

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

[✓] Surveillance

Name of Management Organisation : **Bebunga Factory – PT Langgeng Muaramakmur Subsidiary of Sime Darby Plantation Bhd.**
 Plantation Name : **Bebunga Estate, Bakau Estate and Sungai Cengal Estate**
 Location : **Binturung Village, Pamukan Utara Sub District, Kotabaru District, Kalimantan Selatan Province, Indonesia**
 Certificate Code : **MUTU-RSPO/014**
 Date of Initial Registration : 16 March 2012
 Date of Certificate Issue : 04 August 2017 Date of License Issue : 16 June 2020
 Date of Certificate Expiry : 15 March 2022 Date of License Expiry : 15 March 2021

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
ASA-1.3	18 to 21 February 2020	Moh Arif Yusni, M. Rinaldi, Haikal Ramadhan Kharismansyah, Radytio Puspanjana	Ardiansyah	Octo H.P.N. Nainggolan

Assessment	Approved by MUTUAGUNG LESTARI on:
ASA-1.3	29 May 2020

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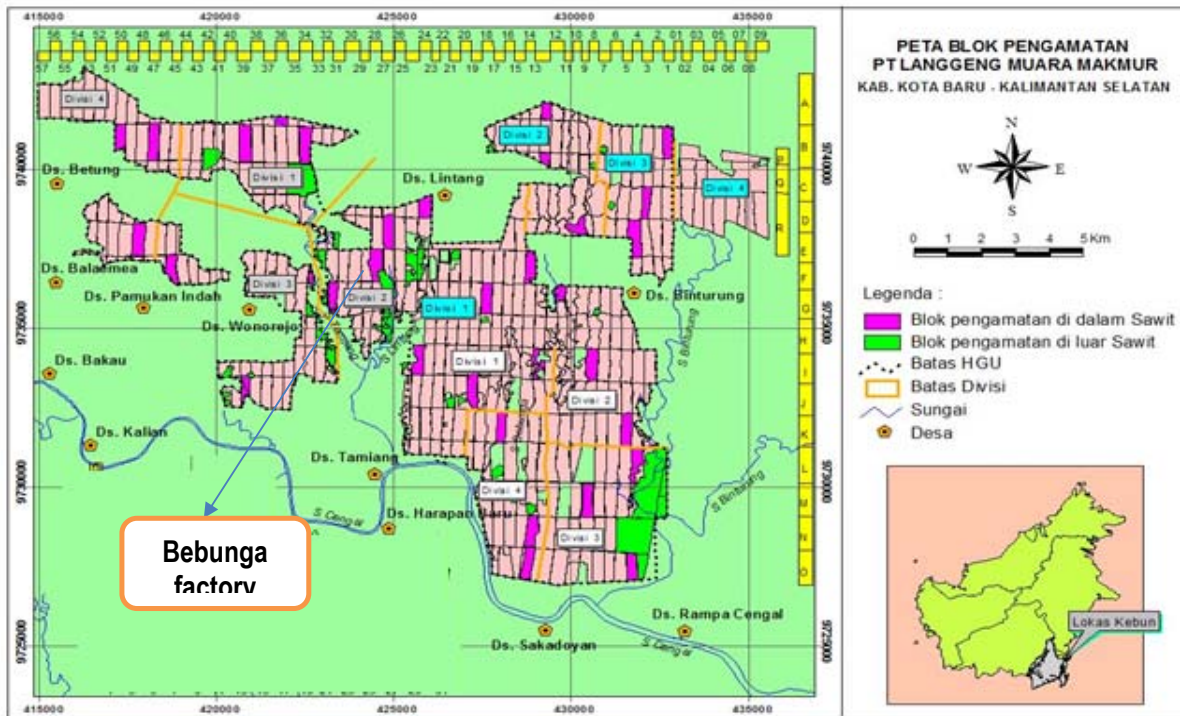
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Figure 1. Location Map of PT Langgeng Muaramakmur



Figure 2. Operational Map of PT Langgeng Muara Makmur



Abbreviations Used

BBE	:	Bebunga Estate
BBF	:	Bebunga Factory
BSS	:	Block Spraying System
BMS	:	Block Manuring System
BKE	:	Bakau Estate
CB	:	Certification Body
CPO	:	Crude Palm Oil
CSR	:	Corporate Social Responsibility
C1R2	:	Cutter, carrier, and Picker
EFB	:	Empty Fruit Bunch
EHS	:	Environment Health and Safety
FFB	:	Fresh Fruit Bunch
GHG	:	Green House Gases
GM	:	General Manager
HCV	:	High Conservation Value
HGU	:	<i>Hak Guna Usaha</i> Land Use Permit
HRM	:	Human Resource Management
HPO	:	Head Plantation Operational
IPM	:	Integrated Pest Management
IOM	:	Internal Office Memo
ISO	:	International Organization for Standardization
ISPO	:	Indonesian Sustainable Palm Oil
KKPA	:	<i>Koperasi Kredit Primer Anggota</i> (Cooperative Credit Scheme)
KTU	:	<i>Kepala Tata Usaha</i> (Head of Administration)
LUCA	:	Land Use Change Analysis
LC	:	Land Clearing
MUSREMBANG	:	<i>Musyawah Perencanaan Pembangunan Desa</i>
NGO	:	Non Government Organization
OFI	:	Opportunity for Improvement
OHS	:	Occupational Health & Safety
PK	:	Palm Kernel
PKB	:	<i>Perjanjian Kerja Bersama</i> (Collective Labour Agreement)
PKO	:	Palm Kernel Oil
PKWT	:	<i>Perjanjian Kerja Waktu Tertentu</i> (Temporary Appointment Work Agreement)
POM	:	Palm Oil Mill
POME	:	Palm Oil Mill Effluent
PPE	:	personal protective equipment
PT LMR	:	PT. Langgeng Muaramakmur
RaCP	:	Remediation and Compensation Procedure
PSQM	:	Plantation Sustainability Quality Management
PSD	:	Plantation and Services Department
SCE	:	Sungai Cengal Estate
SCCS	:	Supply Chain Certification System
SDP	:	Sime Darby Plantation
SGM	:	Senior General Manager
SOP	:	Standard Operational Procedure
SOU	:	Strategic Operation Unit
UMK	:	<i>Upah Minimum Kabupaten</i> (District Minimum Wage)
VOPs	:	Voluntary Oil Palm Seedling

WTP	:	Water treatment Plant
WWTP	:	Waste Water Treatment Plan

1.0	SCOPE of the CERTIFICATION ASSESSMENT		
1.1	Assessment Standard Used	<ul style="list-style-type: none"> Principles and Criteria for the Production of Sustainable Palm Oil 2018, endorsed by the RSP0 Board of Governors and adopted at the 15th Annual General Assembly by RSP0 Member on 15 November 2018. RSP0 Certification System for Principles and Criteria, 14 June 2017 	
1.2	Organization Information		
1.2.1	Organization name listed in the certificate	PT Langgeng Muaramakmur, subsidiary of Sime Darby Plantations bhd	
1.2.2	Contact person	Alegandran Maniam	
1.2.3	Organisation address and site address	RSP0 registered company: No 2, Plantation Tower Jalan PJU 1A/7 Petaling Jaya, Malaysia 47301 Liaison Office: The Plaza Lt. 36, JI 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@simedarbyplantation.com	
1.2.7	Web page address	http://www.simedarbyplantation.com/	
1.2.8	Management Representative who completed the application for certification	Alagendran Maniam (Head of PSQM Sime Darby Plantation Bhd)	
1.2.9	Registered as RSP0 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	One (1) Palm Oil Mill and three (3) supply bases : Bebunga POM, Bebunga Estate, Bakau Estate, Sungai Cengal 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
	Bebunga	Binturung Village, Pamukan Utara Sub District, Kotabaru District, Kalimantan Selatan Province, Indonesia	S 02° 22' 25" E 116° 19' 47"
1.4.2	Location of Certification Scope of Supply Base		
	Name of Supply Base	Location	Coordinate
			Latitude Longitude
	Bebunga Estate	Binturung Village, Pamukan Utara Sub District, Kotabaru District, Kalimantan Selatan Province, Indonesia	S 02° 23' 01" E 116° 20' 04"

Bakau Estate	Binturung Village, Pamukan Utara Sub District, Kotabaru District, Kalimantan Selatan Province, Indonesia	S 02° 25' 14"	E 116° 19' 42"
Sungai Cengal Estate	Binturung Village, Pamukan Utara Sub District, Kotabaru District, Kalimantan Selatan Province, Indonesia	S 02° 24' 22"	E 116° 21' 47"

1.5 Description of Area Statement

1.5.1	Tenure	
	<ul style="list-style-type: none"> State 	<p>Total area 17,523.99, consist of :</p> <ul style="list-style-type: none"> HGU : 16,990.75 Ha (3,249.22 Ha is excluded from this scope-Lanting Estate) HGU on process : 533.24 Ha <p>Total scope of this certificate is 14,274.77 Ha</p>
	<ul style="list-style-type: none"> Community 	Ha

1.5.2 Area Statement

Total area of certificate scope	14,274.77 Ha
Mature area	8,700.09 Ha
Immature area + LC for Replanting	2,117.69 Ha
Emplacement	165.46 Ha
Mill	32.42 Ha
Road, bridges, trhences	357.25 Ha
HCV	1,024.80 Ha
Swamp, hilly area, river	794.53 Ha
Nursery	21.49 Ha
*Non-permanent enclave (reserve area)	362.22 Ha
Other (Bulking, Air strip)	16.42 Ha
Enclave (Permanent)	682.40 Ha
*Community area inside HGU which not willing to compensate	

1.6 Planting Year and Cycles

1.6.1	Age profile of planting year				
	Planting Year	Hectarage (Ha)			
		Bebunga Estate	Bakau Estate	Sungai Cengal Estate	Total
	1993	118.41	-	-	118.41
	1994	252.23	-	-	252.23
	1995	326.77	-	-	326.77
	1996	724.94	555.93	565.51	1846.38
	1997	77.2	990.55	511.86	1579.61
	1998	-	69.32	147.59	216.91
	1999	-	-	222.44	222.44
	2000	-	-	348.14	348.14
	2005	-	-	319.29	319.29

2006	17.74	-	180.6	198.34			
2007	-	-	410.78	410.78			
2008	15	-	-	15			
2013	-	109.91	180.12	290.03			
2014	200.56	305.86	149.13	655.55			
2015	217.58	276.68	165.91	660.17			
2016	410.04	396.05	433.95	1240.04			
Sub Total Mature Area	2,360.47	2,704.30	3,635.32	8,700.09			
2017	186.62	214.35	246.98	647.95			
2018	146.88	164.73	78.22	389.83			
2019	618.86	143.84	317.21	1079.91			
Sub Total Immature Area	952.36	522.92	642.41	2,117.69			
TOTAL	3,312.83	3,227.22	4,277.73	10,817.78			
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 (%)
	Bebunga POM	60	101,801.63	21,648.72	21.45	5,113.08	5.07
	*Production data source from February 2019 to January 2020						
	**There are variance between FFB received and FFB processed covering 175.26 MT due to rest an of production.						
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)	%
	Bebunga Estate	3,958.43	3,312.83	29,286.75	12.41	29,286.75	100
	Bakau Estate	5,342.14	3,227.22	29,920.59	11.06	29,920.59	100
	Sungai Cengal Estate	4,974.20	4,277.73	39,076.39	10.75	39,076.39	100
	TOTAL	14,274.77	10,817.78	98,283.73	11.30	98,283.73	100
	*Production data source from February 2019 to January 2020						
	** Yield is calculated based on FFB producton / mature area.						
1.7.3	FFB description from other source						
	Name of sources/Organisation	Type of Organisation	Number of smallholders	Production Area (Ha)	FFB (tonnes/year)		
	Binturung Estate (RSPO Certified)	PT Paripurna Swakarsa, Sime Darby Plantation Bhd	-	3,581.15	666.34		
	Rampa Estate (RSPO Certified)	PT Paripurna Swakarsa, Sime Darby Plantation Bhd	-	3,319.41	31.80		

	Sekayu Estate (RSPO Certified)	PT Paripurna Swakarsa, Sime Darby Plantation Bhd	-	2,705.52	459.94			
	Betung Estate (RSPO Certified)	PT Laguna Mandiri, Sime Darby Plantation Bhd	-	3,238.31	251.67			
	KKPA (RSPO Certified)	PT Laguna Mandiri, Sime Darby Plantation Bhd	260	386	1,388.15			
	TOTAL				2,797.90			
	<i>*Production data source from February 2019 to January 2020</i>							
1.7.4	Product categories		FFB, CPO, PK					
1.8	Tonnage of Product							
1.8.1	Past Annual Claim Certified Product		Last Year Projected Certified Volume (MT)	Last Year Actual Certified Volume (MT)				
	• FFB Production		124,710	101,801.63				
	• CPO Production		26,813	21,648.72				
	• Palm Kernel (PK) Production		6,485	5,113.08				
1.8.2	Product selling							
	Tonnage of selling product		Actual selling product for last year (MT)					
	• CSPO sold as RSPO certified product		14,569.37					
	• CSPK sold as RSPO certified product		4,792.25					
	• CSPO sold under other scheme		0					
	• CSPK sold under other scheme		0					
	• CSPO sold as conventional		904.02					
	• CSPK sold as conventional		0					
1.8.3	Estimate of Certified FFB Claim							
	Name of Estates	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)			
	Bebunga Estate	3,958.43	3,312.83	32,500	9.81			
	Bakau Estate	5,342.14	3,227.22	33,200	10.29			
	Sungai Cengal Estate	4,974.20	4,277.73	42,500	9.94			
	TOTAL	14,274.77	10,817.78	108,200	10.00			
	<i>Projected FFB production for 16 March 2020 to 15 March 2021</i>							
1.8.4	Estimate of Certified Palm Product Claim							
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel		Supply Chain Module
				Out put (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)	
	Bebunga POM	60	108,200	23,800	22.00	5,400	5.00	IP
	<i>Projected FFB production for 16 March 2020 to 15 March 2021</i>							
1.9	Other Certifications							
	Environment award (Environment ministry award) 2018		Predicate blue					
	Others		ISPO (Indonesian Sustainable Palm Oil) – 30 April 2015					

1.10 Time Bound Plan							
1.10.1 Time Bound Plan for Other Management Units							
Management Unit		Supply Base	Time Bound Plan	HGU on Process		Location	Status
Mill	Time Bound Plan			Ha	Time Bound Plan		
Sekunzir. PT. Indotruba Tengah	2010	Sekunzir	2010			Seruyan and West Kotawaringin District – Central Kalimantan	Certified
		Seruyan	2010				Certified
Manggala. PT. Tunggal Mitra Plantations	2010	Manggala 1	2010			Rokan Hilir District – Riau	Certified
		Manggala 2	2010				Certified
		Manggala 3	2010				Certified
Bukit Ajong PT. Sime Indo Agro	2010	West	2010			Sanggau District – West Kalimantan	Certified
		East	2010				Certified
		Sei Mawang	2018	57.89	2020		-
		East Plasma	2010				Certified
		West Plasma	2010				Certified
Teluk Siak. PT Aneka Inti Persada	2011	Teluk Siak	2011			Pekanbaru, Siak District – Riau	Certified
		Pinang Sebatang	2011				Certified
		Aneka Persada	2011				Certified
Sungai Pinang. PT. Bina Sains Cemerlang	2012	Sungai Pinang	2012	308.25	2020	Musi Rawas District – South Sumatera	Certified
		Bukit Pinang	2012				Certified
Pematang. PT. Teguh Sempurna	2011	Pematang	2011			Seruyan and East Kotawaringin District – Central Kalimantan	Certified
		Kawan Batu	2011				Certified
		Hatan Tiring	2011				Certified
		Batang Garing	2011				Certified
Alur Dumai. PT Lahan Tani Sakti	2011	Alur Dumai	2011			Rokan Hilir District – Riau	Certified
Teluk Bakau. PT. Bhumireksa Nusa Sejati	2011	Teluk Bakau	2011			Indra Giri Hilir District – Riau	Certified
		Nusa Perkasa	2011				Certified
		Nusa Lestari	2011				Certified
Mandah PT. Bhumireksa Nusa Sejati	2014	Mandah	2011			Indra Giri Hilir District – Riau	Certified
		Rotan Semelur	2011				Certified
Angsana Mini*) PT Sajang Heulang	2011	KKPA-1 PT.SHE	2013			Tanah Bumbu District – South Kalimantan	Certified
		Pantai Bonati	2011				Certified
Angsana.	2011	Pantai Bonati	2011			Tanah Bumbu District	Certified
		Gunung Sari	2011				Certified

PT Ladangrumpun Suburabadi		KKPA-4 PT.SHE	2013			- South Kalimantan	Certified
		KKPA-1 PT.SHE	2013				Certified
		Subur Abadi Plasma 1 Estate	2020				-
Mustika. PT Sajang Heulang	2013	Mustika				Tanah Bumbu District - South Kalimantan	Certified
		KKPA-2 PT.SHE	2013				Certified
		KKPA-3 PT.SHE	2013				Certified
		KKPA-5 PT.SHE	2013				Certified
		SAP 1	2020				ST-2
Gunung Aru. PT Bersama Sejahtera Sakti	2011	Gunung Aru	2011	549.58	2020	Kotabaru District - South Kalimantan	Certified
		Gunung Kemasan	2011	216.35	2020		Certified
		Laut Timur	2011				Certified
		Pantai Timur	2011				Certified
		KKPA MBP	2020				-
Bebunga. PT. Langgeng Muaramakmur	2011	Sungai Cengal	2011	1,162	2020	Kotabaru District - South Kalimantan	Certified
		Bakau	2011				Certified
		KKPA LMR	2014				Certified
Sukamandang PT Kridatama Lancar	2011	Sukamandang	2011			Seruyan and East Kotawaringin District - Central Kalimantan	Certified
		Sapiri	2011				Certified
		Barasdanum	2011				Certified
		Kuala Kuayan	2011				Certified
Pondok Labu. PT Paripurna Swakarsa	2012	Binturung	2012			Kotabaru District - South Kalimantan	Certified
		Pondok Labu	2012				Certified
		Rampa	2012				Certified
		Sesulung	2012				Certified
Selabak *) PT Swadaya Andhika	2012	Selabak	2012			Kotabaru District - South Kalimantan	Certified
		Randi	2012				Certified
		Sangkoh	2012				Certified
		Lanting	2012				Certified
Rantau. PT Laguna Mandiri	2012	Rantau	2012			Kotabaru District - South Kalimantan	Certified
		Matalok	2012				Certified
Betung. PT Laguna Mandiri	2014	Betung	2012			Kotabaru District - South Kalimantan	Certified
		Sekayu	2012				Certified
Ungkaya. PT Tamaco Graha Krida	2012	Ungkaya	2012			Morowali District - Sulawesi Tengah	Certified
		Plasma TGK	2015				Certified
Ladang Panjang. PT Bahari Gembira Ria	2012	Ladang Panjang	2012	1,639	2020	Muaro Jambi District - Jambi	Certified
		Plasma BGR	2020				-
Rantau Panjang.	2012	Rantau Panjang	2012				Certified

