been agreed upon.

Based on these explanations, this non-conformity is stated not been fulfilled.

14 June 2019

The company shows the Draft Transport Service Agreement for example Draft of Agreement No. 15 of 2019 with Abdul Kadir with a validity period of 30 April 2020. Until now the draft is still in the process of approval by both parties

Based on this explanation, this non-conformity can be stated as fulfilled, but will be observed again in the next assessment.

Verified by : **Muhammad Rinaldi**

NCR No.	2019.8	Issued by	Muhammad Rinaldi
Date Issued	16 March 2019	Time Limit	15 June 2019
NC Grade	Major	Date of Closing	14 June 2019
Standard Ref. & Requirement	SCCS General COC 5.6.1 The supplying site shall ensure that the following minimum information for RSPO certified products is made available in document form: <ol style="list-style-type: none"> The name and address of the buyer The name and address of the seller; The loading or shipment / delivery date; The date on which the documents were issued; A description of the product, including the applicable supply chain model (Identity Preserved, Segregated or Mass Balance or the approved abbreviations); The quantity of the products delivered; Any related transport documentation; 		

	<ul style="list-style-type: none"> h. Supply chain certificate number of the seller; i. A unique identification number. j. Information shall be complete and can be presented either on a single document or across a range of documents issued for RSPO certified oil palm products k. For sites that are required to announce and confirm trades in the RSPO IT platform, this shall include making Shipping Announcements / Announcements and Confirmations on the RSPO IT platform per shipment or group of shipments. Refer to section 5.7.1 of this document for further guidance.
Evidence observed & Non-Conformance Description (filled by auditor): <ul style="list-style-type: none"> a. The company has not been able to show CSPO sales documentation b. The company can show CSPK shipping / sales documents in the form of weigh tickets, but the document still has discrepancies, including: <ul style="list-style-type: none"> - There is no information such as the seller's address, buyer's name and address, RSPO certificate number of the seller. - Supply chain model information in the sales document is Segregation that is not in accordance with the supply chain model on palmtrace sales that is Identity Preserved. 	
Root Cause Analysis (filled by organization audited): <ul style="list-style-type: none"> a. The document has not been found because the logistics department only made sales documents for BTF CPO in the form of Interco to RTF on the grounds that there was still one company. b. The PK sales document is not certified because BTF has not made the document. Previous sales documents were made by the Rantau KCP. 	
Correction (filled by organization audited): <ul style="list-style-type: none"> a. BTF requests Certified CPO sales documents to the logistics department and completes the weighing ticket (Segregation) in accordance with the supply chain model on palmtrace's sales data (Identity Preserved). b. BTF completes the PK sales document with SCCS provisions on the weigh ticket (Segregation) that are in accordance with the supply chain model on palmtrace sales data (Identity Preserved). 	
Corrective Action (filled by organization audited): <p>The head of administration monitors the CPO and PK sales documents to always comply with SCCS provisions. The head of administration also coordinates with the logistics department regarding the sales documents for CPO and PK from BTF.</p> <p>ESH PSQM makes recommendations for the rules for using RSPO stamps according to the supply chain model on palmtrace sales data (Identity Preserved).</p>	
Assessor Evaluation and Conclusion (filled by auditor): 30 May 2019 <ul style="list-style-type: none"> a. The certified CPO sales document is still not appropriate. The document are shown is document of delivery and sales from PKS Betung to PT Golden Hope Nusantara. It is not accordance with Palmtrace data. b. The company shows proof of sales documentation for certified PK to the KCP Rantau, including: <ul style="list-style-type: none"> - Minutes of Shipping IK No. 004 / LMI / BAP-IKS / IV / 2019 dated May 2, 2019 which describes the sender / seller company and address (PT LMI-PKS Betung), recipient / buyer company (KCP Rantau), volume of PK, supply chain model (IP) , RSPO member number, No. seller certificate (MUTU-RSPO / 035). - Notification Letter No. 01 / GSQM-RSPO SCCS / KSP / V / 2019 from SA GSQM KSP to all KSP & KSS Managers regarding the application and use of RSPO stamps in Mill, KCP and Bulking explaining documents that must be stamped and the form and format of the stamp used. In the stamp format it has 	

- explained the Supply chain model and for the Betung POM using the IP Supply Chain Model.
- Weighing tickets on April 22, 2019 for PK shipments have been stamped with IP supply chain models

Based on the explanation above, there is still a lack of data on certified CPO sales documents, so this non-conformity is stated not been fulfilled

14 June 2019

- The company shows the CPO Shipping Minutes No. 00621/00530/04/19 / L-LMI MKS dated April 19, 2019 which describes the sending / selling company and address (PT LMI-PKS Betung), the receiving company / buyer (PT Sime Darby Oils Pulau Laut Refinery), the volume of CPO, models supply chain (IP), RSPO member number, No. Sender certificate (MUTU-RSPO / 035).

Based on the explanation above, This non-conformity is stated to be fulfilled

Verified by : **Muhammad Rinaldi**

NCR No.	2019.9	Issued by	Muhammad Rinaldi
Date Issued	16 March 2019	Time Limit	15 June 2019
NC Grade	Major	Date of Closing	15 June 2019
Standard Ref. & Requirement	SCCS 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: <ol 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 & Non-Conformance Description (filled by auditor):

- The company has not been able to demonstrate that all shipping announcements for the delivery of certified CPO can be traced.
- Based on Transaction data and Shipping Announcement data on Palmtrace, there is a PK transaction with Transaction ID No. TR-8c06ef63-eaef dated April 30, 2018 as many as 343.47 tons, but in the SCCS document PT LMI-Betung in April 2018 there were no PK shipments. This shows that the company has not been able to show the ability to trace the shipment of certified PK products.

Root Cause Analysis (filled by organization audited):

The announcement system in palmtrace by marketing is not in accordance with the number of shipments from logistics and mill because the minutes carried out in bulking do not explain in detail the number of CPO from each

mill so that the Palm Trace process cannot obtain complete information.

There was an mistake in inputting the transaction on Palm Trace with Transaction ID Number No. TR-8c06ef63-eaef dated 30 April 2018 as many as 343.47 tons which are products from other factories.

Correction *(filled by organization audited):*

In May 2019, the details two Mill quantities of the shipment from bulking has clearly stated.

BTF coordinated with Mr. Suharmajaya (GTM Dept.) that there was indeed an input error in the Palm Trace Betung Factory. Has been attached proof cancel confirmation shipping announcement to UTZ Palm Oil Support

Corrective Action *(filled by organization audited):*

Logistics and Mill ensure that each delivery note is equipped with detailed sources of CPO that are sent as a basis for Marketing to carry out transactions in palmtrace.

Ensure cancellation requests for transactions in the Betung Factory palm trace.

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

June 13, 2019

Documents provided do not answer nonconformities.

- For the first point, the shipping announcement document should be accompanied by sales documentation (contract sales, shipping minutes, etc.)
- For the second point, there is an inequality between palmtrace data and manual recording data,

Based on these explanations, this non-conformity is stated not been fulfilled.

June 15, 2019

- a. The company shows improvements to CPO transactions, including:
 - There is proof of shipment No. 00621/00530/04/19 / L-LMI MKS dated April 19, 2019 which explained that there were 448.47 tons of CSPO shipments from Betung Factory to Sime Darby Oils Pulau Laut Refinery
 - There is evidence of Shipping Announcement No. TR-b67e240e-219d dated 30 April 2019 which explains that there is a shipment to Sime Darby Oils Pulau Laut Refinery with a total of 448.47 tons of CSPO
- b. The company shows a cancel confirmation shipping announcement request to UTZ Palm Oil Support on 15 June 2019 which explains the cancellation of Transaction ID No. TR-8c06ef63-eaef dated 30 April 2018 for PK shipments of 343.47 tons.

Based on this explanation, this non-conformity can be stated as fulfilled but will be observed again regarding the cancel confirmation request shipping announcement from UTZ.

Verified by : **Muhammad Rinaldi**

NCR No.	:	2019.10	Issued by	:	Muhammad Rinaldi
Date Issued	:	16 March 2019	Time Limit	:	15 June 2019
NC Grade	:	Major	Date of Closing	:	15 June 2019
Standard Ref. &	:	D.5.1			

Requirement	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 & Non-Conformance Description (filled by auditor):				
The company has shown the PT LMI SCCS document which informs the FFB, CPO & PK production and Kernel sales, but has not been able to show data on CPO certified or non-certified sales to third parties/buyers				
Root Cause Analysis (filled by organization audited):				
Certified or non-certified CPO sales data to third parties / buyers have not received sales documents from buyers such as KCP and Bulking Pamukan				
Correction (filled by organization audited):				
BTF requests CPO and PK sales documents to the logistics department				
Corrective Action (filled by organization audited):				
Head of Administrative as a PIC for monitoring CPO and PK sales documents and ensuring that they are in accordance with SCCS rules. The monitoring and recording for sales production always conducted regularly.				
Assessor Evaluation and Conclusion (filled by auditor):				
June 15, 2019				
The company shows the SCCS Template document for the period March 2018 - February 2019 which has explained the sale of CPO with the following data:				
Month	CPO			
	Production (Kg)		Sold (Kg)	
	Certified	Non-Certified	Certified	Conventional
March 2018 to Feb 2019	16,762.16	-	10,455,830	5,521,560
Based on the explanation above, this nonconformity is stated to be fulfilled.				
Verified by	:	Muhammad Rinaldi		