PT Guthrie Pecconina Indonesia		Bumi Ayu	2012			Musi Banyuasin District – South Sumatera	Certified		
		Karang Ringin	2012				Certified		
		Napal	2012				Certified		
		Mangun Jaya	2012				Certified		
		Sungai Jernih Estate and GPI KKPA	2017				- (Not Yet)		
Blang Simpo. PT Perkasa Subur Sakti	2013	Tamiang (PT PPP)	2013	1,286	2020	Aceh Tamiang and East Aceh District – Nanggroe Aceh Darussalam	Certified		
		Batang Ara (PT PSK)	2013				Certified		
		Blang Simpo-01	2013				Certified		
		Blang Simpo-02	2013				Certified		
Lembiru. PT Sandika Nata Palma	2014	Lembiru	2014	800	2020	Ketapang District – West Kalimantan	Certified		
		Awatan	2014				Certified		
		Karya Palma	2018				-		
		KKPA SNP	2020				-		
		Pelanjau (PT BAL)	2018				1,121	2020	certified
		Sungai Putih (PT BAL)	2018				-		
		Baturus (PT BAL)	2018				-		
		KKPA BAL	2020				-		
MALAYSIA									
Sg Dingin SOU 1	2010	Bukit Hijau	2010			Kerangan, Kedah	Certified		
		Padang Buluh	2010				Certified		
		Bukit Selangor	2010				Certified		
		Sg Dingin	2010				Certified		
		Jentayu	2010				Certified		
		Anak Kuli	2010				Certified		
		Somme	2010				Certified		
Chersonese SOU 2	2011	Chersonese	2011			Kuala Kurau, Perak	Certified		
		Holyrood	2011				Certified		
		Kalumpong	2011				Certified		
		Tali Ayer	2011				Certified		
Elphil SOU 3	2011	Kinta Kellas	2011			Sg Siput, Perak	Certified		
		Elphil	2011				Certified		
		Kamuning	2011				Certified		
Flemington SOU 4	2011	Flemington	2011			Teluk Intan, Perak	Certified		
		Bagan Datoh	2011				Certified		
		Sabak Bernam	2011				Certified		
		Sg Samak	2011				Certified		
Seri Intan SOU 5	2011	Seri Intan (Main Division)	2011			Teluk Intan, Perak	Certified		
		Sabrang	2011				Certified		
		Sg Wangi	2011				Certified		
		Sogomana (Main Division)	2011				Certified		

Selaba SOU 5	2011	Seri Intan (Selaba Division)	2011			Teluk Intan, Perak	Certified
		Sogomana (Cashwood & Sg Beruas Division)	2011				Certified
		Bikam	2011				Certified
		Clumy	2011				Certified
Tennamaram SOU 6	2011	Tennamaram	2011			Bestari Jaya, Selangor	Certified
		Sungei Buloh	2011				Certified
		Bkt Talang	2011				Certified
Bkt Kerayong SOU 7	2011	Bkt Kerayong	2011			Kapar, Selangor	Certified
		Bkt Cherakah	2011				Certified
		Bkt Rajah	2011				Certified
		Bkt Lagong	2011				Certified
		Elmina	2011				Certified
East SOU 8	2010	East	2010			Carey Island, Selangor	Certified
		Dusun Durian	2010				Certified
		Sepang	2010				Certified
West - SOU 9	2010	West	2010			Carey Island, Selangor	Certified
Bukit Putri - SOU 10	2011	Bukit Putri	2011			Raub, Pahang	Certified
Kerdau SOU 11	2011	Kerdau	2011			Temerloh, Pahang	Certified
		Jentar	2011				Certified
		Mentakab	2011				Certified
		Sg Mai	2011				Certified
		Chenor	2011				Certified
Jabor - SOU 12	2011	Jabor	2011			Kuantan, Pahang	Certified
Labu SOU 13	2011	Labu	2011			Nilai, Negeri Sembilan	Certified
		New Labu	2011				Certified
		Bradwall	2011				Certified
Tanah Merah SOU 14	2010	Tanah Merah	2010			Port Dickson, Negeri Sembilan	Certified
		Sua Betong	2010				Certified
		Bukit Pelandok	2010				Certified
Sua Betong SOU 15	2014	Salak	2014			Port Dickson, Negeri Sembilan	Certified
		Sengkang	2014				Certified
		Siliau	2014				Certified
		PD Lukut	2014				Certified
		Sungai Baru	2014				Certified
		Tampin Linggi	2014				Certified
Kok Foh SOU 16	2011	Bukit Pilah	2011			Bahau, Negeri Sembilan	Certified
		Kok Foh	2011				Certified
		Muar River	2011				Certified
		St. Helier	2011				Certified
		Pertang	2011				Certified

		Sg Gemas	2011				Certified
		Sg Sebaling	2011				Certified
		Sg Senarut	2011				Certified
Kempas SOU 17	2010	Kempas	2010			Jasin, Melaka	Certified
		Kemuning	2010				Certified
		Tangkah	2010				Certified
Diamond Jubilee SOU 18	2011	Bukit Asahan	2011			Jasin, Melaka	Certified
		Diamond Jubilee	2011				Certified
		Serkam	2011				Certified
Pagoh SOU 19	2014	Pagoh	2014			Muar, Johor	Certified
		Lanadron	2014				Certified
		Pengkalan Bukit	2014				Certified
		Welch	2014				Certified
Chaah SOU 20	2010	North Labis	2010			Chaah, Johor	Certified
		Cha'ah	2010				Certified
		Sg Simpang Kiri	2010				Certified
Gunung Mas SOU 21	2010	Gunung Mas	2010			Kluang, Johor	Certified
		Kempas Klebang	2010				Certified
		Bukit Paloh	2010				Certified
		Yong Peng	2010				Certified
Bukit Benut SOU 22	2011	Bukit Benut	2011			Kluang, Johor	Certified
		CEP Niyor	2011				Certified
		Lambak / Elaeis	2011				Certified
Ulu Remis SOU 23	2011	Pekan	2011			Layang-layang, Johor	Certified
		Sembrong	2011				Certified
		Tun Dr. Ismail	2011				Certified
		Ulu Remis	2011				Certified
		Bukit Badak	2011				Certified
		Cenas	2011				Certified
Hadapan SOU 24	2011	CEP Rengam	2011			Layang-layang, Johor	Certified
		Kulai	2011				Certified
		Layang	2011				Certified
		Seri Pulai	2011				Certified
Sandakan Bay SOU 26	2008	Tun Tan Siew Sin	2008			Sandakan, Sabah	Certified
		Tunku	2008				Certified
		Tigowis	2008				Certified
		Sentosa	2008				Certified
		Saguliud	2008				Certified
Melalap SOU 27	2011	Melalap	2011			Tenom, Sabah	Certified
		Sapong	2011				Certified
Binuang SOU 28	2009	Tingkayu	2009			Kunak, Sabah	Certified
		Sungang	2009				Certified
		Jelata Bumi	2009				Certified
		Binuang	2009				Certified

Giram SOU 29	2009	Mostyn	2009			Kunak, Sabah	Certified
		Giram	2009				Certified
Merotai SOU 30	2009	Imam	2009			Tawau, Sabah	Certified
		Merotai	2009				Certified
		Table	2009				Certified
		Tiger	2009				Certified
Lavang SOU 31	2011	Belian	2011			Bintulu, Serawak	Certified
		Kelida	2011				Certified
		Lavang	2011				Certified
		Lavang (SE)	2011				Certified
		Rasan	2011				Certified
Rajawali SOU 32	2011	Rajawali	2011			Bintulu, Serawak	Certified
		Samudera	2011				Certified
		Semarak	2011				Certified
		Bayu	2011				Certified
Derawan SOU 33	2011	Takau	2011			Bintulu, Serawak	Certified
		Damai	2011				Certified
		Derawan	2011				Certified
		Sahua	2011				Certified
Pekaka SOU 34	2011	Chartquest	2011			Bintulu, Serawak	Certified
		Dulang	2011				Certified
		Peroh	2011				Certified
		Pekaka	2011				Certified
		Ruai	2011				Certified
LIBERIA							
Grand Cape Mount	2017	Matambo (2,500 Ha)	2018			Grand Cape Mount, Liberia	IC
		Grand Cape Mount (2,372 Ha)	2018				IC
		Zodua (264)	2018				IC
		Bomi (3,128 Ha)	2018			Bomi, Liberia	IC
		Lofa (2,254 Ha)	2018			IC	
P & G (New Britain Palm Oil)							
Poliamba	2012	Kara	2012			Kevieng, New Ireland Province, P&G	Certified
		West Coast	2012				Certified
		Nalik	2012				Certified
		Noatsi	2012				Certified
		Madak	2012				Certified
		North (Smallholders)	2012				Certified
		South (Smallholders)	2012				Certified

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

<ul style="list-style-type: none"> • Mosa • Kumbango • Kapiura • Namumdo • Waraston 	2008	West Sagarai	2013			Certified
		Bebere	2008		West New Britain	Certified
		Kumbango	2008		Certified	
		Togulo	2008		Certified	
		Dami	2008		Certified	
		Waisisi	2008		Certified	
		Kautu	2008		Certified	
		Karausu	2008		Certified	
		Moroa	2008		Certified	
		Bilomi	2008		Certified	
		Loata	2008		Certified	
		Haella	2008		Certified	
		Garu	2008		Certified	
		Daliavu	2008		Certified	
		Sapuri	2008		Certified	
		Malilimi	2008		Certified	
		Rigula	2008		Certified	
		Nomundo	2008		Certified	
		Navarai / Karato ME	2008		Certified	
		Volupai . Lotomgam / Natupi / Goruru	2008		Certified	
		Lolokoru	2008		Certified	
Silovoti	2008		Certified			
LSS Hoskin (1,877 Smallholders)	2008		Certified			
VOP East (1,815 Smallholders)	2008		Certified			
VOP Central (1,958 Smallholders)	2008		Certified			
VOP West (1,277 Smallholders)K aulong / 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 mmanagement units in Indonesia, 10 management units in P&G that RSPO certified. Total management unit in Sime Darby Plantation Bhd are 34 in Malaysia, 25 in Indonesia and 10 in P&G. In the year of 2016 & 2017 there are three Mill that are no longer operating, and for the supplying base (Estate) is diverted to a mill that is still operating and has been certified RSPO. The mills are:</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. The TBP has been approved and signed by the management representative (Head PSQM).</p>					
1.10.2	Progress of Associated Smallholders and Outrowers for Certifiable Standard				
	The part area of associated smallholder (KKPA Sungai Cengal under PT LMI) which supplied to Rantau POM has been certified under PT LMI-Rantau POM.				

2.0	ASSESSMENT PROCESS
2.1	Assessment Team
ASA-1.3	<ol style="list-style-type: none"> 1. Moh Arif Yusni (Lead Auditor). Indonesian citizen. Bachelor of Agriculture, majoring in Plant Protection. Has experience as an operational staff at a private oil palm plantation company in Indonesia on 2010 to 2012. Has attended several trainings, i.e.: ISO 19011, ISO 9001; ISO 14001, SA 8000, RSPO lead auditor, ISPO lead auditor, OHS expert, OHS auditor based on National Government No. 50/2012, SCCS, etc. Has conducting ISPO, RSPO and MSPO audit as an auditor and lead auditor with expertise on best management practices for estate and mill, legality, worker welfare, safety, social, environment, conservation, transparency, long term economic management plan and supply chain for palm oil mill aspects. During the audit, he verified Legality and Social. 2. Muhammad Rinaldi (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, training of HCV identification, training of OHS system management, training of potential and conflict resolution, SA 8000. 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 SCCS. 3. Radytio Puspanjana (Auditor). Indonesian Citizen. Bachelor of agriculture, majoring in Soil Science. Agriculture Faculty. He was working as honorarium Officer at the Riau Province Plantation Agency in the division of huge estate for 1 year. The participated trainings are Survey and Mapping (GIS) Training which was held by National GMT, ISPO auditor training, ISO 9001/2008 auditor training, ISO 14001/2004 auditor training, IHT Geospatial Information System, IHT High Conservation Value, IHT Environmental Impact Assessment, IHT Green House Gas and RSPO Lead Auditor Course by Checkmark Training. Since 2015 has been following many audit as auditor base on Best Management Practice and Environment. Aspect audit: Long term management plan, Environment, HCV, GHG. 4. Haikal Ramadhan Kharismansyah (Auditor). Indonesian citizen, Bachelor of Agriculture department of plant and pest disease (Agrotechnology). He has 3 years experiences as an Agronomy Staff in private oil palm plantation in Indonesia. Training which had attended including Basic Management Development Program Agronomy, Integrated Urban Pest Management, Integrated Pest Management, ISO 9001 : 2015, Lead Auditor ISPO, Lead Auditor RSPO, ISO 22000, SA 8000, ISO 14000 and SCCS. Has conducting ISPO and RSPO audit with expertise on best management practices, OHS, Worker Welfare, and SCCS. During this audit he verify Best Management Practices, OHS and Worker Welfare. 5. Andriobiko (Observer). Associate Expert in Oil Palm Plantations. Experienced in several national private oil palm plantation companies as Operational Staff in 2008-2019. Has attended ISPO Auditor training.
2.2	Assessment Methodology, Assessment Process and Locations of Assessment
2.2.1	Figure of person days to implement assessment
ASA-1.3	<p>Number of auditors : 4 auditor Number of days for ASA-1.3 at site : 4 days Number of working days for ASA-1.3 at site : 16 Working days</p>
2.2.2	Assessment Process
ASA-1.3	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT Langgeng Muaramakmur to the requirements of Principles and Criteria for the Production of Sustainable Palm Oil 2018, endorsed by the RSPO Board of Governors and adopted at the 15th Annual General Assembly by RSPO Member on 15 November 2018 and RSPO Certification System for Principles and Criteria, 14 June 2017.</p> <p>The audit program is included as Appendix 2. The approach to the audit was to treat the mill and its supply base as an RSPO Certification Unit. Mill was audited together with the sample estates. A range of environmental and social factors were covered. This includes consideration of topography, palm age, proximity to areas with HCVs, declared conservation areas and local communities.</p>

The assessment was conducted in three methods: (1) document review, aiming to observe the sufficiency of types or substances from required documents; (2) *interview*, aiming to obtain more detailed information and cross check the information; and (3) field observation, aiming to observe directly the sufficiency of implementation on site.

Public Stakeholder Notification was made on PT Mutuagung Lestari Website. There is no written negative feedback receive. Stakeholder consultation involved internal and external stakeholders. Meetings were held with stakeholders to seek their views on the performance of the company with respect to the RSPO requirements and aspects where they considered that improvements could be made. At the start of each meeting, the interviewer explained the purpose of the audit followed by an evaluation of the relationship between the stakeholder and the company before discussions proceeded. The interviewer recorded comments made by stakeholders and these have been incorporated into the assessment findings. The comments made by external stakeholders were also taken into account in the assessment

Structured worker interviews with male and female workers and staff were held in private at the workplace in the mill and the estates. Fieldworkers were interviewed informally in small groups in the field. In addition, the wives of workers and staff were interviewed in informal meetings at their housing. Company officials were not present at any of the internal or external stakeholder interviews. A list of Stakeholders contacted is included as Appendix I.

Commonly, the audit activities went smoothly with good support from the unit management. The presentation of documents is presented quite well by involving related personnel.

Some opportunities for improvement of the results **ASA-1.3** delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase (**ASA-1.4**).

Improvement of findings from previous assessment findings were observed by auditors at this **ASA-1.3** assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of **ASA-1.3**

The assessment program please find Appendix 2

<p>2.2.3</p>	<p>Locations of Assessment</p>
<p>ASA-1.3</p>	<p>The sampling location consider the issue arise from the review documents and stakeholder's consultation that are fundamental and crucial. On this assessment sample locations that visited and respondent that interviewed by team auditor are:</p> <p>BEBUNGA POM</p> <ul style="list-style-type: none"> - Water intake of reservoir. Observations and interviews related to water management, recording of water and waste management. - Monitoring Well Block G21. Observation of water testing sampling. - WWTP. Observation on WWTP, indication of waste overflow, OHS implementation, and interview with worker about worker. - Sorting and Grading. Observations and interviews regarding work procedures, remuneration systems, and employee understanding of emergency response - Engine Room. Observations and interviews regarding work procedures, health checks, operator licenses, and wage system - Boilers. Observation and interview regarding work procedures, payment system, operator license, and understanding of emergency response. - WTP. Observation and interview regarding work procedures, domestic use of water and FFB processing and understanding of safe working method - Sterilizer. Observations and interviews related to the duties and responsibilities of daily work - Press Station. Observations and interviews related to medical check-up, PPE feasibility, and operator responsibility - Chemical Warehouse. Observation and interview regarding the management of factory chemicals. - Transit hazardous waste storage. observations and interviews regarding hazardous waste management. - Hydrant Simulation. Observation regarding fire preparedness emergency response team

- **Workshop.** Observation and interview related the management of hazardous and toxic material, operator license, and OHS aspect
- **Security post :** Observation and interview related security team jobdesc, OHS aspect, and the understanding of FFB resources
- **Weigh bridge.** Observation and interview related SCCS implementation and employment

BEBUNGA ESTATE

- **Land Application Block G49 Afdeling 9.** Observation and interview regarding the application system for POME (Palm Oil Mill Effluent).
- **HCV Area, Danum Bolum Water spring,** Observation the implementation of management in HCV area, figure water source
- **Boundaries Stones No LMR 18, LMR 19 and LMR 04,** Observation of aspect of land demarcation and maintenance of HGU pole.
- **Enclave Area Block 047.** Observation related social aspect and potential dispute area
- **Replanting Area Block C30,** Observation on mechanical land preparation, soil and water conservation by planting LCC.
- **Scheme Smallholders (Segandang Village) Block B049.** Observation related scheme smallholders area
- **Scheme Smallholders (Sungai Cengal Area) Block I001 / H001,** Observation related scheme smallholder's area
- **Dispute Area Block B003,** Observation related social aspect and potential dispute area
- **Nursery.** Observation and Interview regarding work procedures and seed handling process and safety in using chemicals
- **Emplacement.** Observation regarding employee welfare facilities and infrastructure
- **Daycare.** Observations and interviews about daycare centers
- **Warehouse.** Observation and interview regarding Hazardous waste management
- **Transit hazardous waste storage.** Observation and interview regarding hazardous waste management
- **BSS & BMS house.** Observation and interview regarding the management and storage of fertilizing and spraying facilities and infrastructure
- **Clinic.** Observations and interviews about health facilities, work accident records, and medical waste management
- **Landfill.** Observations regarding the management of residential domestic waste
- **Workshop.** Observations and interviews regarding work procedures, health checks, and management LB3

BAKAU ESTATE

- **HCV Tamiang River Riparian Area, division II&III block F33/E33.** Observation the implementation of management in HCV of riparian area.
- **HCV Swamp Area, Block R6.** Observation the implementation of management in HCV of forest area.
- HGU stakes and land demarcation No. LMR 47, No. LMR 24, No. LMR 22. Observation of aspect of land demarcation and maintenance of HGU pole, and land dispute potency.
- **Daycare facility.** Interview related to worker welfare, complain mechanism, and feasibility of facilities.
- **Chemical storage.** Observations and interview related to condition of the storage and management of hazardous and toxic materials and OHS implementation.
- Fertilizer warehouse. Observations and interview related to the condition of fertilizer warehouse
- Clinic. Observation related to medical facility.
- **Transit Hazardous Waste Storage.** Field observations related to the management of hazardous and toxic materials
- **Rinse house.** Observation and interviews related to washing of working tools, PPE spray teams and used pesticide containers handling.
- **Landfill block C38 Division 1.** Observation and interview related to waste management.
- **Water treatment plan Division 3.** Observation related to clean water.
- **Workshop.** Field observations and interview related workshop activity, OHS, environmental and worker welfare aspect
- **Diesel Tank.** Observation of OHS, environment aspect, emergency response and fire facilities.
- **Fuel and Lubricants Warehouse** Field observations and interview related fuel, Oil and lubricants, OHS and environmental aspect
- **Spare part store.** Observation for material handling and OHS

- **Firefighter facilities.** Observation related emergency response, readiness of fire fighting equipment
- **Generator set room.** Observation and interviews related to work procedures, OHS implementation, employment and complaint mechanism.
- **Housing complex Division 3.** Observation of employee facilities, management of domestic waste, emergency response facilities, provision of clean water.
- **Reservoir housing complex Division 3.** Observation related to provision of clean water, waste management and handling leak in the water engine room, the prohibition of the application of chemicals around the reservoir.
- **Harvesting activity** di Block F40 Division III Observation and interviews with foremen and workers related to work procedures, health insurance and labor protection, safe working practices and use of PPE.
- **Circle and Path Spraying** di Block G37 Division III : Interviews and Observations with pesticide applicators related work safely for themselves and the environment.
- **Fertilizer** di Block J37 Division III : Interviews and observations with pesticide applicators related work safely for themselves and the environment
- **Application EFB** Block A034 II: Interviews and observations with pesticide applicators related work safely for themselves and the environment
- **Spraying pest and disease** di Block G29 Division II : Interviews and Observations with pesticide applicators related work safely for themselves and the environment
- **Replanting** Block A034 Division II: : Interviews and observations with pesticide applicators related work safely for themselves.