3.5.3. Opportunity for Improvement

No	Ref. Std.	Description
1	Minor 2.2.2.	The company is encouraged to improve the quality of HGU boundary monitoring by adding monitoring related to the position of the HGU poles in accordance with the coordinates
2	2.3	The company needs to ensure that every land acquisition / compensation activity must go through the FPIC process
3	Minor 4.7.5	Reassure the installation of the fire extinguisher tube on the pole at Betung factory
4	Minor 4.7.6	The company has the opportunity to monitor Social Security payments for contractor workers
5	5.1	re-ensure the making of RKL-RPL report (Observation)
6	Major 6.5.1	Distribution of salary slips to workers who inform details of income and details of wage deductions
7	Major 8.1	The company has the opportunity to ensure that core work is carried out by permanent workers (P&C 2018)

3.5.4. Noteworthy Positive Components

No	Ref. Std.	Description
1	-	The company's commitment not to use Daily workers
2	-	Road improvement program with concrete system
3	-	Has obtained PROPER with a "BLUE" rating in 2017-2018
4	-	Has received the Zero Accident award for Betung Factory from the Minister of Manpower in 2018

3.6 Summary of Arising Issues from Public and Auditor Verification

Public Issues (Institution/ NGO/Community)	Auditor Verification
Environment Agency of Kota Baru Ditric (Head of Environmental Pollution) <ul style="list-style-type: none"> The company has valid environmental permits, such as Land Application permits and hazardous waste storage permits. The company has environmental documents and there have been no changes to environmental documents. Company routinely submit mandatory reports such as RKL-RPL Reports, liquid waste and hazardous waste reports. There are no issues or community reports related to environmental pollution or land fires. 	<ul style="list-style-type: none"> The points issues have been verified by auditor team, the company has reporting mandatory report such as RKL/RPL report every semester. The points issues have been explained further on principle 5 regarding environmental management
Labor Agency of Kota Baru Ditric Section head of the work requirements <ul style="list-style-type: none"> The Companies have implemented the payment of wages for employees refers to South Kalimantan Governor Decree. The company has a Collective Labor Agreement between PT Laguna Mandiri and the Executive Board of Workers Union. The Collective Labor Agreement has been registered to Labor Agency of Kotabaru District. All mandatory reports related to employment have reported well. There are no issues of migrant workers, no child workers, no substitution contracts, no labor trade or forced labor forms. All employees have employment agreements and there were no issues or violations committed by Companies related to worker welfare included in payment. 	<p>It has been verified and stated under principle 6 in the report</p>
Sekayu Baru Village (2 community leader & 1 Land Previous Owner) <ol style="list-style-type: none"> The company's area was previously owned by the community. Land compensation activities were carried out in 1994 by previous company owners (not Sime Darby Group). The activity was carried out by force and using the military There are no more new land clearing activities At present there is no land dispute with the community, but based on the previous village head's explanation to community leaders, there is an area near the market of Sekayu Baru Village that should not been opened for an area of 500 meters. There is assistance in the form of heavy equipment assistance and assistance for feast day There is a request for assistance for a water reservoir in 2018, but there has been no response 	<ol style="list-style-type: none"> This has become OFI on criteria 2.3 this is in accordance with the field visit. The activities carried out are only replanting based on visits to the boundary on market of Sekayu Baru Village there is no area outside the HGU boundary This is in accordance with criterion 6.11 CSR plans are based on the results of the questionnaire This has become NC on indicator 6.1.4