SUNGAI CENGAL ESTATE

- **HGU stakes and land demarcation No. LMR 29, No. LMR 01, No. LMR 02, LMR 03, LMR 04 LMR 05.** Observation of aspect of land demarcation and maintenance of HGU pole, and land dispute potency.
- **HCV area Water source, namely *sumur tujuh* Block G8 division II.** Observation the implementation of management in HCV of water catchment area.
- **HCV area *tomb sacred* Block J15 division II.** Observation the implementation of management in HCV of water catchment area.
- **Harvesting. Block C17 Division 1.** Observation regarding work procedures, wages, and safe working methods.
- **Circle and Path Spraying. Block C012 Division 1.** Observation and interview regarding work procedures and safe working methods for both themselves and the environment
- **Racking. Block M13 division 4.** Observation of work procedures and safe working methods
- **VOPs control. Block O16 Division 4.** Observation of work procedures and safe working methods
- **Transit hazardous waste storage.** Observation of OHS implementation such as the use of PPE, MSDS, Work Instructions, Hazardous Symbols & hazardous management emergency response.
- **Material Warehouse.** Observation of OHS implementation such as the use of PPE, MSDS, Work Instructions, Hazardous Symbols & hazardous management emergency response.
- **Chemical warehouse.** Observation of OHS implementation such as the use of PPE, MSDS, Work Instructions, Hazardous Symbols & hazardous management emergency response.
- **Fertilizer warehouse.** Observations and interviews with warehouse officials regarding the type of fertilizer stored, OHS facilities (symbols, light fire extinguishers and first aid kit), technical work, warehouse conditions and employment aspects.
- **Pesticide Storage.** Observations and interviews with warehouse officials regarding the type of fertilizer stored, OHS facilities (symbols, light fire extinguishers and first aid kit), technical work, warehouse conditions and employment aspects.

Bulking Station

- **Pamukan Bulking.** Observation and interview of personnel in charge related to process of CPO stored from Bebunga factory and process of CPO dispatch to buyers.
- **Sekumbang Jetty** Observation and interview of personnel in charge related to process of CPO dispatch to buyers.

Public Consultation

- National Land Agency
- Head of Bina Swadaya Village Cooperative Unit
- Village official Desa Sebangau

	<ul style="list-style-type: none"> - Labor Union - Gender Committee - Labour Agency - Village official of Wonorejo - Village official Mulyoharjo - Village official Lintang Jaya
2.3	Stakeholder Consultation and Stakeholders Contacted
2.3.1	Summary of stakeholder consultation process.
ASA-1.3	<p>Summary of stakeholder consultation process</p> <p>Consultation of stakeholders for PT Langgeng Muaramakmur was held by:</p> <ol style="list-style-type: none"> 1. Public notification in Website of PT Mutuagung Lestari on 03 February 2020 2. Conducted and interviews via telephone with related agencies in Kotabaru Regency on February 18, 2020. 3. Consultation with the internal stakeholder (Labour Union and Gender Committee) on 18 February 2020 4. Consultation with the local community on 18 February 2020 5. Consultation with relevant NGOs via e-mail on February 6, 2020
2.3.2	Stakeholder contacted
	Please find appendix 1
2.4	Determining Next Assessment
	The next visit (ASA-1.4) will be determined 8 – 12 months after the date of license certificate

3.0. ASSESSMENT FINDINGS

3.1. Summary of Assessment Report of the RSPO Certification

MUTUAGUNG LESTARI has conducted an assessment of Bebunga POM – PT Langgeng Muaramakmur Subsidiary of Sime Darby Plantation Bhd operation consisting of one (1) mill and 3 (three) oil palm estates.

During the assessment, there were four (4) Nonconformities were assigned against Critical Compliance Indicator; four (4) nonconformities were assigned against Non Critical Compliance Indicators and three (3) opportunities for improvement were identified.

Further explanation of the non-conformities raised and corrective actions taken by the company are provided in section 3.5. The company has already prepared and implemented the corrective actions that had been reviewed and accepted by Auditors in form of documentation evidences. E .g. (document record/photographic/etc...).

MUTUAGUNG LESTARI found that Bebunga POM – PT Langgeng Muaramakmur subsidiary of Sime Darby Plantation Bhd complied with the requirements of Principles and Criteria for the Production of Sustainable Palm Oil 2018, endorsed by the RSPO Board of Governors and adopted at the 15th Annual General Assembly by RSPO Member on 15 November 2018 and RSPO Certification System for Principles and Criteria, 14 June 2017.

Therefore MUTUAGUNG LESTARI Recommends RSPO Certification of compliance is continued.

Ref Std.	VERIFICATION RESULT of MUTU-Certification	
PRINCIPLE #1 BEHAVE ETHICALLY AND TRANSPARENTLY		
1.1 The unit of certification provides 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.		
<p>1.1.1;1.1.2;1.1.5 Based on the procedure request for information contained in the procedure request for information with no. document 050 / LLMR-INF / C11 revision 01 dated 19 February 2016, it is known that the types of information that can be accessed by the public include: Area of LC, Immature plants, facilities and infrastructure, proof of social security payment, proof of payment of employee repayment, health plans and work safety, plans and assessments related to the social and environmental impact analysis of HCV documents, pollution reduction and prevention plans, complaints and complaints seconds, negotiation procedures, continuous improvement plans, public summaries and certification assessment reports, human rights policies, and others.</p> <p>Based on the interviews of Lintang Jaya village and Mulyoharjo village, stated that they already know the procedure for requesting information, the documents can be accessed by contacting the company or accessing the Unit of Certification website by providing information in the form : e-mails, advertisements, brochures, leaflets or pamphlets, direct visits, surveys and information is presented in appropriate language and writing.</p> <p>The information management report has been recorded in the External entry logbook, the complaint book, the outgoing mail register. All incoming letters have been responded to no later than 15 days after the company received the letter Example: letter date 09/16/2019 from the head of Lintang Jaya village regarding the request for clean water, there is a response letter from Bebunga Factory Manager, dated 17 September 2019 no. 141 / BBF-Ds.Lintang Jaya / 09/2019 have been given clean water and sent every 2 days.</p> <p>The Unit of Certification has a stakeholder list of PT Langgeng Muaramakmur in February 2020 which informs the name of the institution / agency, the name of the contact person, position, cell phone number, and address. The list of</p>		

stakeholders consists of indigenous peoples and community leaders, institutions (officials) and related institutions, relevant government agencies.

1.1.3

The Unit of Certification has procedures for responding to the stakeholders listed in SOP Request for Information No. 050 / LLMR-INF / C11 revision 01 dated 19 February 2016. The procedure explains that:

- All requests for information coming into the operational unit are addressed to the Operations Unit Manager.
- The Head of Section / KTU makes a draft letter and / or the contents of the response letter requesting information from all stakeholders.
- A request for information will be studied and the response made by the unit manager
- If in making a response letter requires the approval of the Head of the Ministry and / or the relevant department, then first ask permission from the relevant department.
- Management will send a response letter to the parties and outgoing and incoming letters from the operational unit in a large office.

There are logbook books for incoming and response letters for each unit that informs the number, date, letter number, and information. Based on documents verifications and interview with management it was known if there is no information request from stakeholder to the company. The incoming letter is a type of request for assistance addressed to the company. For example letter from the head of Lintang Jaya village regarding the request for clean water on 16 September 2019. There is a response letter from Bebunga Factory Manager, dated 17 September 2019 no. 141 / BBF-Ds.Lintang Jaya / 09/2019 have been given clean water and sent every 2 days.

1.1.4

SOP No. 05 / PSA / Kom-SOP / 14/00 dated January 1, 2014 concerning communication procedures containing flow chart Consultation dialogue with villagers:

- The PSD unit submits a written consultation plan with the village community through the village head / customary leader / community leader
- Responses from village heads or community leaders
- PSD unit checks the authority of the Manager
- The SOU / GM / SGM / HPO Chairperson gave a positive response in writing (no later than 15 days
- Follow up on the results of the dialogue consultation with the community by PSD

Interviews with government agencies, Labor unions, village representatives, it was found that they understood how to communicate and consult with the Unit of Certification and the PIC who was responsible for communicating and consulting.

Status : Comply

**1.2
The unit of certification commits to ethical conduct in all business operations and transactions.**

1.2.1

The Unit of Certification has Code of Conduct No. Policy 440 / HRM-COC / 07 No Revision.00 24 May 2007. In general the Code of Conduct explains that Minamas Plantations as a subsidiary is instructed to conduct business activities based on the principles of Good Governance in all operational environments of Minamas Plantations. all levels of management, staff and all employees within the scope of Minamas Plantations are determined to manage the company based on the principles of Good Corporate Governance. Through the Code of Conduct it is expected that ethical behavior is formed from all individual companies in their attitude and activities both within the company and outside the Minamas Plantations environment.

In the Code of Conduct, it is stated that work ethics that must be owned by workers include mutual respect and being open to opinions, obeying company and PKB regulations, behaving politely and politely and not intimidating and insulting, not committing disgraceful acts and criminal acts such as embezzlement company property.

The Unit of Certification showed proof of Business Code of Conduct socialization on Saturday 21 December 2019 where the Process Station giving material PSQM Staff followed by Manager 1 person, SA 1 person, Process staff 5 people, Employees 54 people a total of 61 people. The company also showed proof of code of conduct socialization and company

OHS socialization on 20 January 2019 where the BBE Office was attended by Estate Managers of 3 people, Assistant of 14 people, contractors of 20 people.

Based on interviews with local contractors it is known that the company has socialized the company's Code of Conduct to each contractor at the time of the signing of the SPK (Work Agreement Letter) so that the contractor knows the company's business ethics well.

1.2.2

The Unit of Certification has Administrative SOP document No. Revision. 01 dated 07 October 2019 concerning monitoring the implementation of policies and codes of ethics. Evaluation of the application of the code of conduct is done by means of questionnaires, surveys, asking directly to all parties, both employees, management staff and stakeholders. Specifically for stakeholders, specific policies require SPK, Vendors and others. The company also shows ethical business practices, namely the public accountant report March 26, 2019 conducted by public accountant services that already have accreditation to carry out financial balance audits namely Tanudiredja, Wibisana, Rintis and colleagues NO.License / Permit AP.0235. From the audit results it was concluded in his opinion that the financial position of PT Langgeng Muara Makmur up to the year ended 31 December 2018 was declared reasonable, in all material respects.

Status: Comply

PRINCIPLE #2 OPERATE LEGALLY AND RESPECT RIGHTS

2.1

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

2.1.1

The unit of certification can demonstrate compliance with these laws and regulations, for example: have land title (HGU), have environmental documents, conduct factory wastewater testing, conduct river water quality testing, conduct groundwater quality testing, conduct air quality testing, perform noise and noise testing, pay employee wages, pay employee overtime, etc, for example

Environmental Aspect

The environmental aspect the company has had EIA document that approved by government, have hazardous and toxic waste storage issued by relevant agencies in POM and POME to land application permit.

OHS

Mill Machinery Licenses and Periodic Inspections

- Inspection Report steam turbine No.1 serial number: 109085 No 01TU / LP-DJM / II / 2019 by PT Dohmon Jaya Abadi in February 2019. The results of the inspection on March 10, 2019 were known to the Occupational Safety and Health Supervisory Employees of the Regional IV Labor Organization Region IV Province South Kalimantan has stated that the steam turbines are in good condition and will be re-inspected in February 2020
- License Deed number 067 / Turbine-KK / VIII / 2012 for Steam Turbine of PT Langgeng Muara Makmur PKS Bebunga on August 27, 2012 which was approved by the Head of the Social Service, Manpower and Transmigration of Kotabaru Regency. The final check is carried out in February 2019 and will be re-checked in February 2020

BMP

In term of best management practices, it was known that estate and mill management has implementing several pursuance with Indonesia laws and regulations, for example has conducting mechanical or zero burning method during land clearing, palms planted were derived from seeds (DxP) producers, recognized by the government of Indonesia. Furthermore, estate (each unit management) has implementing integrated pest management, biological control and only used pesticides listed on government website pesticide.id.

Worker welfare

- Has made remuneration in accordance with statutory regulations as described in indicators 6.2.6 and 3.5.1
- Has recorded contrac worker to related agencies.
- All contract workers have been registered with the Kotabaru Regency Manpower and Transmigration Office for

example letter No. 06 / KTU / LMR / EKST / IV / 2019 dated April 8, 2019 regarding the list of PT LMR contract workers

Legal Aspect

In term of legal aspect, the CH has shown evidence towards legal aspect, The Certificate Holder has complied with regulations in the field of plantation and land legality, such as HGU (land use title) IUP P (plantation business permit for mill) as well as mandatory reports on annual land use to BPN.

2.1.2

The Unit of Certification already has a list and a copy of the applicable laws and regulations. The legal requirements documentation system contained in the Legal Requirements Procedure (No. Policy 301/PSQM-ESH/11) was established on February 1, 2016. Responsible for identification, inventory and evaluation of regulatory compliance are PSQM officer. Internal audits are conducted once a year to ensure the implementation of compliance with the law. Internal audits related to legal compliance in 2019 has been carried out and has been stated in the document of Evaluation of Fulfilment of Regulations dated August 18, 2019.

some of the new regulations identified include :

- Minister of Agriculture Regulation No. 5 of 2019 regarding plantation business licenses replacing the Minister of Agriculture Regulation No. 21 of 2017 concerning the second amendment to the Minister of Agriculture Regulation No. 98 of 2013 concerning guidelines for plantation business licensing
- Finance Minister Regulation No. 35 of 2019 concerning taxpayers
- Law no 17 of 2019 concerning water resources
- Presidential Regulation No. 75 of 2019 concerning amendments to Presidential Regulation No. 82 of 2018 concerning health insurance

2.1.3

Procedure of legal boundary (or BPN poles) monitoring and maintenance was presented in document 057/LMR-PPBC/C13. The procedure mentioned that estate management shall conducting monitoring annually a year. The certificate holder has had list and map of boundary stones from National Land Agency along with a list of coordinates. Documents verifications its known there is 66 main boundary stones and 330 additional boundaries stones. Monitoring of boundaries stones has been done by the CH on 2019. Besides monitoring the company also conducted maintenance of boundaries pole with conducted repaint and cleaning the area surrounding poles.

Status: Comply

2.2

All contractors providing operational services and supplying labour, and Fresh Fruit Bunch (FFB) suppliers, comply with legal requirements.

2.2.1; 2.2.2 and 2.2.3

Based on document verifications and interview with management it was known in 2019 there are several activity that outsourced to contractor or third party that is three (3) contractors in Bebunga Factory, seven (7) contractors in Bebunga Estate, six (6) contractors in Sungai Cengal Estate dan four (4) contractors in Bakau Estate.

The engagement between the company and contractor regulated in work agreement that agreed by both party. Pertaining clausal about the fulfilment to the applicable regulations mentioned in in one of the articles who mentioned if the contractors should to comply related legal or law requirements.

as an effort to ensure compliance related responsibilities with regard to the law, the certificate holder can presented Procedure about Work Regulations for Contractors (001 / SOP-PKK / II / 2019 dated 28 February 2019) with the purpose which aim to the evaluation of the application of standard-labor standards that have been agreed and monitoring all contractors workers.

In this regard, the company has been not able to demonstrate implementation of the Procedure about Work Regulations for Contractors and the provisions that set out in the RSPO Principles and Criteria, related to:

- Evidence about the minimum wages in accordance with regulation
- Health and employment insurance

- Implementation of OSH aspects

In the RSPO certification system 2017 clausa 4.4.6 mentioned if *In cases where an organization seeking certification contracts or outsources non processing activities to independent third parties (such as labour, transport and external bulking activities), the activities of these third parties fall inside the scope of certification, and they shall comply with all relevant requirements of the RSPO certification standards).* **Based on that's explanation raised Non Conformity No 2020.01 With Non Critical Category**

Status: Non Conformity No 2020.01 With Non Critical Category

2.3

All FFB supplies from outside the unit of certification are from legal sources.

2.3.1, 2.3.2

Based on documents verifications, field observation and interview with personnel's in mill weight bridge its known if the FFB that processed in Bebunga Mill from owned estate (scope of certifications Bebunga Factory) and scheme smallholders Sungai Cengal Area that already RSPO certified under the scope of Rantau POM. Furthermore Bebunga Factory also received and processed FFB from other company under subsidiaries of Sime Darby Bhd namely form PT Paripurna Swakarsa Rampa Estate, Binturung Estate, Pondok Labu Estate and Sesulung Estate) and PT Laguna Mandiri (Betung Estate and Sekayu Estate)

Status : Comply

PRINCIPLE #3 OPTIMISE PRODUCTIVITY, EFFICIENCY, POSITIVE IMPACTS AND RESILIENCE

3.1

There is an implemented management plan for the unit of certification that aims to achieve long-term economic and financial viability.

3.1.1;3.1.3

The Unit of Certification has a Proposed Work Plan and Budget of PT Langgeng Muara prosper for the period 2019 - 2023 which has explained the Statements area, factory projections, factory extraction rates, production costs, price estimates, and financial indicators. Plan evaluation is carried out every year. For example, in 2021 it targets 180,211 tons of FFB with an OER of 22.00%, CPO production of 39,647 tons, KER 5% and production palm kernel (PK) 7,783 tons .

Management reviews are carried out in a number of reviews, consisting of Weekly and Monthly Management Reviews at the Estate level, and quarterly management reviews at the company level and company internal audits conducted 6 times. The company showed Plantation Advisor Department (PA) in December 2019 No. Minamas / SOU11 / SCE / IX / 19. The management review discusses the achievement of production, maintenance, fertilization and cost.

3.1.2

The Unit of Certification has a Long-Term Replanting Work Plan starting from 2019 -2023. The plan is included in the manager's monthly report. The information contained in the replanting plan includes the following:

Replanting program and Realization

Estate		Budget year				
		2019	2020	2021	2022	2023
Bakau Estate	Program (ha)	170.8	156.0	186.4	135.0	135.0
	Realization	167.56				
Bebunga	Program (ha)	130.5	174..2	174.0	167.3	166.0
	Realization	130.53				

There are results of a review of replanting in May 2019 the final replanting of replanting proposals according to the coordination of plantation management between replanting programs in 2019: 619 ha, 2020: 852 ha, in 2021: 871 ha, in 2022: 834 ha, in 2023: 859 ha.

There is an internal audit performance monitoring unit visit summary report that was carried out on 10-11 January 2020 in which to review the company's replanting activities. An annual review of the replanting program is included in the annual work plan which is then broken down into monthly work plans.

Status: Comply

3.2

The unit of certification regularly monitors and reviews their economic, social and environmental performance and develops and implements action plans that allow demonstrable continuous improvement in key operations.

3.2.1

- The company has implemented commitment to reduce environment impacts on the regular action plan to government, for example POME testing, emission and pollution testing, surface water & ground testing and hazardous waste management.
- The certification unit has identified needs and conducted training for workers who are required to have special competencies as regulated in regulations such as steam aircraft operators, lift transport operators, OHS chemical officers, and OHS diesel motor operators

BMP

One of the monitoring and strategies carried out through OPEXON in 2019, a kind of internal mechanism to encourage each unit to convey the idea of continuous improvement in certain aspects. For example, the Sungai Cengal Estate innovation provided an idea to increase the output of legume cover crop (LCC) 0.5 ha / ha to 2 ha in the replanting area through the TAKADA method namely LCC planting and sowing system using bicycles

3.2.2

The company has not made an annual report to the RSPO Secretariat for continuous monitoring and improvement because the RSPO metric template has not been published, but the company has reported the RSPO Annual Communication of Progress 2019.

Status: Comply

3.3

Operating procedures are appropriately documented, consistently implemented and monitored.

3.3.1

The Unit of Certification has a SOP for Plantation and Factories which explains the main processes such as harvesting, transportation, fertilizing, IPM, GAP, and supply chain requirements for the factory. Examples of SOP document numbers owned by a company are as follows:

Procedure Factory and Plantation

Agricultural Reference Manual Policy No. 110 / EST-ARM / 13 which was ratified on September 1, 2013, and signed by the Head of Plantation Upstream Indonesia SOP, explained all agronomic activities. The company also showed the Minamas Plantation palm oil mill guidelines for Part I and Part II dated April 30, 2007 for processing palm oil mills. The procedure that is owned by the company has covered all the main process activities from land clearing up to transporting FFB and for Palm Oil Mill starting from receiving fruit to dispatch CPO

Based on observations and interviews with workers in factories and plantations, it is known that this procedure is implemented well in the field, workers can explain and demonstrate their work according to procedures, referring to operational, safety and environmental best practices.