Public Issues (Institution/ NGO/Community)	Auditor Verification
g. There were no meetings to discuss related assistance / CSR h. Replanting activities cause pest attack to community plantation There is no issue of fire or environmental pollution	This is in accordance with criterion 5.1
Betung Village (community leader, Land Previous Owner and local contractor) a. The company's area was previously owned by the community. b. Land compensation activities were carried out in 1994 by previous company owners (not Sime Darby Group). The activity was carried out by force and using the military c. There is no land dispute d. There is issue of plasma developing e. There is a letter from the Village regarding the request related to receiving FFB from community to the company's factory in November 2018 f. There is assistance in the form of heavy equipment g. There are sacred areas in the company in the form of wells and waterfalls that have been designated as HCVs. h. PKWT that has worked for a long time (3-4 years) but was not appointed as a permanent employee There are signposts for protected animal socialization	a-b. This has become OFI on criteria 2.3 c. This is in accordance with indicator 2.2 d-e. This has become NC on indicator 6.1.4 f. In accordance with indicator 6.11 g. This is in accordance with criterion 5.2 h. PKWT that works more than 3 years is not conducted in succession and there is a time lag (1 month) from the end of the work agreement to making a new work agreement. This is in accordance with criterion 5.2
Contractor (Kernel Transport) <ul style="list-style-type: none"> The contractor has a copy of the agreement with the company Payments to contractors accordance with the agreement. Contractor workers have been provided with PPE and already have BPJS The company has provided socialization regarding the code of ethics and human rights.	Based on document verification, show that the rights and obligation of each party has been set in the contract.
Gender Committee <ul style="list-style-type: none"> There is no issue related to sexual harassment, reproductive rights, and discrimination. Routine activities <i>posyandu</i>, socialization of committee gender. Women worker give menstruation leave by recommendation paramedic for maximum 2 days. Women workers also has rights of maternity leave for 45 day before and 45 days after. 	There is no negative issue related to women workers. The management unit has comply with RSPO standard criteria 6.7; 6.8; 6.9; 6.12 and 6.13.
Workers Union - Chairman of the Betung Factory Workers Union 1. The term of office of the board of directors in 2017 - 2020 and the selection of administrators there is no intervention from the company but rather the results of the selection of members.	The points issues have been verified and describe to the criteria 1.2, 2.1, 4.7, 6.3, 6.5, 6.6, 6.7, 6.8, 6.9, 6.12, 6.13

Public Issues (Institution/ NGO/Community)	Auditor Verification
2. There are workers with PKWT status whose contracts letter is made after the worker works first. 3. The wage scale has been applied in the mill. 4. Damaged PPE can be replaced by showing evidence of damaged PPE.	
Workers Union – Chairman of the Betung Estate 1. PPE of damaged shoes cannot be replaced. 2. Division 3 housing is still semi-permanent and if there is damage directly delivered to the direct supervisor. Directly responded unless there is material that is not available, then it must wait. 3. Damage to the septic tank has not yet received a response. 4. Office workers, genset operators and security are paid a premium if they work above normal working hours.	The points issues have been verified and describe to the criteria 1.2, 2.1, 4.7, 6.3, 6.5, 6.6, 6.7, 6.8, 6.9, 6.12, 6.13
Workers Union - Chairman of the Sekayu Estate Workers Union 1. Wages in 2019 are in accordance with the minimum paid of Kotabaru Regency and have been adjusted since January 2019. 2. PPE long boots are given once a year. However, harvest workers asked to be given short rubber boots PPE. 3. Office workers, genset operators and security are paid a premium if they work above normal working hours.	The points issues have been verified and describe to the criteria 1.2, 2.1, 4.7, 6.3, 6.5, 6.6, 6.7, 6.8, 6.9, 6.12, 6.13

4.0	CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY
4.1	Formal Sign-off of Assessment Findings
	<p>Hereunder sign by management representative from inspected company to acknowledge a field assessment and agree for all content explained in this assessment report, included of non-compliance findings.</p> <p>Signed on behalf of:</p> <div style="display: flex; justify-content: space-around; align-items: flex-end;"> <div style="text-align: center;"> <p>PT Laguna Mandiri Head of PSQM Plantation Minamas Indonesia</p>  <p><u>Alagendran A. L. Maniam</u> Saturday, 15 June 2019</p> </div> <div style="text-align: center;"> <p>Mutuagung Lestari Lead Auditor</p>  <p><u>Muhammad Rinaldi</u> Saturday, 15 June 2019</p> </div> </div>