3.2.3

The Unit of Certification has a system that ensures consistency in the implementation of its procedure, internal audit operational plantation and Mill, internal audit ISPO and RSPO, Financial audits conducted by external parties. Daily internal supervision is carried out by the supervisory level starting from the Overseer, Division Assistant, Assistant Head, to the Estate Manager. Internal operational audits are conducted every 6 months, operational audits evaluate the operational and administrative operations of plantations and mills. Whereas an RSPO internal audit is carried out every 6 months to evaluate the implementation of sustainability procedures in plantations and factories. Financial audits of public accountants are conducted once a year to ensure the use or costs used are in accordance with the rules set by the company. Furthermore, management representatives (Assistant, Managers, and related Superiors) regularly visit inspectorates to control the implementation of procedures.

All of the Unit of Certification operational activities are recorded in the form of Monthly Reports for plantations and factories. The operational activity report is a daily activity report. This report is a routine report prepared by the plantation and mill management unit and submitted to top management.

3.3.3

The Certification Unit conducted an internal sustainability audit activity from 21 to 29 January 2020 in which based on the audit results there were 17 non-conformities, including: answers and responses to requests for information from outside parties, the latest updated cooperation agreement, 5-year Business Plan, SEIA study documents for the stakeholders, FFB pricing from Plantation agencies and companies, FFB payment documents for smallholders, SCCS training and stamp for the scales ticket. All non-conformities were fulfilled on 4 February 2020. The audits have covered several aspect of contractors such as replanting progress, evaluation of replanting technique and etc.

Status: Comply

3.4

A comprehensive Social and Environmental Impact Assessment (SEIA) is undertaken prior to new plantings or operations, and a social and environmental management and monitoring plan is implemented and regularly updated in ongoing operations.

3.4.1

The company has several environmental social documents as follows:

- Environmental Impact Analysis Document (ANDAL) of Oil Palm Plantation and Plant on behalf of PT. INDOAGRI INTIPLANTATION (PT Laguna Mandiri, PT LANGGENG MUARAMAKMUR, PT Paripurna Swakarsa and PT Swadaya Andika) Year 1994. The scope for PT. Langgeng Muaramakmur.
- Reserve area of 21,840 Hectare (Recommendation of Kotabaru district Number. 525/05 / REK / EKO January 27 and South Kalimantan Governor Decree Number. SK.07 / PL.84 / 1989 / BPN-43 May 31, 1989) for 60 tons of FFB / hours mill capacity.
- Document of Management Plan and Environmental Monitoring Plan (RKL-RPL) for Mill and Estate PT. LANGGENG MUARAMAKMUR in Subdistrict Pamukan Utara, District Kotabaru.
- Environmental Impact Assessment Document (ANDAL) approval by Oil Palm Plantation and Palm Oil Plant by Head of Bureau of Planning, Secretary, Secretary of Central Commission, Ministry of Agriculture number. 008 / ANDAL / BA / II / 1995 February 27, 1995. RKL and RPL approval number. 048 / RKL-RPL / BA / III / 1995 March 30, 1995.
- CH has developed Environmental Impact Assessment (DPLH) in 2011 has been legalized by Paser Environmental Agency (BLH) number 660.1 / 210 / DPLH / BLH2011 May 24, 2011. Recommendation DPLH covering area 1,213 hectare, located Batu Engau and Tanjung Harapan Subdistricts, Paser Regency, East Kalimantan Province.
- The Certificate Holder has document of Social Impact Assessment. The assessment process was done on January 2010 and the scopes of study are impact of plantation and mill operation to workers and community adjacent of plantation area. The assessment and reported was finalized by YASBI Consultant on January 2010. These documents was explained of negative and positive impact of plantation and mill operation to social aspect and the recommendation for negative impact reduction and increasing of positive impact. There was showed also the minutes meeting of consultation process with community surround. The evidence was consisting of Attendant List of village member on Focus Group Discussion as phase of data gathering for Social Impact Assessment Report.
- In December 2012 also conducted Brief Study of Impact of Replanting to Social Environment of PT Langgeng Muaramakmur. The study was carried out by Aksenta consultant. The study was describes the stages of replanting, and indication of any impact replanting which can affect to the environmental and social conditions, both in the around of replanting area and area surround of plantation area. The study is aim to identify the environmental and social impacts, activities that become the source of the impact, components and or the parties potentially affected, options to mitigate environmental and social impacts from Impact of Replanting.

3.4.2

Base on environmental document known management and monitoring plan has prevent negative impacts such as Air quality and noise, soil fertility and erosion, overflow, water quality, waste, social aspect, public health, labor recruitment, aquatic biota, flora & fauna, Increased income of the community and employees and smallholder scheme and others.

The company can show the results of the review related to the management and monitoring plan of PT LMR's social impact for the 2019-2020 period which includes:

1. replanting activity
2. Increasing Community Economy
3. Education Improvement Program
4. a program to maintain local wisdom

The social management plan explains the sources and types of impacts that are monitored and managed, PIC / person in charge, period and location, benchmarks / parameters, management efforts and monitoring methods.

3.4.3

Implementation The environmental management & monitoring plan has been implemented as described on 2019 RKL-RPL implementation report 1st semester, namely:

- Air quality and noise level.
- Soil fertility and erosion
- overflow
- Water quality
- waste
- Potential land fire
- Flora and fauna
- Social impact issues
- Public health
- Aquatic biota
- transportation,
- Employment
- Increase in people's income and employees
- Smallholder Scheme.
- Replanting impact

Base on document verification known Social Impact Management and Monitoring plans for 2018-2020, where the sources and kind of impacts managed and monitored include:

- Replanting activities.
- Improvement of Community Economy from plantation and mill activities.
- Increased education, labor and health from plantation and factory activities
- Maintenance of local wisdom.

On management plan and social monitoring, explained about the officer / PIC responsible, period and location, parameters, management efforts and monitoring efforts, for replanting activities as follows:

- PIC: KTU / Kasi / PSQM / PSD.
- Period and location: semester / **every six (6) months to the village community around the plantation.**
- Benchmarks / parameters: activities reduce negative impacts and increase the positive impacts of replanting activities affecting the water environment and social environment.
- Management efforts: applying water conservation and labor allocation to the replanting area of the community around the plantation.
- Monitoring plan: **Interviews and questionnaires monitoring replanting activities on estate.**

The company showed evidence of improvement in form implementation of PT LMR Social Impact Assessment Management and Monitoring plan for 2018-2020, and evaluation of SIA has involved workers as affected parties, this is explained on minutes and attend a list of the SIA evaluation conducted March 15, 2019 involving employees of Sungai Cengal Estate, Bakau Estate, Bebunga Factory, and bulking Pamukan. SIA evaluation conducted on housing complex each estate.

Base on PT LMR social impact management & monitoring report July 2019 is know management and monitoring of social impacts that have been carried out are the company's relationship with the community, the impact caused by the company (economic facilities), the respondents' income before and after the company and the respondent's expectations regarding

local communities work on PT LMR.

The method used is through the socio-economic questionnaire (July 2019) which explains related data of respondents, the general view of company, use of social indexes (Education, Economy, Culture, Perceptions about the environment and perceptions about project / company).

Meanwhile, on report on the implementation of RKL-RPL semester 1 of 2019 in the replanting activities section, it explains the implementation of management which includes:

- Management of increased erosion and surface runoff.
- Management of impact biodiversity.
- Management of impact social aspects.

While monitoring efforts include:

- Monitoring of Erosion and Surface Runoff.
- Monitoring of Biodiversity.
- Monitoring of Social Aspects.

Base on RKL-RPL report Semester 1 2019, the implementation of Monitoring of Social Aspects regarding replanting was **carried out on 2017**.

In this regard, company has not been able to show evidence that the activities of monitoring and managing social impacts regarding **replanting activities have not been carried out in accordance with the stipulated period, namely every semester / six (6) months**.

The company has not been able to show evidence Management & monitoring plan for the impact of replanting activities has been carried out in accordance with the specified period, **Based on that's explanation raised Non Conformity No 2020.02 Critical**

3.4.3	Status: Non Conformity No 2020.02 with Critical Category
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**3.5
A system for managing human resources is in place.**

3.5.1

The company has an HR Management system, including:

SOP for employee recruitment

SOP for recruiting employees (SOP Recruitment 431 / HRM-RCT / 07) on May 24, 2007, by GM Business Development and System Procedures, GM HRM, SGM Administration & Corporate Service, HPO). Procedures have governed the recruitment process, terms of employment, and recruitment of workers

Collective Labour Agreement

There is a Collective Labour Agreement for the period of 2016-2018 between PT Minamas Gemilang with the Federation of Minamas Plantation Workers' Union. The agreement has expired on November 1, 2018, and until the audit was conducted there was no new agreement, but it was still in the process of discussion between the company and representatives of the Federation. There is a Letter of Agreement for the Extension of Collective Labor Agreement for the period of 2016 - 2018 dated December 10, 2018, between the company and the Federation of Trade Unions of the Sungai Durian and Pamukan Areas, which states that extending the Collective Labor Agreement for 2016-2018 for one year. The Collective Labour Agreement draft for the period 2019-2021 has been published and is still in the process of ratification.

Career Path System and Job Performance Assessment.

The career path system and work performance appraisal are contained in Article 15 of the Collective Labor Agreement (Employee assessment). While the career path system is also contained in PKB article 17 regarding promotion

Payroll and incentive system.

The wage system is also contained in Collective Labour Agreement article VI regarding Wages and assistance. The company also has Inter-Office Mail No. 004 / RSP-i4.3 / 1 / 2019 dated 3 January 2019 concerning Fixed Daily SKU Wages

& Salary Structure for 2019 Monthly SKU for the Kotabaru region (PT LMR). The amount of fixed daily *SKU* wages per January 1 2019 is set at Rp. 2,796,820 / month (Rp. 111,873 / day) plus in kind.

Whereas the 2020 wage refers to the Decree of the Governor of South Kalimantan number 188.44 / 0895 / KUM / 2019 concerning Regency / City Minimum Wage in 2020 in the Province of South Kalimantan, which for Kotabaru Regency is set at Rp 3,034,828.97. This is confirmed by the Head of HRM memorandum Np 118 / HRM / i5.1 / XII / 2019 which states the minimum wage of PT Laggeng Muara Makmur is Rp3,034,828.97

OHS Rules and Facilities

The company has an OHS policy in December 2011 which states that Plantation Upstream Indonesia is committed to providing and maintaining a safe and healthy work environment by implementing effective management to prevent accidents and an unhealthy environment for Staff / Employees and guests / visitors.

Identify the type of training.

The company has identified the type of training that employees need every year, and is set out in the PT Laggeng Muara Makmur Human Resources Development and Training Program documents in 2019 and 2020 consisting of training activities, training participants, training facilitators and implementation plans. planned types of training programs include firefighting training, FFB grading, OHS electricity and workshops, first aid training, prevention of environmental pollution, control training and process control training. Regarding the training documentation described in Indicator 3.7.1

3.5.2

The application of labor procedures includes:

Work termination

At the time of the ASA-1.3 assessment there was a Termination of Employment carried out by the company. The dismissals carried out are in accordance with established labor and Collective Labour Agreement. The layoff documentation includes the following:

- Harvesters with NIK 00089971 during the period August - October 2019 the harvest output is always below the established and agreed upon basis. In addition, the absence during this period was an average loss of > 5 days. With this underperformance, the company gave a reprimand on 09 October 2019 with the aim of coaching. On October 14, 2019, the first warning letter was issued because the person to go home before completing his job while there were still harvested fruits. On the 26th of October a second warning letter was issued and on the 28th of October a third warning letter was issued because of worsening performance. While the performance of other workers in the same foreman is relatively stable. On November 1, negotiations were held with workers and it was agreed to terminate employment. The company provides compensation to workers in the form of partitions and rewards for years of service as stipulated in the legislation. It has been proven that the compensation is paid according to the amount required in the labor regulations.

Further based on observed evidence such as:

- Based on the BBE employee register document for the period of January 2020 it is known that there are employees with NIK 0000124806 with *PKWT* status who have been working since March 1, 2015
- It can be shown the history of the contract extension of the worker for example SPK No: 005 / BBE-PKWT / IV / 2017; SPK No: 001 / BBE-PKWT / IV / 2018; and SPK No: 001 / BBE-PKWT / IV / 2019
- In the Collective Labor Agreement of PT LMR article 14 it is stated: Specific Time Work Agreements can be carried out by companies for certain types of work in accordance with regulations. The company makes certain *PKWT* standards
- Inter-Office Mail No. 085 / RSP-i2 / XI / 2016 dated 11 November 2016 and Inter-Office Mail No. 017 / HRM-i5 / I / 2019 dated January 25, 2019 regarding the use of non-permanent employees or *PKWT* explains that the use of *PKWT* is intended for harvest employees during the peak season (seasonal), and the appointment and extension of the *PKWT* contract refers to applicable laws and regulations.
- *Kepmenakertrans No. 100 of 2004* concerning *PKWT*:
CHAPTER II: *PKWT* for work that is completed once or is temporary in nature whose completion is no longer than 3 (three) years
CHAPTER III: *PKWT* for work that is seasonal

CHAPTER IV: PKWT for work related to new products

CHAPTER VII concerning the Change of PKWT into PKWTT: Article 15 paragraph 2 states that in the event that PKWT is made not fulfilling the provisions as referred to in Article 4 paragraph (2), or Article 5 paragraph (2), PKWT becomes PKWTT since the employment relationship exists.

- Corrective Action previous assessment: *Kasi / KTU* coordinated with HRM to monitor PKWT that have expired the contract or have exceeded 2 times the contract extension. And the PSQM staff conducts an internal audit once a year to ensure these findings are not repeated berulang Implementation of the plan has not been demonstrated
- So that employees with NIK 0000124806 have experienced a contract extension > 3 times with a work period of ± 5 years but not monitored

Thus it can be concluded that the Company has not been fully consistent in implementing the established human resource management procedures. **Based on that's explanation raised Non-Conformity No 2020.03 Non Critical**

3.5.2	Status: Non-Conformity No 2020.03 with Non Critical Category	
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3.6
An occupational health and safety (H&S) plan is documented, effectively communicated and implemented.

3.6.1

The OHS plan that has been carried out by the company includes compiling risk analysis documents and carrying out periodic health inspection activities for employees deemed to have high work risks. Based on the results of the document review, the following facts were found:

- Risk analysis documents that have been prepared do not fully discuss all of the company's operational activities, for example risk analysis in manual upkeep activities, replanting activities, nursery activities, and castration. In addition, the risk analysis document presented also cannot be ascertained as a valid document because it has not been approved
- Not all workers identified have a high risk of taking part in periodic health inspection activities- Periodic health examination activities were carried out on January 7 and 08, 2020. BBF included 43 workers while BBE, SCE, and BKE included a total of 193 workers
- However, based on the results of document review and information from company doctors, it is known that not all participants who are planned to attend the MCU are present such as 4 mechanics, 1 laboratory assistant, 2 WTP operators, 2 Boiler Operators, 1 Engine room operator, and 1 Nut & Kernel operator . In the information provided by the company, it was stated that the absence was caused by employees on leave, illness, loss to follow-up, and not coming to the clinic.
- It has been shown the application letter for the schedule of MCU for the follow-up of employees in accordance with letter no. 29 / BBF / FM-Klinik / II / 2020 dated February 20, 2020 for 11 BBF employees.
- However, procedures or mechanisms that have yet to be detailed and clear about plans and follow-up periodic checks as a form of OHS mitigation have not yet been demonstrated.

Thus it can be concluded that:

1. Risk assessment conducted by companies to identify Occupational Health & Safety (OHS) problems does not cover all operational activities
2. The company has not been fully consistent in establishing and implementing a Work Health and Safety plan

Based on that's explanation raised Non Conformity No 2020.04 with Critical Category

3.6.2

Monitoring the effectiveness of OHS plans in dealing with health & safety risks can be seen in the OHS Committee report document. Quarter IV OHS Committee report PT LMR has discussed several things for example regarding the recording of PPE provision, monitoring of the completeness of PPE, Monitoring of emergency response facilities and infrastructure, recording of routine meetings, HIRAC to periodic health checks. Further explanation about HIRAC and routine health checks are explained in 3.6.1

In the previous assessment (ASA-1.2) there was an auditor's note (OFI) along with the verification results, in accordance with the results of field observation to employee housing such as the BBE Central Housing Complex and BKE Division 3 housing, there is no known buying and selling of fuel oil.

3.6.1	Status: Non Conformity No 2020.04 with Critical Category	
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3.7

All staff, workers, Scheme Smallholders, outgrowers, and contract workers are appropriately trained.

3.7.1 & 3.7.2

The certification unit has been able to demonstrate the 2020 training program compiled by the HR and PSQM teams for example as follows:

Training	Plan	Attendant
SCCS	June, December	Weight Bridge operators, Security, contractors
Process	Monthly	Operator
Maintenance	Monthly	Operator
Analysis/QC	Monthly	Operator
HIRAC	Semester	Foreman and Contractor
First Aid	Semester	Foreman, contractor and First Aid Officer
Emergency Response	Semester	Emergency Response Team
OHS Awareness	Quarterly	All worker , contractor
Best Management Practices	Monthly	All field workers
HCV	Monthly	All employees include contractors
Hazardous and Toxic Waste Management		Warehouse clerk and foreman

Training records for 2019 can be provided. In the report on the implementation of the training, the contractor was only included in the OHS aspect. In the 2020 training plan, the company has re-identified training needs, including training for contractors and workers. Thus the Company has the opportunity to ensure that the training plans that have been prepared are carried out according to a predetermined schedule (OFI)

Based on interviews with contractor representatives, it was found that the most frequently delivered training and outreach was regarding OHS and supply chains. Broadly speaking, the contractor's representative can convey any material that is delivered during the socialization and training

3.7.3

The refreshing training of SCCS standard and system has been conducted on January 2020 by PSQM Assistant to the Senior Assistant, Head of administration, 4 Supervisor, 10 workers.

Based on field visit on Bebunga Mill, acquired information that PIC for SSCS implementation (for examples weight bridge operators, security, and "Kepala tata usaha") that training and refreshment (awareness) of supply chain management system were carried out annually. Results of field visits and interview with weighbridge operator obtained information if there is no FFB supplier from third parties. All FFB process are from certified area.

Status: comply

3.8

Supply Chain Requirements for Mills

3.8.1; 3.8.2

Bebunga POM has previously obtained the RSPO Certification (MUTU-RSPO/014) on March 16, 2012 by applying the SCCS Identity Preserved (IP) scheme and at the time of ASA-1.3, Bebunga POM is still projecting itself to implement SCCS Identity Preserved (IP) scheme. This can be seen from all the supply of FFB received during the period of certification are from Bebunga Estate, Bakau Estate, Sungai Cengal Estate, KKPA Sungai Cengal and from PT. PSA is Binturung Estate

3.8.3

Bebunga POM has determined the estimation for CPO and PK production produced by the certified mill. The tonnage estimation is attached on the document of budget projection for one year. The estimation and actual Certified FFB production on below table:

Product	Estimate Production 12 months (MT) 16 March 2019– 15 March 2020	Actual Production 12 months (MT) February 2019 – January 2020	Estimate Production 12 months (MT) 16 March 2020– 15 March 2021
FFB	124,710	101,801.63	108,200
CSP0	26,813	21,648.72	23,800
CSPK	6,485	5,113.08	5,400

3.8.4

The parent company of PT Langgeng Muara Makmur are Sime Darby Plantations Bhd member of the RSPO since 07 December 20042011 with registration number 1-0008-04-000-00

Bebunga Mill (PT Langgeng Muaramakmur) are RSPO certified Mill with Certificate Number No MUTU- RSPO/014 and also has been registered with member ID RSPO IT Platform member registration number **Member id** : RSPO_P01000000324.