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

No	Institution/NGO/Community	Address	Phone/Email	Form of Communication	Date of Contact	Response	
						Yes	No
1	Environment Agency of Kota Baru District (Head of Environmental Pollution)	District of Kotabaru	-	Phone	13 March 2019	√	-
2	Sekayu Baru Village	Sekayu Baru Village, Kotabaru Regency, Province of Kalimantan Selatan	-	Interview	13 March 2019	√	-
3	Betung Village	Betung Village, Kotabaru Regency, Province of Kalimantan Selatan	-	Interview	13 March 2019	√	-
4	WALHI	-	informasi@walhi.or.id	By email	4 March 2019	-	√
5	WWF	-	supporter-service@wwf.or.id	By email	4 March 2019	-	√
6	Sawit Watch	-	info@sawitwatch.or.id	By email	4 March 2019	-	√
7	AMAN	-	rumahaman@cbn.net.id	By email	4 March 2019	-	√
8	Forest peoples	-	info@forestpeoples.org	By email	4 March 2019	-	√
9	Contractor (Kernel Transport)	Kotabaru Regency, Province of Kalimantan Selatan	-	Interview	13 March 2019	√	-
10	Gender Committee	Kotabaru Regency, Province of Kalimantan Selatan	-	Interview	13 March 2019	√	-
11	Labor Union – Betung Factory	Kota baru Regency	-	Interview	13 March 2019	√	-
12	Labor Union – Betung Estate	Kota baru Regency	-	Interview	13 March 2019	√	-
13	Labor Union – Sekayu Estate	Kota baru Regency	-	Interview	13 March 2019	√	-
14	Betung Factory <ul style="list-style-type: none"> • 2 operator WTP • 1 storage clerk • 1 mechanic • 1 weighbridge operator • 1 oil storage operator • 1 production clerk • 1 security • 1 hazardous waste storage officer 	Kota baru Regency	-	Interview	13 March 2019	√	-
15	Sekayu Estate	Kota baru Regency	-	Interview	14 March	√	-

	<ul style="list-style-type: none"> • 1 driver truck for pesticide spray • 1 supervision of pesticide spray • 4 women workers of pesticide spray • 4 women workers of manuring 				2019		
16	Betung Estate <ul style="list-style-type: none"> • 1 supervision of manuring • 4 women workers of manuring • 1 supervision of spraying • 6 women workers of spraying • 4 harvester 	Kota Baru Regency	-	Interview	15 March 2019	√	

Appendix 2. Assessment Program

DATE	12 – 17 March 2019	
PLANNED TIME	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
Tuesday, 12 March 2019		
06.30 – 10.00	JAKARTA → BALIKPAPAN	ALL Team
10.00 – 16.00	BALIKPAPAN → PT LMI (BETUNG POM)	
16.00 – 17.00	OPENING MEETING	
Wednesday, 13 March 2019		
08.00 – 12.00	<ul style="list-style-type: none">• Stakeholders Consultation to Labour Union, Committee Gender, EFB/CPO transporter, Local Contractor, Labor Cooperative, etc• Stakeholders Consultation to Government Agency (via phone)• Stakeholder Consultation to Nearest Community	ALL Team
12.00 – 14.00	Break	
14.00 – 17.00	Field Observation BETUNG POM <ul style="list-style-type: none">• Workshop, Chemical Storage, Loading Ramp (Grading), waste management• Supply Chain & Operational activities• WWTP (IPAL), Land Application (LA), WTP, Hazardous Waste Material (LB3) management, etc <ul style="list-style-type: none">• Document Review and Clarification of Field Observation	All Team
Thursday, 14 March 2019		
08.00 – 12.00	Field Observation SEKAYU ESTATE <ul style="list-style-type: none">• Manuring, Spraying, Harvesting, Integrated Pest Management (IPM), and Worker Welfare (payments, complaint mechanism)• Legal operational• High Conservation Value Area, Empty Fruit Bunch Application, Fragile Soil Management• Worker facilities (housing, health clinic, clean water, etc) and Hazardous Waste Material (B3) management, Land Fire facilities, Storage, etc.	ALL Team
12.00 – 14.00	Break	
14.00 – 17.00	<ul style="list-style-type: none">• Continue Field Observation and field observation clarification• Verification of field visit and completing checklist	All Team
Friday, 15 March 2019		
08.00 – 12.00	Field Observation BETUNG ESTATE <ul style="list-style-type: none">• Manuring, Spraying, Harvesting, Integrated Pest Management (IPM), and Worker Welfare (payments, complaint mechanism)• Legal operational• High Conservation Value Area, Empty Fruit Bunch Application, Fragile Soil Management• Worker facilities (housing, health clinic, clean water, etc) and Hazardous Waste Material (B3) management, Land Fire facilities, Storage, ect.	All Team
12.00 – 14.00	Break	

DATE	12 – 17 March 2019	
PLANNED TIME	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
14.00 – 17. 00	<ul style="list-style-type: none">Continue Field Observation and field observation clarificationVerification of field visit and completing checklist	All Team
Saturday, 16 March 2019		
08.00 – 10.00	<ul style="list-style-type: none">Internal Meeting of Auditor TeamClosing MeetingTraveling from Plantation Site to Balikpapan	All Team
10.00 – 12.00		
12.00– 20.00		
Sunday, 17 March 2019		
10.55 – 13.00	BALIKPAPAN → JAKARTA	All Team