All transaction of RSPO Products has been registered in RSPO IT Platform that summarized below:

Product	Supply Chain Model	Certified Volume Projection	Volume Sold as Physical	Volume Sold as Credits	Volume Removed	Remaining Certified Volume
CSPK	IP	6,485	3,852.74	0	0	2,632.26
CSP0	IP	26,813	10,095.64	0	0	16,717.36

3.8.5

The Certificate Holder has RSPO SCCS Manual Certification Standard No. SCCS-Std / RSPO / PSQM / 02 Rev.01 dated 2 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) and Module E (MB) 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 two 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.

Based on observation and interview to the PIC in specific activities (i.e security/receiving FFB, weighbridge, and mass balance data PIC), they have been provide SCCS training and able to demonstrate awareness of the procedures related SCCS implementation.

3.8.6

SOP SCCS Internal Audit SCCS-IA/RSPO/PSQM/04 dated 1 March 2018. Internal audit SCCS will be conducted every year by PSQM Department.

Latest internal audit conducted on 29 January 2020 by PSQM department. Based on document verification there is several non conformity as follow:

- Refreshment training for buking staff not available
- Palm trace id not available in the mill

all nonconformity during internal audit have been follow up by unit of certification prior the audit.

3.8.7

i. The mill shall verify and document the tonnage and sources of certified and the tonnage of non-certified FFBs received.

Bebunga Factory has had maintain accurate, complete and up-to-date for the FFB receives,). Within this record, the certificate holders maintain the FFB's sources based on monthly bases

Month	FFB (MT)		
	RSPO Certified	Non-Certified	Total
Feb-19	5,895.89		5,895.89
Mar-19	6,588.32		6,588.32
Apr-19	5,457.81		5,457.81
May-19	5,412.49		5,412.49
1-19 Jun-19	2,278.75		2,278.75
20-30 Jun-19	2,727.71		2,727.71
Jul-19	8,102.42		8,102.42
Aug-19	9,257.49		9,257.49
Sep-19	11,356.01		11,356.01
Oct-19	13,351.58		13,351.58
Nov-19	11,246.57		11,246.57
Dec-19	10,011.28		10,011.28
Jan-20	9,395.31		9,395.31
Total	101,801.63		101,801.63

Based on field visit on Bebunga Mill, acquired information that PIC for SSCS implementation (for examples weight bridge operators, security, and "Kepala tata usaha") that training and refreshment (awareness) of supply chain management system were carried out annually. Results of field visits and interview with weighbridge operator obtained information if there is no FFB supplier form third parties. All FFB process are from certified area.

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

Estimated certified product recorded in the certificate annex of last surveillance, actual certified produced has been verified during this assessment (Recertification), that describes in the following table:

Product	Estimate Production 12 months (MT) 16 March 2019– 15 March 2020	Actual Production 12 months (MT) February 2019 – January 2020
FFB	124,710	101,801.63
CSPO	26,813	21,648.72
CSPK	6,485	5,113.08

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

In the procedure of SCCS has been described mechanism in place for handling non-conforming oil palm products and/or documents whereas if there is wrong in the identification of MB or IP products both physically and documents, The unit should make an official report on the misidentification of the product and report to Jakarta marketing to remove the number of errors that occur after being identified

3.8.8

Documentation for the Sustainable Crude Palm Oil (Sustainable CPO), consist of: daily record of the FFB acceptance, daily record of CPO production, which classified as the CSPO, CPO (RSPO) sale record, stock record that has been reconciled with the FFB acceptance, monthly production and sale and annual recapitulation.

Documentation for the Sustainable Palm Kernel (Sustainable PK), consist of: FFB dispatch record, which further will be counted the daily production of the Sustainable PK, daily production record of the PK, which classified as the Sustainable PK, monthly recapitulation of the Sustainable PK's sale, stock record, which has been reconciliation with the FFB acceptance record, monthly sale production and annual recapitulation.

- CPO

Documents verifications its known if there is of Certified Palm Oil Mill sold to buyer period of February - January 2019 with buyers PT Golden Hope Nusantara (Kota Baru Kalimantan Selatan) Refinery has been registered and met the requirement for reporting supply chain through RSPO IT Platform, describes below:

- o Member name : PT Golden Hope Nusantara
- o Member ID: RSPO_PO1000000829
- o Category : Refinery

- PK

Documents verifications its known if there is of Certified Palm Kernel sold to buyer period of February - January 2019 covering 3072.03 MT with buyers-PT Laguna Mandiri – Rantau Kernel Crushing Plant (with the address in Bepara Village, Sub district of Pamukan Utara, Kotabaru Kalimantan Selatan - 72167) Kernel Crushing Plant has been registered and met the requirement for reporting supply chain through RSPO IT Platform, describes below:

- o Member name : PT Laguna Mandiri – Rantau Kernel Crushing Plant
- o Member ID: RSPO_PO1000002787
- o Category : Kernel Crushing Plant

All transaction of RSPO Products has been registered in RSPO IT Platform that summarized bellow:

Product	Supply Chain Model	Certified Volume Projection	Volume Sold as Physical	Volume Sold as Credits	Volume Removed	Remaining Certified Volume

CSPK	IP	6,485	3,852.74	0	0	2,632.26
CSPO	IP	26,813	10,095.64	0	0	16,717.36
FFB_estates	IP	124,710	0	0	0	124,710

3.8.9

The results of the verification of documents revealed that there were activities outsourced to third parties, namely transportation activities with PK from Bebunga Factory to PT Laguna Mandiri. in a letter of agreement between the PK Transporters contractor explaining that the contractor agrees that the contractor will comply with the applicable conditions in accordance with RSPO requirements

3.8.10

The CH has record names and contact details of all contractors, such as:

1. On behalf Mr. Mahlan (*Desa Pukung, RT. 003/001, Kecamatan Pamukan Utara, Kabupaten Kotabaru, Propinsi Kalimantan Selatan*).
2. On behalf Mr. Syafruddin (*Desa Pukung, RT. 003/001, Kecamatan Pamukan Utara, Kabupaten Kotabaru, Propinsi Kalimantan Selatan*).

3.8.11

From previous assessment there is no new contractor used for the processing or physical handling of RSPO certified oil palm products

3.8.12

The Certificate Holder has RSPO SCCS Manual Certification Standard No. SCCS-Std / RSPO / PSQM / 02 Rev.01 dated 2 January 2018, point 4.9. About 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.

Based on document verification, the management unit can show all recording data for two years ago. Such as: contract document, FFB Consignment, CPO and PK Ticket, etc.

3.8.13,3.8.14

Bebunga Mill only received and processed of FFB's as material input. This mill did not purchase CPO and/or PK from others. Therefore, this mill did not using conversion factors.

3.8.15

Bebunga has record and balance of all RSPO CSPO and CSPK, non-certified products produced, as well as its dispatch on a monthly presented in the Table belows:

CSPO

Period	CPO Production (MT)		Total	DISPATCH CPO (MT)	
	certified	non-certified		Conventional	RSPO
Feb-19	1,281.05		1,281.05		
Mar-19	1,415.82		1,415.82		
Apr-19	1,083.32		1,083.32		
May-19	1,169.68		1,169.68		4,473.73
Jun-19	933.67		933.67	904.02	
Jul-19	1,668.99		1,668.99		1,045.06
Aug-19	1,988.43		1,988.43		2,457.47
Sep-19	2,498.26		2,498.26		
Oct-19	2,770.88		2,770.88		
Nov-19	2,465.00		2,465.00		3,217.95

Dec-19	2,265.59		2,265.59		3,375.16
Jan-20	2,108.03		2,108.03		
Grand Total	21,648.72		21,648.72	904.02	14,569.37

CSPK

Period	PK Production (MT)		Total	DISPATCH PK (MT)	
	certified	non-certified		Conventional	RSPO
Feb-19	299.72		299.72		
Mar-19	337.34		337.34		
Apr-19	231.12		231.12		334.85
May-19	243.09		243.09		17.76
Jun-19	221.72		221.72		263.93
Jul-19	428.58		428.58		232.13
Aug-19	543.79		543.79		425.33
Sep-19	653.40		653.40		481.5
Oct-19	722.19		722.19		1173.8
Nov-19	575.15		575.15		800.28
Dec-19	457.36		457.36		556.95
Jan-20	399.59		399.59		505.72
Grand Total	5,113.08		5,113.08		4,792.25

3.8.16

Bebunga Mill (PT Langgeng Muaramakmur) are RSPO certified Mill with Certificate Number No MUTU- RSPO/014 and also has been registered with member ID RSPO IT Platform member registration number **Member id** : RSPO_P01000000324.

Every transaction of selling certified product, this mill is using RSPO Palm Trace including Shipping Announcement, Trace, Remove and Confirm. Person in charge for RSPO Palm Trace access were located on Head Office, Jakarta. All transaction of RSPO Products has been registered in RSPO IT Platform that summarized below:

Product	Supply Chain Model	Certified Volume Projection	Volume Sold as Physical	Volume Sold as Credits	Volume Removed	Remaining Certified Volume
CSPK	IP	6,485	3,852.74	0	0	2,632.26
CSPO	IP	26,813	10,095.64	0	0	16,717.36

3.8.17

All certified product claims, the CH never using RSPO symbol or logos. A unique identification number, certificate number and supply chain model are available on relevant documents. Also, the CH using RSPO Palm Trace for communication, transaction, confirmation status and shipping announcement. The claim has been referred to RSPO Rules on Market Communications and Claims.

Status: Comply

PRINCIPLE #4 RESPECT COMMUNITY AND HUMAN RIGHTS AND DELIVER BENEFITS

4.1

The unit of certification respects human rights, which includes respecting the rights of Human Rights Defenders.

4.1.1 & 4.1.2

The company has the Human Rights Policy, signed by SOU, June 2015. The CH is committed to protecting the human rights of all staff and employees as well as female workers including the right to life, right to have a family and continue

the descent, the right to develop themselves, the right to justice, the right to personal liberty, the right to safe, the right on welfare, the right to participate in government, women's rights, children's rights.

In conflict resolution SOP has been explained that any problems and conflicts will be settled by mediation and deliberation, and if no agreement is reached it will be resolved by legal means (court or police). The company does not use mercenaries in maintaining peace and order, and based on interviews with the villages mentioned there has been no act of confrontation and intimidation by the company.

Based on interview with local contractor, worker union and committee gender, it is known that they already understand about the policy. Interview with worker in estate and mill informed that there is no complaint related to violation of human rights.

Status: Comply

**4.2
There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all affected parties.**

4.2.1; 4.2.2; 4.2.3, 4.2.4
Based on the public consultations with the chairman of the BBE labour union, it is known that during 2019 there were some complaints from BBE employees that were the main issues and were not resolved until the ASA-1.3 assessment was conducted.

There is some evidence of communication between the union and the company such as:

- Letter Number 003 / FSPMP-AP / SP-BBE / X / 2019 dated October 22, 2019 concerning complaints about employee work hours, letters of reprimand and warnings, and memorandums about employees seeking treatment number 235 / BBE-int / X / 2019
- Letter Number 001 / FSPMP-AP / SP-BBE / I / 2020 about employee complaints and teacher complaints

Both of these letters contained invitations to management representatives to discuss these complaints but the expected meeting could not yet be realized due to the busyness of the parties. In the last letter, the employee wants a solution to the problem through a bipartite mechanism involving the relevant department.

There was evidence of communication between the company and labour union representatives on February 17, 2020. In this communication the union asked the continuation of the settlement of the complaint. The company stated that complaints were made in detail and reported so that they could be discussed in bipartite. In connection with the existence of external audit activities, the company suggested that the meeting be held approximately the third week of February

The mechanism for notification of the progress of complaints was agreed upon when the meeting had taken place. As explained in the complainant's report and the complained party had not yet met, so the mechanism had not been agreed upon

Based on the description above, it can be concluded that basically every complaint that comes in has been responded to by the company. The settlement process itself is expected to be completed concretely with mutual agreement. If it is not resolved, it will be taken to the local Manpower Office

Status: Comply

**4.3
The unit of certification contributes to local sustainable development as agreed by local communities.**

4.3.1
The CH has contributed to local development in the CSR programmes. Observed evidences of contribution to local economic development through empowerment of local contractors, road maintenance, religious facilities maintenance, funding on national holidays and religious holidays activities, educational equipment, etc. Based on interviews with the village around the company, it is known that the preparation of the CSR programmes has been carried out based on a consultation process with the village. The CSR realization has been in accordance with the needs and aspirations of the

community. The smallholder scheme are full managed by CH, the company has been set the in PIC (field assistant) related to smallholder management under the supervision of Estate Manager of Bebunga Estate.

Based on public consultation result with surrounding villages namely Wonorejo village, auditor observed that there are no significant objection arise by community against certificate holder's performance. Positive perception mostly found on contribution to local economic development through scheme smallholder development, infrastructure development, CSR, local contractors, and stimulant of economic activities.

Status: Comply

4.4 Use of the land for oil palm does not diminish the legal, customary or user rights of other users without their FPIC.

4.4.1, 4.4.2, 4.4.3

Total land title area of PT LMR are 16,990.75 Hectares, that consist of

- Land title certificate No 12 the year of 1997 covering 15,533 Ha
- Land title certificate No 04 the year of 1998 covering 828.774 Ha.
- Land title certificate No 0096 the year of 2019 covering 628.98 Ha.

From the total land title that owned there is an area covering 3,249.22 Ha included the scope of certification of Rantau POM (Lanting estate). Based on documents verifications and interview with management the scope of certification is **14,274.77** Ha.

Based on the explanation above, there is an area of 533.24 hectares that does not yet have a land title. From the aforementioned area, an area of ± 300 hectares is planned to be converted into a smallholder scheme based on decree from Paser Regent Decree No. 525.31 / KEP-341/2019 dated April 18, 2019, concerning the Determination of Participants in the smallholding Programs between Segendang Village Community in Batu Engau Subdistrict through the Harapan Bayu Cooperative With PT LMR. During audit conducted the area has not been handed over because it is still in the process of the MOU. Meanwhile, the remaining 233.24 Ha are still in the process of obtaining land title.

Status: Comply

4.5 No new plantings are established on local peoples' land where it can be demonstrated that there are legal, customary or user rights, without their FPIC. This is dealt with through a documented system that enables these and other stakeholders to express their views through their own representative institutions.

4.5.1; 4.5.2; 4.5.3; 4.5.4; 4.5.5; 4.5.6; 4.5.7; 4.5.8

There is no change / new development in the area of PT Langgeng Muara Makmur until this assessment.

Formerly most of the area of PT LMR originated from the forest area which has been released through Degree of Ministry of Forestry No 526/KPTS-II/1994 dated 18 November 1994, covering 16,674 Ha for palm oil plantation. Based on an interview with village officials of Wonorejo, Mulyo Harjo and Lintang it was known in the company area there is no customary or traditional land. Land ownership scheme based on freehold title, a land reference letter from the head of the village, parental inheritance and etc. So, based on those explanations there is no submission land from customary or traditional land.

Based on SIA and HCV documents it is found that there are no other customary rights and traditional rights within the operational area of PT LMR. The entire compensation process has been settled by the company and evidence of compensation has been verified during the ST-2 (1st cycle certificate). The compensation process involved all community witnessed also by the Village Head, head of sub district and etc.

The company has been shown evidence of land compensation to related parties. The sample of process land compensation present to landowner was sighted, The copy was made in Bahasa and known by all relevant parties. Although the legal status acquired land is located within the Land Use Title area of the company, which is in the law the company is controlled legally. These processes involved the landowner and approved by the head of the village and head of the sub-district. The documented process of land compensation was signed by a related party, filed in each estate

Status: Comply

4.6

Any negotiations concerning compensation for loss of legal, customary or user 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.

4.6.1; 4.6.2; 4.6.3; 4.6.4

Available SOP of identification and land compensation standard Number.: 001/PSD-L&AS dated 3 June 2011 covering information of stages of land compensation and land compensation calculation according to the standard issued by Kotabaru Regent. Based on interview with communities figure and traditional leader of Wonorejo, Mulyo Harjo and Lintang, mentioned that HGU of PT LMR are free of traditional and communities rights.

Formerly most of the area of PT LMR originated from the forest area which has been released through Degree of Ministry of Forestry No 526/KPTS-II/1994 dated 18 November 1994, covering 16,674 Ha for palm oil plantation. Based on an interview with village officials of Wonorejo, Mulyo Harjo and Lintang it was known in the company area there is no customary or traditional land. Land ownership scheme based on freehold title, a land reference letter from the head of the village, parental inheritance and etc. So, based on those explanations there is no submission land from customary or traditional land.

Based on SIA and HCV documents it is found that there are no other customary rights and traditional rights within the operational area of PT LMR. The entire compensation process has been settled by the company and evidence of compensation has been verified during the ST-2 (1st cycle certificate). The compensation process involved all community witnessed also by the Village Head, head of sub district and etc.

The company has been shown evidence of land compensation to related parties. The sample of process land compensation present to landowner was sighted, The copy was made in Bahasa and known by all relevant parties. Although the legal status acquired land is located within the Land Use Title area of the company, which is in the law the company is controlled legally. These processes involved the landowner and approved by the head of the village and head of the sub-district. The documented process of land compensation was signed by a related party, filed in each estate

Status: Comply

4.7

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 FPIC and negotiated agreements.

4.7.1; 4.7.2; 4.7.3

Formerly most of the area of PT LMR originated from the forest area which has been released through Degree of Ministry of Forestry No 526/KPTS-II/1994 dated 18 November 1994, covering 16,674 Ha for palm oil plantation. Based on an interview with village officials of Wonorejo, Mulyo Harjo and Lintang it was known in the company area there is no customary or traditional land. Land ownership scheme based on freehold title, a land reference letter from the head of the village, parental inheritance and etc. So, based on those explanations there is no submission land from customary or traditional land.

Based on SIA and HCV documents it is found that there are no other customary rights and traditional rights within the operational area of PT LMR. The entire compensation process has been settled by the company and evidence of compensation has been verified during the ST-2 (1st cycle certificate). The compensation process involved all community witnessed also by the Village Head, head of sub district and etc.

The company has been shown evidence of land compensation to related parties. The sample of process land compensation present to landowner was sighted, The copy was made in Bahasa and known by all relevant parties. Although the legal status acquired land is located within the Land Use Title area of the company, which is in the law the company is controlled legally. These processes involved the landowner and approved by the head of the village and head of the sub-district. The documented process of land compensation was signed by a related party, filed in each estate

Status: Comply

4.8

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.

4.8.1, 4.8.2, 4.8.3 and 4.8.4

Documents verifications, interview with managements and local community obtained information since ASA 1.1 conducted until ASA 1.3 there is no land conflict in PT LMR the land dispute has been resolved in 2014. The results of interviews with representatives including previous land owner obtained information if that the entire operational area of the company had been compensated. The compensation process involved all community witnessed also by the Village Head, Customary leader, Sub district. Until the audit was carried out, there was no written complaint from the community regarding the land dispute.

Although PT LMR has gained land rights legally but there are still many people using and cultivating in permit Area. The company has had the Area Statement map who described various land use in permit Area, included occupation area width. That's area managed by community are palm oil, rubber or horticulture. In other information, there is no significant land conflict in PT. LMR

In conflict resolution SOP has been explained that any problems and conflicts will be settled by mediation and deliberation, and if no agreement is reached it will be resolved by legal means (court or police). The company does not use mercenaries in maintaining peace and order, and based on interviews with the villages mentioned there has been no act of confrontation and intimidation by the company.

Status: Comply

PRINCIPLE #5 SUPPORT SMALLHOLDER INCLUSION

5.1

The unit of certification deals fairly and transparently with all smallholders (Independent and Scheme) and other local businesses.

5.1.1; 5.1.2; 5.1.3; 5.1.4; 5.1.5; 5.1.6

The unit of certification has a plasma (scheme smallholder), such as KKPA Sungai Cengal as well as cooperating with many local contractors/businesses. Current and previous prices paid for Fresh Fruit Bunches (FFB) are publicly available. The price of FFB determined by following the Provincial price issued by the Plantation Agency of Kalimantan Selatan. The price of FFB can be accessed directly by the public in the internet or through circulars letter that sent by Plantations agency of Kalimantan Selatan Province all smallholders and partner companies. All cooperative members can also access price information posted on the cooperative office notice board or ask the assistant partner directly.

The pricing mechanism above has been explained and regulated in a partnership agreement with scheme smallholders. In the agreement, there is a clause that regulates that the FFB pricing follows the price set by the government. This is consistent with the results of public consultations with representatives of village communities. In addition, in MoU the purchase of FFB from the smallholders' scheme is based on the price that is determined by the plantation agency

The CH has a cooperation agreement with Bina Swadaya Karya Cooperative in 11th August 2008 (Number 001/PK-LMR/X/2008) and is valid until the age is not worth 25 years or for 30 years. The pricing mechanisms for FFB of plasma, or local businesses are specified in the work agreement. Based on the review of work agreements, interviews with Head of Cooperatives, it is known that the work agreement has explained the pricing mechanism. The parties have understood the provisions of work contracts, the contracts has been made fairly, transparently and legally.

The payment of work has been done in a timely manner, in accordance with the provisions in the contracts. For example the pricing of FFB from plasma is determined based on Plantation Agency pricing announcement. A monthly FFB pricing letter is available from the Plantation Agency. Interview with Head of Bina Swadaya Karya Cooperative known that the letter of pricing from the Agency is obtained from the website, or attachments of FFB payments. Document review of payment of plasma and contractors, as well as interview with Head of Cooperative and the contractors is known that FFB or services are paid according to the provisions and on time.

Based on the review of work agreements, interviews with Head of Cooperatives as well as local contractors, it is known that the work agreement has explained the pricing of each work unit. The parties have understood the provisions of work contracts, the contracts have been made fairly, transparently and legally.

5.1.7

The results of observations and interviews with the weighbridge operators obtained information that the certification unit has routinely calibrated the weighing equipment carried out by the government (Metrology Bodies). The certification unit has also shown documents on the weighbridge calibration carried out in 25 February 2019 with renewal in 04 March 2020

5.1.8

The company does not receive FFB from independent smallholders or out-growers.

5.1.9

The mechanism, open to all affected parties and resolve disputes management in an effective, timely and appropriate manner, ensuring anonymity of complainants and whistleblowers (where requested) are presented in their procedures SOP for Community Complaints Handling and SOP for Worker Complaints Handling. Based on the procedure all complaint submitted to Division Assistants and written in the register book, the SOP has been explained related on the secrecy of whistleblower. In the procedure was not explained explicitly about the way in submitted the complaint through the RSPO Complaints System, however based on interview with labor union it was mentioned that the complaint submission through RSPO was understood. Based on internal and external stakeholder consultation (to the workers, Labor Union, Gender Committee, local contractor, Head of Sebangau Village, Head of Cooperative of Bina Swadaya, known that the stakeholders already know the mechanism of consultation, or to submit complaints and grievances, and the mechanism is accepted and considered effective for them.

Status: Comply

5.2

The unit of certification supports improved livelihoods of smallholders and their inclusion in sustainable palm oil value chains.

5.2.1, 5.2.2, 5.2.3, 5.2.4 & 5.2.5

The CH has a cooperation agreement with Bina Swadaya Karya Cooperative in 11th August 2008 (Number 001/PK-LMR/X/2008) and is valid until the age is not worth 25 years or for 30 years. The pricing mechanisms for FFB of plasma, or local businesses are specified in the work agreement. Based on the review of work agreements, interviews with Head of Cooperatives, it is known that the work agreement has explained the pricing mechanism. The parties have understood the provisions of work contracts, the contracts has been made fairly, transparently and legally.

The payment of work has been done in a timely manner, in accordance with the provisions in the contracts. For example the pricing of FFB from plasma is determined based on Plantation Agency pricing announcement. A monthly FFB pricing letter is available from the Plantation Agency. Interview with Head of Bina Swadaya Karya Cooperative known that the letter of pricing from the Agency is obtained from the website, or attachments of FFB payments. Document review of payment of plasma and contractors, as well as interview with Head of Cooperative and the contractors is known that FFB or services are paid according to the provisions and on time.

Based on document review and interview with management certification, known that all Plasma areas or *KKPA Sungai Cengal* has been certified RPSO on behalf of PT Langgeng Muaramakmur and full managed by management certification.

Status: Comply

PRINCIPLE #6 RESPECT WORKERS' RIGHTS AND CONDITIONS

6.1

Any form of discrimination is prohibited.

6.1.1; 6.1.2; dan 6.1.3

The policy on equal opportunities and treatment for obtaining employment opportunities is contained in the SOP for Sustainable Plantation Management Guidelines issued by Minamas Plantation Indonesia (No. Policy: 724 / TQEM-SPMS / 09) page 13, dated August 27, 2010, which includes company policies regarding equal opportunities and treatment in employment opportunities stated in point 1 which states that: All Staff / Employees must be treated fairly and in matters relating to recruitment, progress, conditions and job descriptions, regardless of race, degree, ethnicity, gender, skin color, imperfection (disability), sexual orientation, organizational membership, political views, religion and age.

The results of the study of labor documents, interviews with Labour Unions, and community leaders are known that the company has provided equal opportunities and opportunities in obtaining employment opportunities. The results of the

study of labor register documents show that workers come from various regions, for example local communities, Flores, Java, Sulawesi, as well as from various ethnicities and religions. The company has accepted workers through a selection mechanism according to ability and expertise needs, does not distinguish gender, race, religion, and workers have come from various regions and local.

Recruitment of employees as stated by the assistant and written in the HR procedures and based on the needs and availability of positions in the company. The company has been able to show examples of assessments and employee promotions which are explained in more detail in 3.5.2

6.1.4

A pregnancy test conducted by the company is not discriminatory but is a form of protection of the reproductive rights of women workers, for example in the case of taking H-1 and H-2 leave. Pregnancy testing is done once a month by testing urine. In addition, H-1 monitoring is always carried out. If a female worker is found to be pregnant, it will be transferred to light work such as child care and garden cleaners. Pregnant and breastfeeding women are not allowed to do work that is in direct contact with pesticides and fertilizers.

6.1.5

PT Langgeng Muaramakmur has a commitment to be a company that is responsible for protecting female workers from acts of sexual harassment. This commitment is manifested in a gender policy endorsed by the Head of Plantation Upstream Indonesia in April 2011 which included stating the protection of workers from sexual harassment and violence, equal opportunities for work, and communication about policies to all parties concerned

ased on the interviews with workers, labour unions and gender committees, the policy has been socialized during the morning briefing. In addition, the company policy is contained in pamphlets that are displayed in the garden and factory offices. Based on the results of the interview, until the audit took place, there were no reports or complaints related to sexual harassment or violence

The composition of the management of the gender committee itself includes the Chairperson → Deputy chairperson → Treasurer → Secretary → Mother and Child Health Section; Work Safety Section; Domestic Violence Section; Economic and Social Section

6.1.6

Based on the interviews with both male and female workers, for example in block O16 division 4 it is known that there has never been a case of wage differentiation based on gender. The results of verification of employee payroll for the December 2019 period found the following information:

Wage Slips for January 2020 (SKU)

- NIK: 15286 (Female)
Basic Wage: IDR. 3,124 328 (according to length of service and class)
Allowance: IDR 329,000
Social Security: IDR 148,246
Rice: IDR 141,000
BPJS Kes: IDR 130,613
Pension Insurance: IDR 65,307
Gross salary: IDR. 3,938,494
- NIK 15298 (Male)
Basic wage: IDR 3,096,488
Overtime premium: IDR 1,915,258
Social Security: IDR 146,982
Rice: IDR 141,000
Health BPJS: IDR 129,500
Pension Insurance: IDR 64,750
Gross salary: IDR. 5,493,978

Thus it can be concluded that the wages received by each worker are equivalent to their position, years of service and expertise.

Status: Comply

6.2

Pay and conditions for staff and workers and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages (DLW).

6.2.1; 6.2.2; 6.2.3

The rules of the labor force that are used and agreed upon are in the form of Collective Labor Agreements and Work Agreements. The points listed in the two types of agreements have explained the wages, rights, obligations, and the validity period.

Collective labor agreement

PT LMR Collective Labour Agreement draft for the period 2019 - 2021 signed on July 23, 2019 by representatives of the entrepreneurs. PKB is still awaiting approval by the Related Office. Matters regulated in Collective Labour Agreement include:

- CHAPTER III: Acceptance, Assessment, Appointment, Placement and Transfer of Employees
- CHAPTER IV: Time, Work System, and Overtime
- CHAPTER VI: Wages and Assistance
- CHAPTER XI: social security and social assistance management body
- CHAPTER XIII: Termination of Employment

At the time of ASA 1.3 the endorsement of the Collective Labour Agreement was still in progress. Thus the company has the opportunity to ensure that the progress of ratification of the Collective Labor Agreement is carried out in accordance with the established timeframe (OFI)

Certain Time Employment Agreement

Based on the BBE employee register document for the period of January 2020, it is known that there are employees with NIK 0000124806 with *PKWT* status who have been working since March 1, 2015. It can be shown a history of contract extension of workers such as SPK No: 005 / BBE-PKWT / IV / 2017; SPK No: 001 / BBE-PKWT / IV / 2018; and SPK No: 001 / BBE-PKWT / IV / 2019. Employees with NIK 0000124806 have experienced a contract extension > 3 x with a work period of ± 5 years but not monitored. Nonconformities have been accommodated at 3.5.2

Wage System

- Minimum Wage : In accordance with the Decree of the Governor of South Kalimantan number 188.44 / 0095 / KUM / 2019 dated November 21, 2019 concerning the Kotabaru UMK in 2020 amounting to Rp 3,034,828.97 / month
- IOM number 118 / HRM / 15.1 / XII / 2019 from the Head of Human Resources Management dated December 26, 2019 regarding the daily SKU wage in 2020 for the Kotabaru region is Rp 3,034,828.97 / month. And SKU-H wages will be deducted at Rp 121,393.15 / day
- IOM number 005 / RSP-14.3 / I / 2020 dated January 8, 2020 from the Head of HRM on *SKU* Wages and *SKU-B* salary structure for 2020. In the IOM it is explained that the wage structure for SKU-B is divided into 8 grades with 7 tiers for example:
 - Grade 8G amounting to Rp 3,088,418 to the highest grade 8A amounting to Rp 3,495,188
 - Grade 1G amounting to Rp 3,414,198 to the highest grade 1A amounting to Rp 3,414,198

Based on the results of interviews with factory workers (Sterilizer, Boiler, and Engine room stations) and Harvester in block C16 and pesticide applicators in block C16 , it is known that the company has implemented the company regulations properly such as problems regarding working hours, wages, overtime calculations , annual leave, maternity leave, H-1 policy and other established rules.

The legal fulfilment of labor obligations such as working hours rules, overtime rules and other industrial relations issues is ensured by the HC (Human Capital) team. Meanwhile the fulfilment of the reproductive rights of women workers is monitored by the EHS team with clinical assistance.

The implementation of these plans include the following:

- Monitoring H-1 and H-2 leave through foreman workbooks, daily work plans, and clinical monitoring
- The agreed working hours are 7 hours a day and 40 hours a week. If there is excess work hours, overtime is paid
- Every employee gets annual leave, long leave and annual holidays
- Has applied payments regarding minimum wages
- Has provided health protection and work accident protection for each employee

6.2.4

Based on document review, interviews with employees and observations in housing and office complexes, the company has provided facilities and infrastructure for the welfare of workers consisting of employee housing, clean water and electricity supply facilities, domestic waste management facilities, electricity supply / generator houses in each divisions, daycare facilities, schools (kindergarten, elementary, junior high, vocational), places of worship (mosques, prayer rooms, churches), employee halls, sports fields (tennis courts, futsal, volleyball, soccer fields, etc.), swimming pool at bebunga estate, employee hall, clinic, school bus, etc.

Field observations in residential areas in each estate are known that housing conditions, sanitation channels in conditions that are still functioning properly. Clean water and electricity are available. In addition, the company provides officers who transport domestic waste at least 2-3 times a week and are disposed of at the final disposal site. The results of interviews with residents of the housing, it is known there are no complaints related to the lack of welfare facilities provided by the company.

In accordance with the results of field observation to employee housing such as the BBE Central Housing Complex and BKE Division 3 housing, there is no known buying and selling of fuel oil.

6.2.5

The company has made efforts to assist workers in obtaining food sources, among others by giving permits to workers and residents of housing to sell daily necessities. In addition, there are also traders who sell their daily needs almost every day into the housing area.

The results of interviews with workers and unions found that the company allowed workers, residents of housing and traders from outside to sell necessities in the housing area. In addition, every two weeks there will also be a market day with a distance of 5-7 km.

6.2.6

The wage eligibility standard referred to by the certification unit is the Minimum District Wage established by the government. A detailed explanation of minimum wage standard is shown in indicator 6.2.2. The DLW Benchmark for Indonesia has not been established yet, however, the company has conducted a calculation of Prevailing Wage calculations. The components included in the calculation of decent living wages include the following:

- Minimum Wage District 2020: IDR 3,034,828.97
- Rice Allowance: IDR 441,750 (IDR 9,400 / Kg)
- Housing, electricity, clean water needs, transportation, and treatment are provided free of charge by the company. If estimated in rupiah, the value is around IDR,536,458

6.2.7

Based on document review and interviews with representatives of trade unions and the human capital division, it is known that the composition of employees in the certification unit is *PKWT* and *SKU*. Thus it can be concluded that all core work has been carried out by permanent / full time workers

Status: Comply

6.3

The unit of certification respects the rights 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.

6.3.1; 6.3.2; 6.3.3

Policies related to labour unions are contained in the 2019-2021 Collective Labour Agreement draft chapter II Recognition of Parties article 5 Company Recognition of Trade Unions. The policy states that the company recognizes that trade unions in each company are legitimate trade union organizations as long as they are established in accordance with Law number 21 of 2000 concerning trade unions and trade unions and can represent workers.

Evidence of the existence of labour unions include proof of registration of SP No: 560,568 / 32 / Disnakertrans and letter number 568/143 / HI-DKT / 2019 dated May 16, 2019 which was approved by the Head of the Manpower and Transmigration Office of Kotabaru Regency (For the BBF Labour Union).

Records of the meetings shown by the union officials are as follows:

- Bebunga Factory, BBE, and SCE Trade Union Meeting on 14 December 2020 discussed PPE, and the implementation of the 2020 minimum wage.
- The BBE labour union meeting on January 7, 2020 discussed the C1R2 system and the extension of the *PKWT* for the teacher

Based on interviews with the majority of workers such as engine room operators, boiler operators and maintenance foremen in mill and harvester in block C17, circle and path spraying in block C012, and the manual upkeep team in block O16 found out the process of selecting union leaders based on deliberation (voting) of all trade union members. There is no interference let alone direct appointment from the company.

Status: Comply

**6.4
Children are not employed or exploited.**

6.4.1; 6.4.2; 6.4.3; & 6.4.4

The company has a policy regarding the age requirements of workers, namely Memorandum Head Office-Jakarta (No. POD-UM-052 / III / 2010), which states the prohibition statement of using underage workers in accordance with the Law (UU) of workers ie there are no workers who are under working age (18 years).

The results of the study of labor register documents, field observations, and interviews with trade unions, it is known that there is no use of workers under the age of 18 years.

Submission of policies without child labor and information on the negative impacts of child labor practices and support for child protection to stakeholders including contractors, one of which can be seen from the distribution of information boards for the minimum age of workers, 18 years

Based on interviews with the contractor's representatives also obtained information that the minimum age of worker were always monitored and conveyed to the parties

Status: Comply

**6.5
There is no harassment or abuse in the workplace, and reproductive rights are protected.**

6.5.1

A policy to maintain the decency contained in the Gender policy and was endorsed by Head Plantation upstream Indonesia in April 2011. The company also formed a gender committee to deal with women's issues.

Based on the results of interviews with women workers in blocks C12 and O16 it is known that during the 2019 period there were never issues regarding sexual harassment and violence. Women workers also knew about the existence and function of the women's committee and the field of women's union empowerment.

The form of policy socialization can be seen from the warnings set in strategic areas such as estate office offices, division offices, and housing areas.

6.5.2

Policies to protect reproductive rights (especially women) are listed in the draft PKB period 2019-2021 which explains that women workers are entitled to rest with full wages for 1.5 months before the time of delivery and 1.5 months after giving birth. Also granted menstrual dan maternity leave

The results of interviews with female workers on the spray team, gender committees and trade unions, it was found that women workers were indeed given these rights (H-1 and H-2). The company has never banned female workers from obtaining reproductive rights including the right to breastfeed.

6.5.3

The company showed IOM from Acting Manager No. SCE-Intern / 001 / II / 2020 on February 20, 2020 regarding the application of breastfeeding permits for working mothers. The contents of the IOM include stating that time is given to women workers who are breastfeeding to give AS/to their children at 09.30 or three hours after work

6.5.4

PT Langgeng Muaramakmur has a mechanism for the submission of workers' complaints and complaints in the SOP on Handling Complaints of Employees Revision 01 dated January 1, 2016. In the SOP it has been explained that the confidentiality of the reporter will be guaranteed. In addition to handling employee complaints, the company also has a mechanism for handling complaints from surrounding communities as described in SOP No. 053 / LMR-PKM / C11 dated January 1, 2012 concerning the handling of public complaints

Based on the results of interviews with trade unions and gender committees, it is known that the company has provided information to workers regarding the grievance mechanism during morning mornings or by attaching warnings about complaints handling flowcharts in the office and housing units. The company has also prepared a suggestion box to handle complaints and reports from workers who do not want their identities known. In addition, the workers already know that if there is a complaint, they must report it to the assistant and it will be recorded in the complaint book.

During the 2019 period there were a number of complaints from workers for example regarding the C1R2 system and teacher complaints. This has been explained in 4.2.1

	Status: Comply	
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6.6
No forms of forced or trafficked labour are used.

6.6.1 & 6.6.2

There are no migrant workers working in the company's operational area. All workers come from within one country (although from various regions). In addition, each worker has been equipped with a clear employment contract. Workers' rights and obligations are also clearly stated in company regulations

	Status: Comply	
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6.7
The unit of certification ensures that the working environment under its control is safe and without undue risk to health.

6.7.1

The company has a OHS Committee structure which was approved by the Head of the Manpower and Transmigration Office of Kotabaru Regency Number: KEP-566,077 / P2K3 / Naker-2 / II / 2017 concerning Ratification of the Occupational Safety and Health Guidance Committee at the Company on January 31, 2018 with Chairman Puji Sasmito and secretary to Suprpto, OHS Expert Appointment Letter with certificate No. reg. 14941 / PK3 / AJ / 31/2014 / P0 and SKP No. PEM. 7847 / M / DJPPK / VII / 2014 dated July 16, 2014 with a validity period of 3 years. The company submitted a change in the latest OHS Committee structure due to mutations and employee transfers. A letter of submission was given to the South Kalimantan Provincial Manpower Office on 11 February 2019 with details of the latest OHS Committee organizational structure:

- Chairperson: Oscar Tamba
- Secretary: Arif Sucipto (No. Ser.17.10857 / AK3 / U / XII / 2017, valid for 3 years since 4 December 2017
- Deputy Chairperson: Norjani Sanusi
- Members: 20 Employees

The change process was due to a staff mutation in early 2019, so the OHS Committee secretary was not in place. As a follow up, the company sent a letter submitting changes in the structure of OHS Committee to the South Kalimantan Provincial Manpower Office on February 11, 2019. At the time of the ASA 1.3 assessment there was a change in the structure because the OHS Committee chairman experienced a work mutation. There are the latest OHS Committee structure changes namely:

- Advisor: AC Pamukan 1
- Chairman: Estate Manager
- Secretary: Arif Sucipto (No. Ser.17.10857 / AK3 / U / XII / 2017)
- Deputy chairman: Mill Manager
- Fire Fighting Coordinator
- Health and work environment coordinator
- Environmental and chemical coordinator
- Archive and documentation coordinator
- Coordinator of law enforcement
- Total management and members in accordance with OHS Committee report is ± 30 people

The OHS Committee team holds regular meetings every month to formulate a OHS Committee quarterly report that is routinely sent to the relevant department. The contents of the discussion include discussing the OHS work program, evaluating if there is an occupational accident, OHS Inspection, recording of routine meetings, the results of periodic health checks, and a list of emergency response facilities

The submission of the OHS Committee structure revision has been carried out since February 11, 2019. Submission letters have been received by the Kalimantan Selatan Provincial Manpower Office but have not yet responded. In the latest structure the OHS committee secretary is still the same as the previous structure. Due to unpredictable staff transfers, the newest structure does not include a personal name but a function of position (except for secretaries). The progress of the ratification will be confirmed at the time of the next assessment

6.7.2

Emergency Procedure

2010 Concerning Emergency Response was passed by the Chairperson of SOU explaining the establishment of the emergency response organization, the duties and responsibilities of each team, reporting on emergencies, procedures for carrying out in emergencies, evaluation activities, recovery stages, emergency ladder training is done every 2 times. The procedure covers emergencies for fire, blasting, natural disasters to other conditions that cause property damage.

Other than that there is SOP Number 7302 / PSQM-ESH / 14 Date 07/08/14 endorsed by Head of Plantation Upstream Indonesia Regarding Guidelines for Fire Prevention and Management

The company has a team that is responsible for emergency response, as follows:

- BBF consists of chairman, deputy chairman, team leader I and team leader II. The team has received fire extinguisher training, available training materials, photos of activities and attendance of participants.
- There is an organizational structure for emergency response to fire management of BBE, BKE and SCE, consisting of the person in charge, chief executive, executive vice chairman, archives / files and 8 parts of the coordination of activities along with 6 members each.

Based on the field observation to the Bebunga and Bakau Estate is known that fire fighting equipment is functioning properly and officers can demonstrate preparedness in dealing with fire emergencies. Companies also show first aid training records for example :

- BKE : 08 February 2020 followed by the supervisor level of all activities
- SCE : 09 February 2020 followed by the supervisor level of all activities
- BBE : 10 February 2020 followed by the supervisor level of all activities

6.7.3

Based on the field observation on estate and mill operational activities, it is known that PPE has been provided free of charge for each worker. PPE given is adapted to the location and type of work provided, for example:

- Sterilizer: Safety shoes, masks, and helmets
- Spraying: Face shield, gloves, boots, apron, and mask- Harvest: Helmets, shoes and glasses

However, during field observation to mill and estate activities, A few workers did not use PPE given for example masks at the sterilizer station, and their own rubber boots during the circle and path spraying (workers said they were actually given, but kept and stored using your own boots). Furthermore, the results of interviews with factory workers at 4 relevant stations stated that they did not understand how to apply for PPE replacement if damaged and the replacement had not yet arrived.

An OHS compliance inspection has been conducted every month by the EHS team. In addition, the company has also actually provided a reserve PPE stock for both estate and mill workers such as helmets, masks, boots, safety shoes, etc.

Therefore OFI related :

- The company has the opportunity to be able to evaluate the period of PPE inspection and re-ensure that all PPE given has been used in an orderly manner by workers
- The company has the opportunity to be able to ensure an understanding of the mechanism for replacing damaged PPE and the replacement has not yet been conveyed to all employees

6.7.4

The form of health protection and work accident insurance provided by the company is in the form of the inclusion of all employees in the *BPJS TK* and *BPJS Kesehatan*. There is evidence of participation in the form of payment of the following contributions:

BPJS Tenaga Kerja

- BBF
SKU-H and SKU-B: Through Bank Mandiri with IC check number 480440 for payment for the period of January 2020 for 114 workers
PKWT: Through Bank Mandiri with IC 480441 check number for January 2020 payment for 1 PKWT worker (driver)
- BBE
SKU-H and SKU-B: Through Mandiri Bank with a contribution code 191204232891
PKWT: Through Mandiri Bank with a contribution code 191204232935
- BKE
Through Bank Mandiri with a contribution code 191206249147

- *BPJS Kesehatan*

- BBF
SKU-H and SKU-B: Through Bank Mandiri with IC 480442 check number for January 2020 payment period for 114 workers and 226 dependents
- BBE
SKU-H and SKU-B Through Bank Mandiri with account number 02820118 for 535 people
- SCE
SKU-H and SKU-B Through Bank Mandiri with virtual account number 8888890002820119 for 519 people and 433 dependents
- BKE
SKU-H and SKU-B Through Mandiri Bank with virtual account number 8988890002820113

Based on the interviews with 8 chemist employees in C012 block and 3 harvesters in C017 block it is known that the person concerned has been registered in both programs. Furthermore, based on the list of PT LMR employees, it is known that all employees have been registered in the program. During year period 2019 there are no claims to insurance. Works accidents that occur can be handled by paramedics and company doctors

6.7.5

The LTA records for the 2019 period of PT LMR are as follows:

- BBE :
Work Hour : 1,21,415
Case : 47 with number of lost day 47

<ul style="list-style-type: none"> FR : 38.73 SR : 38.73 • SCE : Work Hour : 942,746 Case : 5 with number of lost day 1 FR : 1.06 SR : 1.06 • BKE : Work Hour : 878,214 Case : 6 with number of lost day 8 FR : 1.13 SR : 9.1 • BBF : Work Hour : 254,947 Case : 0 FR : 0 SR : 0 	
Status: Comply	
PRINCIPLE #7 PROTECT, CONSERVE AND ENHANCE ECOSYSTEMS AND THE ENVIRONMENT	
7.1 Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management (IPM) techniques.	
7.1.1	
<p>The Unit of Certification has shown evidence that pests, diseases, weeds and invasive species are effectively managed using appropriate Integrated Pest Management (IPM) methods. The integrated pest management plan is regulated in the procedure for the Control of Plant Pest Organisms No. 110 / EST-ARM / 13 Chapter 15. Procedures for establishing an early warning system with monthly detection of pests and potential diseases netter caterpillars and mouse, emphasizing mechanical and biological control such as by planting beneficial plants (<i>Turnera subulata</i> and <i>Antigonon leptosus</i>), and installing and monitor the nest box to suppress mouse infestation. This procedure also establishes an economic threshold for each pest and disease, that chemical control will be carried out only if the infestation has exceeded the economic threshold. For example, 10 larvae / netter caterpillars, rats> 5% of infestation and <i>Orictes</i>> 10 trees / ha</p> <p>Implementation</p> <p>The Unit of Certification has documented the potential for monthly pest and disease detection carried out by trained workers. Based on a specific summary in 2019, there were no pest attacks above the economic threshold. The company will exercise control if pest attack levels are above the economic threshold.</p> <p>Field observations at each estate also verified that visually there were no symptoms of netter caterpillar attacks in the canopy, or mouse attacks on FFB collected at the FFB collection points. Beneficial plants such as <i>Turnera subulata</i> and <i>Antigonons leptosus</i> have been planted on the main road and collection road. The nest box is in good condition and is well monitored in the ratio of 1 nest box to an area of 25 ha.</p>	
7.1.2	
<p>Based on document review and field observations, the Unit of Certification applies several biological control practices to suppress pest and disease attacks such as <i>Antigonon leptopus</i> and barn owls (<i>Tyto alba</i>) and is well managed for example there are poles at the crossroads of the paths where <i>Antigonon leptopus</i> grows. The results of verification on the cabi.org website are known that the species was declared not invasive in Indonesia.</p>	
7.1.3	
<p>Based on document reviews, field observations, and interviews with workers and stakeholders, it is known that the Unit of Certification does not use fire to control pests.</p>	
Status: Comply	

7.2**Pesticides are used in ways that do not endanger health of workers, families, communities or the environment.****7.2.1.7.2.4;7.2.5;7.2.9**

The Unit of Certification policy on safety in using chemicals is contained in ARM sections 15 and 16 concerning plant protection. The selective use of the product is contained in the procedure for protection of plants, example : Glyphosate is used to control broadleaf and narrowleaf weeds. The procedure also explains that only agrochemicals listed in the applicable laws and regulations may be used. PT. Langgeng Muaramakmur has not applied paraquat in controlling weeds, its function has been replaced by chemicals that are more environmentally friendly.

The Unit of Certification sprayers circles and path using selective pesticides three times a year. Based on field observations in Sungai Cengal Estate and Bebunga, it is known if the workers already know the method of selective spraying, for example, only spraying the circle or the existing weeds and if there is no weed, no spraying is carried out. The company also does not apply pesticides by air.

The Unit of Certification uses registered chemicals which are permitted by the Government and can be seen on the website www.pesticide.id

Based on document verification, field visits to pesticide storage, interviews with management and pesticide applicators information is obtained if the Unit of Certification does not use pesticides that are prohibited by the government. the pesticides used by the Unit of Certification are class II and III pesticides. The Unit of Certification also has not used paraquat in controlling weeds.

There is no prophylactic way of using pesticides carried out by the certification unit. The Unit of Certification only controls using pesticides if the pest attack census shows results above the threshold. Whereas for weed control If the conditions of the circle and harvest pathway are still quite standard, weed control will be postponed. Based on observations of spraying activities, the application method is not a preventive application, but is more selective for locations that have weeds.

7.2.2

The routine application of pesticides is to control weeds in circles and pathways every 4 months the pesticides used are Kenly 20 WG TM (ai Methilmetsulfuron), Ken Up 480 SL TM (ai Isopropilamina gyphosate), and Kenlon 480 EC TM (a trichopyr). Documentation of use is in the Pesticides Toxicity document for each Estate, which records the product name, active ingredients, LD50, percentage of active ingredients, total applications, total active ingredients, hectares applications and active ingredients per ha application. For example in the 2019 period, the amount of Kenly 20 WG TM 0.01 kg / ha in Bakau Estate, the amount of Ken Up 480 SL TM 0.017 ltr / ha in Bebunga Estate, and Kenlon TM 0.09 kg / ha in Bebunga Estate.

7.2.3

Regarding reducing the use of pesticides, monitoring is carried out every day, monthly and yearly. Furthermore, the detection and census of pests and diseases are carried out regularly as an early warning system, aimed at preventing the spread of pests and diseases, so that it is expected to minimize the use of pesticides. Pesticides are only used if pest infestations have exceeded the economic threshold

The integrated pest management program is implemented by the certification unit and is monitored and evaluated every month. This evaluation is in the form of reports of pests and disease symptoms that describe the type of pest, average attack, attack analysis, level to threshold; conclusion to determine control techniques if needed. Based on data and a summary of the 2019 census in the Bakau Estate, Bebunga Estate and Sungai Cengal Estate, it is known that there are no pests and diseases that exceed the economic threshold. So there is no use of pesticides for pest and disease control. Based on observations of the Mangrove Estate, Bebunga Estate and Sungai Cengal Estate, visually there were no symptoms of netter caterpillars attacking the canopy, or handling mice on FFB collected

7.2.6

The Unit of Certification shows evidence of recorded training and socialization on pesticides handling, including:

- Spraying training, Handling, Chemicals, P3K Spray and KG Socialization. Location of Bebunga Estate on 22 September 2019 which was attended by 29 employees.

The workers are equipped with shoes such as PPE, helmets equipped with face shield glass, aprons, shirts and trousers, masks and nitrile gloves. This type of PPE is in accordance with MSDS recommendations for glyphosate and methyl metsulfuron.

Based on interviews with spray workers, it is known that PPE is given free of charge by the company (gloves, aprons, goggles, and masks). Workers also store and wash the work tools in the washing place that has been provided, namely the rinse house. Workers also understand the technical activities of workers by explaining the technical work starts from how to spray, target / target weeds, and avoid spraying in the river zone

7.2.7

PT Langgeng Muaramakmur Pesticide Storage and Pesticide Storage procedure with document No 039 / LMR-PST / C9 which among them states:

- Pesticides must be stored in a safe place, separate from fertilizers, food ingredients, and water sources
- Each type of pesticide must be placed separately according to their respective groups (herbicides, fungicides, rodenticides, and insecticides)
- Empty pesticide packaging so that it is returned to the warehouse clerk for temporary storage (1 month) then the warehouse clerk sends the former pesticide package to LB3 TPS who has a permit at palm oil mill.

Based on the results of field visits in agrochemical storage warehouses, in the Bebunga Estate and Sungai Cengal Estate it is known that agroclimate materials are stored properly, officers conduct periodic monitoring for each incoming and outgoing agro-chemicals as well as expired chemicals. For example, a chemical monitoring report for chemicals in 2019 made by a warehouse clerk and reported to the estate manager, found that there were several types of pesticides being monitored in the storage agrochemical..

7.2.8

All pesticide containers were properly disposed and handled responsibly in accordance with Indonesian recognized best practices, that was stipulated in Government Law No. 101 of 2014 regarding management of hazardous waste, company's has Procedure of pesticide storing and used pesticide container (039 / LMR-PST / C9 dated December 1, 2010) that's explained used pesticide container was returned to the temporary Transit hazardous waste storage.

Based on an interview with the sprayer team found that workers recognized how to properly dispose of waste materials and workers have been trained by the company about waste and hazardous materials handling. The last training was conducted on 6 December 2019 attended pesticide applicator entire.

Field visits during the audit on BBE, BKE and SCE housing found there are no indications that ex agrochemical containers are used for other household purposes (for example flower pots and potable water containers).

7.2.10

Based on the results of verification of interview documents with management and employees, information was obtained that the company regularly conducted health checks specifically for high-risk types of plantation employees, namely spray workers, generator guards, workshops, fertilizers and day care centers. Document verification results revealed that the last health check was carried out on the steps 07 and 08 January 2020. The total number of plantation employees examined was 193 people, based on the results of the Thamrin clinical laboratory examination, all of them were declared healthy and fit for work. For PKS employees, there are also 43 general and special health checks for employees, for special health checks for types of workers' activities in high-noise areas, WWTP ponds, boilers. Based on the results of the Thamrin clinical laboratory examination, all of them were declared healthy and fit for work.

Based on the results of verification of interview documents with management and employees, information was obtained that the company regularly conducted health checks specifically for high-risk types of plantation employees, namely spray workers, generator operators, workshops, fertilizers and day care centers. Document verification results revealed that the last health check was carried out on the steps 07 and 08 January 2020. The total number of plantation employees

examined was 193 people, based on the results of the Thamrin clinical laboratory examination, all of them were declared healthy and fit for work.

Based on the results of field visits on spraying activities, it was recognized that spray employees had participated in regular health checks. The company has also submitted the results of the health check to the employee and all spray employees have been declared normal in health problems. The results of the field visit also did not identify any complaints of skin diseases. and itching

7.2.11

The Unit of Certification has a policy regarding the age requirements of workers namely Memorandum Head Office-Jakarta (No.POD-UM-052 / III / 2010), which states the prohibition statement on using underage workers in accordance with the Law of workers ie there are no workers who are under working age (18 years).

There is a mechanism for female workers who are breastfeeding or pregnant, dated 1 January 2013, it is explained that female workers who are pregnant or breastfeeding submit a written report to the assistant who then recommends the assistant to be examined by the nurse, if proven pregnant then will be transferred to an unrelated section with chemicals. This is explained in the procedure BBS & the use of BSS No. station. 018 / LMR-BSS / C3 dated 1 December 2010

based on field observations on spraying activities at Bebunga Estate, Bakau Estate and Sungai Cengal Estate as well as interviews with management, it is known that the company does not employ employees who are not yet 18 years old and female workers in pregnancy or breastfeeding situations and employees with medical limitations will be transferred to care work.

Status: Comply

7.3

Waste is reduced, recycled, reused and disposed of in an environmentally and socially responsible manner.

7.3.1

The hazardous waste generated from operational activities such as Mill and Estate likes used filters, used oil, cotton waste fabric scrap, battery scrap, pesticides used containers, used lamp, etc are stored in the Hazardous Waste Temporary Storage licensed PT LMR. Permit form by Kotabaru Regent's Decree, number 188.45 / 255 / KUM / 2016, related Temporary Hazardous and Toxic Transit hazardous waste storage Permit to PT Langgeng Muara Makmur Bebunga POM, Sub-District Pamukan Utara, Kotabaru Regency, dated March 29, 2016 and valid for 5 years commencing from the date of the issuance of this Bupati Decree.

Record of management Hazardous Waste, included in reporting management hazardous waste quarter period October to December 2019 addressed to environment agency. The Training And socialization to spraying workers, about ex pesticide container disposal. All discarded containers of chemicals generated by Estate and Mill, placed in hazardous waste warehouse.

CH represents Agreement letter Hazardous Waste management PT Langgeng Muara Makmur - Bebunga POM and PT Balikpapan Environmental Service (PT BES), number BES/039/MKT/V/2019 March 23, 2019 valid 1 years. For example, the last transported of hazardous waste type used pesticide container carried out by PT Balikpapan Environmental Service 3 December 2019 totalling 644 kg in accordance with manifest Number GD 0015190. The Transportation permit (PT Balikpapan environmental Service issued by Ministry of Land Transportation Number. SK 00533 / AJ-309/1 / DJPD / 18/0009 still valid.

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

7.3.2 & 7.3.3

The company has identified the source of waste and pollution source and treat the identified source to reduce emission and pollution. The effort taken by the company are:

- Domestic waste: based on field observation, the company has collected cosmetic waste periodically and dump it to

- the landfill and its known that location of landfill is far away from waterways and the housing area.
- Empty fruit bunch is applied to estate plantation area to substitute chemical fertilizer. Based on field visit EFB application is well managed.
- Shell and fiber are reused for engine fuel of boiler. It reduce the carbon emission from the combustion of fossil fuel.
- Management POME done in WWTP before disposal land application accordance permit Kotabaru District number 503/06/IPAL-BPPTPM/2016 December 21 2016 and valid for 5 years. WWTP is equipped with aerobic and anaerobic Pond, so that does not exceed the quality standards. CH also has testing POME quality every month, accordance Minister Decree environmental agency number 28/2003.
- The managing for clinical waste, the company has been send from Clinic central BBE to Public health center Sengayam.

Base on Field visit housing complex Estate and Mill, known the companies managed settlements/housing domestic waste by provide landfill on each afdeling and sort the organic/an-organic waste, no open fire for waste disposal.

Status: Comply

7.4

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

7.4.1;7.4.4

The Unit of Certification shows procedure No. 110 / EST-ARM / 13 part 8 explains, inter alia:

- 1) Fertilization of Immature Plants: Types of Fertilizer, Application Time, Standardization of Fertilizer Application Time on Immature Plants
- 2) Application of Empty Leaves in Immature Plants: Dose and Frequency of Empty Leaves Applications, How to Apply Empty Leaves, Additional Inorganic Fertilizers, Determine Fertilization Schedule
- 3) Fertilization of Palm Oil Plants Produces: Fertilization Recommendations, Empty Nuclear Application.
- 4) Palm Oil Mill Waste Application (POME): POME standard stipulated, POME sludge collection system, various types of POME and its content, Waste Application System, Sime Darby's waste experiments, problems arising in the POME application, responsibility responsible for plantation and factory, Capital Costs, and maintenance systems
- 5) Leaf analysis is carried out every year and soil analysis every 5 years

These procedures establish many strategies for maintaining and increasing long-term fertility, by combining efficient and measurable organic fertilization, taking into account the age of oil palm and soil nutrients by taking leaf and soil samples.

The Unit of Certification has recorded inorganic fertilization and organic fertilizing well during 2019 and recorded it in the fertilization month report. fertilizer used by the company is a CCM 44 (NPK) of 7.24 kg / tree, RP of 1.41 kg / tree and HGFB of 0.1 kg / tree, the fertilizer is considered sufficient based on general best practice. the fertilizing strategy has been proven to increase and maintain the productivity of sustainable palm oil. For example Sungai Cengal Estate recorded an overall yield of 2019 years old planting and amounted to 14.46 tons / ha / year.

Fertilization records have been shown in the 2019 fertilization progress document, which includes fertilization programs and realization. Based on the review of documents in each Estate, it shows that the fertilizing activities (time, location, dosage, amount) are in accordance with the recommendations. Inorganic fertilizers used by the certification unit are CCM 44, HGFB and Rock Phosphate (RP) with a total application of 9,732.53 tons for the Bebunga Estate, Bakau Estate and Sungai Cengal Estate estates. Overall, the certification unit has made efforts to maintain and improve soil fertility. Visually, there are no symptoms of nutritional deficiencies in the blocks that have been visited.

7.4.2

The Unit of Certification shows the results of leaf and soil analysis

Results of soil analysis

Soil analysis results of PT. Langgeng estuary prospered on May 22, 2019 by the Institute for Research and Community Service at the University of Lambung Mangkurat. The tanah test was carried out to find out the content of age C, N, P2O5, pH, Ca-dd, Mg-DD, Na-dd, K, Al, Cu, Pb, Cd, Zn

Leaf analysis results

Bebunga Estate, Mangrove Estate and Sungai Cengal Estate have tested leaf samples on 5 August 2019 and 4 July 2019. The leaf test was conducted by Minamas Research Center staff. Leaf test was carried out to determine the content of the elements N, P, K, Mg, Ca and B in plants as a reference to determine fertilizer recommendations

7.4.3

The Unit of Certification has a nutrition recycling strategy that includes the use of EFB applications, soil applications and the use of palm oil leaves. Based on the results of the document study, it is known that the application of EFB in 2019 is 3,252.56 tons with an application area of 128 ha, while for land applications in December 2019 that is 7,198 m³, the number of holes is 2,320 holes.

From the field observations, the auditor also visited the realization of the application EFB in Block A034 Bebunga Estate. It was found that the technical application EFB is in accordance with company regulations: applied among trees, using a dose of 30 tons / ha, non-overlapping, and not applied in streams.

Status: Comply

7.5

Practices minimise and control erosion and degradation of soils.

7.5.1;7.5.2;7.5.3

The Unit of Certification has maps describing marginal and critical land in the Semi Detailed Land Survey and Suitability of Land for Palm Oil Plants for the period of 2016 - 2021 prepared by the GNSS team, GIS and Soil Survey Minamas Research Center Pekanbaru. The document was circulated on May 26, 2016 and signed by VP 1 Head of MRC. The scale used is 1: 50,000.

Overall, the soil type of PT langgengmuara Makmur does not have peat soils. Based on the topography of 0-3% flashflat area: 2,108.10 ha, wavy slope 2-8%: 526.28 ha, wavy slope 8-5%: 403.84 ha, hilly slope 15-30%: 1,163.87 ha and mountainous > 30%: 92.35 ha. based on these data the topography of PT Langgengmuara prosperous contained no steep slope above 25 degrees.

Based on field observations of Bebunga estate replanting activities, Bakau Estate and Sungai Cengal Estate the company has made contour terraces for planting hilly area. At the time of the audit there were no new plant activities in the area of the Unit of Certification management.

Status: Comply

7.6

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.

7.6.1;7.6.2

Based on semi-detailed soil survey documents and land suitability classes of PT Langgeng Muaramakmur for the period of 2016 - 2021, it was found that there were no peat areas in the operational area of PT LMR. PT LMR's Detailed Land Survey document informs the identification of the class of land in the Unit of Certification area, namely the dominant S3. Based on the topography of the flat area 0-3%: 2,108.10 ha, wavy slope 2-8%: 526.28 ha, wavy slope 8-5%: 403.84 ha, hilly slope 15-30%: 1,163.87 ha and mountainous > 30%: 92.35 ha. based on these data the topography of PT Langgengmuara prosperous contained no steep slope above 25 degrees. For hilly areas the Unit of Certification applies contour terrace manufacturing for oil palm cultivation.

Based on field observations of Bebunga estate replanting activities, Bakau Estate and Sungai Cengal Estate the Unit of Certification has made contour terraces for planting hilly area. At the time of the audit there were no new plant activities in the area of the Unit of Certification management

7.6.3

soil type maps and topographic maps containing information on soil classification, texture, drainage, limiting factors and suitability information for the development of oil palm plantations have helped companies to manage blocks, roads, drainage, bridges, etc. The Unit of Certification also has a Road Maintenance Program that is equipped with adequate infrastructure and facilities to carry out the work. According to the results of the field visit, roads are in good condition and harvested FFB is transported smoothly to the factory.

	Status: Comply	
7.7		
No new planting on peat, regardless of depth after 15 November 2018 and all peatlands are managed responsibly.		
7.7.1;7.7.2;7.7.3;7.7.4;7.7.5;7.7.6;7.7.7		
Based on semi-detailed land survey documents and land suitability of PT Langgeng Muaramakmur for the period of 2016 - 2021, it is found that there is no peat area in the operational area of PT LMR.		
	Status: Comply	
7.8		
Practices maintain the quality and availability of surface and groundwater		
7.8.1 & 7.8.2		
The company has water management plans contained in:		
<ol style="list-style-type: none"> 1. The hydrological impact and water quality management plan covers the management of erosion and runoff, water management in low-lying areas and monitoring of surface water quality contained in environmental documents (ANDAL 1995 and DLH 2011). 2. Management of swamps, springs, streams, wells and reservoirs contained in the HCV identification document, 2009. It contains the management of Swamp area in Block C028, C032, C036, C040, C 043 and C046, Management of Wells in Seven Blocks C 019, Buffer Zone Management and Reservoir Boundary Management. The Management Activities consist of a ban on chemical applications in established HCV areas, installation of HCV signboards, planting and maintenance of tree species in the HCV area as well as socialization of HCV area management to employees and surrounding communities. 3. POME treatment with WWTP and utilize it in licensed application areas. 4. Monitoring the use of water for palm oil processing. 		
CH has implemented water management plans for example:		
<ol style="list-style-type: none"> 1. Based on document verification and field visit at Tamiang River Riparian Area, division II&III block F33/E33 Bakau Estate and water source sumur tujuh Block G8 division II Sungai Cengal Estate, observation boundary shows that there is no indication of chemical application in the area, does not conduct replanting activity in designated HCV areas, Planting Mahogany species (<i>Swietenia macrophylla</i>) in the Bebunga River and Lembang River crossings. 2. Based on the document review, the Company has consistently monitored the quality of surface water, wastewater, erosion rates in locations specified in AMDAL documents and Land Application Permits. For example monitoring the water quality of the Tamiang River, Lintang River, Bebunga River and water source. 3. Based on the results of interviews with workers stating that the Company gives full access to the utilization of water from the water source of the Observer especially during the dry season. 4. The Company has conducted daily monitoring of water by using Flow meter and determining the target of water use. 5. Water quality parameter test in housing complex accordance to Healthy Minister Regulation No 416 year of 1990. 		
In addition, briefly also explained that the water used must meet the criteria set and if it does not meet the criteria then there must be special processing. The certificate holder has implemented the plan for example the protection of river border by not applying the chemicals at a distance of 50 meters from the side of the trench, monitoring the use of water every month for processing, monitoring water quality every 6 months and submitted to the Agency Environment by conducting surface water quality testing.		
Based on field visit audit on HCV area Tamiang River Riparian Area, division II & III block F33/E33 Bakau Estate and HCV Area, Danum Bolum Waterspring the company already done water source management accordance with SOP for Watershed Protection, such as:		
<ul style="list-style-type: none"> - Signboard prohibition chemical application on riparian. - Signboard of HCV area, prohibition of hunting, and poisoning fish. - Determination of river buffer zone with a distance of 50 meters left-right of riparian. - Natural vegetation. 		
7.8.3 & 7.8.4		
The CH has licensed the utilization of liquid waste to be applied to the land (Land Application) based on the Decree of Regent Kotabaru No.: 503/06 / IPAL-BPPTPM / 2016 dated 21 December 2016 concerning Permit for Utilization of		

Wastewater to Land at Oil Palm Plantation Activities PT LANGGENG MUARAMAKMUR in North Pamukan District, Kotabaru Regency, valid for 5 years.

Monitoring of BOD has carried out every month regularly and reported to Environment Agency every three month. Evaluation and water sampling in WWTP outlet were carried out by accredited laboratory. Based laboratory testing, it could be concluded that testing results from January to Desember 2019 were accordance with regulation of the environment minister Number. 28/2003.

Based on observation to WWTP, it was found that flow meter was well functioned and there were no spills to the land. Furthermore, the certification also has had land application permit and there is no issues from stakeholders related to land application.

Base on field visit in land application area in Bebunga Estate Block G49 division 9 shows the area were well maintained. There was no leakage that flows outside the area. Based on public consultation with village representation, there was no issues regarding to river pollution especially in in to the river that across the village.

Procedure of water use monitoring in mill available under document Procedure of Water Treatment Plant. Water consumption monitored by using flowmeters installed in piping system of WTP. According to water use data in last period January to December 2019 average of water use for processing still below the determined budget (1.19 m³/ton FFB while budget is 1.40 m³/ton). Overall use of water under the budget of company.

Status: Comply

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

The company already maximizing the use of renewable energy (fiber & shell) as boiler fuel. For example, use of shells and fiber period January to December 2019 Bebunga POM has produces 1,298,534 kWh of electricity from turbine, while electricity generated from diesel fuel 120,431 kWh. The efficiency renewable energy use per ton of palm product in the mill is 39.21 KWh / MT CPO, while result Direct fossil fuel used is 8.10 KWh / MT CPO.

Status: Comply

7.10 Plans to reduce pollution and emissions, including greenhouse gases (GHG), are developed, implemented and monitored and new developments are designed to minimise GHG emissions.

7.10.1, 7.10.2 & 7.10.3

CH has a SOP of GHG emission sources inventory inside the SOP No: 700 / PSQM-GHG-01/12, concerning to the GHG Source Inventory. As for the implementation from SOP of GHG inventory, has been identified the sources of GHG as follows:

Emission sources from estate operational:

- Land cover change: the difference between the time average C stocks on land between the vegetation before it was opened with oil palm.
- Current land use: Use of Fertilizer (N₂O), Change C_{ORG} Soil (CO₂), Soil Management (CH₄), and Planting in Peat lands (CO₂ & CH₄).
- The use of diesel fuel for generator operations and heavy equipment operations (CO₂).
- Transport of FFB from the estate to the POM (CO₂).

Inventory of emission sources from palm oil mill operations (POM).

- The use of diesel fuel for generator operations (CO₂)
- The use of shell / fiber for boiler and generator operations (CO₂)
- The use of electricity for mill operations
- Kernel separation
- POME waste disposal (CH₄ & CO₂)
- Transportation of CPO and PKO to refinery or port (CO₂).

Based on the results of document verification and field observation, CH already has plans and implemented activities to reduce and minimize GHG emissions, among others:

- Application of EFB as utilization of solid waste for organic fertilizer
- Utilization of liquid waste applied for fertilization.
- Utilization of shell and fiber for boiler fuel as efficiency of diesel fuel consumption.
- Planting trees in factory area,
- Conduct air quality monitoring through routine emission testing contained in the RKL-RPL Report
- Monitoring of POME including monitoring of waste discharge into pond, flow meter condition, and waste discharge applied.

The CH does not conduct new planting after 2014. Based on the areal statement, the oldest plant in the concession area of PT LMR is the plant in 1993, for planting 2014 is replanting activities.

The company has not been able to show GHG calculations using the Palm GHG calculator RSPO version 4.0. **Based on that's explanation raised Non Conformity No 2020.05 Critical**

7.10.1	Status: Non Conformity No 2020.05 with Critical category
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**7.11
Fire is not used for preparing land and is prevented in the managed area.**

7.11.1, 7.11.2 & 7.11.3

The company has a Zero Burning policy as outlined in the Head Plantation Operation NO POD-UM-044 / III / 2010 dated March 9, 2010 on the replanting program 2010-2030 based on the new block, which describes the replanting program 2010-2030 for Minamas plantation. Nor Manual Reference Agronomy No. 110 / EST-ARM / 08, where section 4 of Land Preparation clause 3.1 point (b) states that land clearing shall be guided by the Director General of Plantation Decree No. KB.110 / SK / DJ BUN / 05.95 dated May 30, 1995.

The company monitors land fires every day in areas prone to land fires and fire monitoring towers. Based on the results of land fire monitoring from January 2019 to December 2019 at BBE, BKE and SCE, there were no known land fire on operational area.

Based on field observation Block A034 division 2 Bakau Estate, replanting activities performed by mechanization using heavy equipment, did not find any burning activity at the beginning of the opening of the land, it was found that many of the remaining stumps of decaying has begun.

The village and company formed a fire fighting team namely "*Desa Mandiri Pencegah Api*", and conducted fire emergency response training jointly Wonorejo village on November 2019.

Status: Comply

**7.12
Land clearing does not cause deforestation or damage any area required to protect or enhance High Conservation Values (HCVs) or High Carbon Stock (HCS) forest. HCVs and HCS forests in the managed area are identified and protected or enhanced.**

7.12.1, 7.12.2 and 7.12.3.

The company does not conduct new planting after 2014. Based on the areal statement, the oldest plant in the concession area of PT LMR is the plant in 1993, for planting 2014 is replanting activities.

Base on document submitted by Proforest namely RSPO No deforestation consultancy: high forest cover countries, Consultancy report on definitions and recommendations to the RSPO June 2018 as known not set HFCL for Indonesia.

7.12.4, 7.12.5,

The company does not conduct new planting after 2014. Based on the areal statement, the oldest plant in the concession area of PT LMR is the plant in 1993, for planting 2014 is replanting activities.

The Company established HCV management plan to maintain the HCV areas in operation area of PT LMR, listed on Management plan HCV 2020 documents. HCV management activities that taken by the management unit are maintain HCV attributes (HCV boundary, sign board), HCV socialization (community and worker), maintain HCV area, regular patrols for maintain HCV security, species monitoring, enrichment in riparian.

Based on field visit audit on HCV area Tamiang River Riparian Area, division II & III block F33/E33 Bakau Estate and HCV Area, Danum Bolum Waterspring the company already done water source management accordance with SOP for Watershed Protection, such as:

- Signboard prohibition chemical application on riparian.
- Signboard of HCV area, prohibition of hunting, and poisoning fish.
- Determination of river buffer zone with a distance of 50 meters left-right of riparian.
- Natural vegetation.

Based on field visits on HCV 6 (cemetery) Block J15, Sungai Cengal Estate shown the location of HCV Area is within HGU but still in local communities (Binturung villagers). CH has presented of Agreement with Binturung people on June 10, 2017 to maintain the sacred cemetery area.

7.12.6

The Company has identified HCV in 2009 in cooperation with YASBI (Indonesian Sustainable Palm Oil Foundation). Implementation of HCV Assessment is guided by the Guide of Identification of High Conservation Value Areas in Indonesia published by Consortium of HCV Revision Toolkit Indonesia on July 12, 2008. Based on the result of HCVA study, in PT. LMR contains high conservation habitat (HCV) areas, namely:

- HCV 1 : Bakau (26.84 ha), Bebunga (54.20 ha) and Sungai Cengal (236.76 ha)
- HCV 2 : Sungai Cengal (222.66 ha)
- HCV 3 : Bakau (26.84 ha), Bebunga (29.00) and Sungai Cengal (233.27 ha)
- HCV 4 : Bebunga (51.17 ha) and Sungai Cengal (225.76 ha)
- HCV 5 : Bebunga (25.20 ha) and Sungai Cengal (3.10)
- HCV 6 : Sungai Cengal (3.40 ha)

For scope audits Bebungan POM PT Langgeng Muaramakmur areas CH with HCV are 1,017.12 Hectare and there is Swamp, hilly area, river 794.53 Hectare.

In the document has been described about the landscape situation around PT LMR and not identified the existence of protected forest / conservation area set by the government. However, there is still a secondary forest vegetation cover to the north of Bakau Estate and Sempada river in the area of PT LMR as well as functioning as a corridor connecting PT LMR working area with the secondary forest ecosystem.

Identified flora and fauna among others:

- Flora; 406 plants identified from herbaceae, shrubs, lianas and trees. Of the 406 identified species, no plant species are protected in accordance with PP. 7 of 1999 and UU No 32/2009.
- Fauna; Identified 26 Mammalian species and there are 9 protected species according to Government Regulation No. 7 of 1999 for example Kubung malaya (*Cynocephalus variegatus*), Trenggiling (*Manis javanica*), Bekantan (*Nasalis larvatus*), Hedgehog (*Hystrix brachyura*), Sigung (*Mydaus javanensis*) Sero threshold (*Aonyx cinerea*), Tiger root (*Felis bengalensis*), Trish (*Tragulus javanensis*) and Kijang (*Muntiacus muntjak*); 76 species of birds and there are 5 species protected by the Government Regulation No. 7 of 1999 such as gold pekaka (*Pelargopsis capensis*), white belly Kangkareng (*Anthracoceros albirostris*), Kipasan stripes (*Rhipidura javanica*), Raja honey (*Aethopyga siparaja*) and Pijantung kecil (*Arachnothera longirostra*); 10 types of reptiles and 1 of which are protected by PP. 7 Year 1999 namely monitor lizard (*Varanus boorneensis*)

Monitoring of RTE species has been conducted routinely (every semester), the monitoring result will be the input in the next monitoring plan

The company have procedure related to HCV management, such as prohibition policy on all employees to hunt, maintain animals protected by the law set forth in SOPs for Wildlife Handling and Protected Flora Preservation (Document No. 033 / LMR4-PSL / C7, Rev 1, dated 01 December 2010) Includes including sanctions provided by the company to the offending employee.

Based on field visit on worker housing on BBE, SCE and BKE found there is no RTE species reared by workers, and RTE/HCV socialization for workers have been conducted on 19 December 2019.

Based on interview with workers known that the socialization related to protected species and HCV has been done. There's HCV signboard, RTE information signboard and marking of chemicals application riparian.

7.12.7

The company has HCV implementation management and monitoring plan period of 2019, the program consists of:

- Riparian area management (HCV boundaries marking and maintaining, marking of chemicals application borders, HCV socialization to surrounded community and workers, planting of erosion control plants and HCV area patrols)
- Management and monitoring of RTE species.
- To conduct species identified protection.
- Implementation of company procedure related to HCV management, such as prohibition policy on all employees to hunt, maintain animals protected by the law set forth in SOPs for Wildlife Handling and Protected Flora Preservation (Document No. 033 / LMR4-PSL / C7, Rev 1, dated 01 December 2010) Includes including sanctions provided by the company to the offending employee.
- HCV monitoring (monitoring of HCV attribute, monitoring of HCV in three monthly basis and monitoring of HCV rehabilitation).

Monitoring of HCV & RTE species has been conducted routinely (every semester), the monitoring result will be the input in the next monitoring plan. CH was able to shows evidence of receipt note document of flora and fauna identified in implementation monitoring and management HCV Period 2019.

7.12.8

The New planting activities after November 2005 include:

- Sungai Cengal Estate area of 30.90 Ha
- Bebunga Estate area of 395.11 ha

The Company has carried out Land Use Change Analysis in 2014 as set forth in the "RSPO Remediation and Compensation Liabilities for Land Conversion without Prior HCV Assessment - Land Use Change Analysis" report dated December 2, 2014 and submitted to the RSPO secretariat through Letter dated December 2, 2014 On Progressive Submission of Land Use Change Analysis Result in Accordance to the RSPO Remediation and Compensation Procedures. Based on the document indicates that a new opening after 2005 is done;

- All opening after November 2005 at Sungai Cengal Estate is done on agricultural land and vacant land with coefficient "0".

The data used include Image Landsat-5 TM Image consisting of 7 spectral bands with spatial Resolution of 30 Meters. And Landsat-7 ETM+ consisting of 7 spectral band with spatial resolution of 30 meters and 1 Spectral Band with a resolution of 15 meters.

Landsat imagery used is coverage in 2005, 2009 and 2010. Planting area after November 2005 the PT LMR;

- Sungai Cengal Estate area of 30.90 Ha
- Bebunga Estate area of 395.11 ha
- No new land clearing after November 2005 at Bakau Estate

Estate	Clearance Nov 05 – Nov 07	Clearance Dec 07 – Dec 09	Status Submission
Bebunga	56	395.11	Submitted 1n Dec 2014 (Phase 1)
Sungai cengal	583	30.90	Submitted 1n Dec 2014 (Phase 1)
Lanting	-	141.50	Submission in Aug 2015 (Phase 2)
	Raw liability	Final liability	
Lanting	141.50	13.27	

CH shown the PT LMR RaCP process as follows:

- Liability and Disclosure to RSPO December 2, 2014

- Concept Note submitted to RSPO on March 25, 2016 and was responded December 5, 2016.
- The revised LUCA report is sent again December 8, 2017.
- The Compensation Plan submitted t to RSPO March 8, 2018.

Based on communication CB" s PT Mutuagung Lestari and RSPO February 13, 2019, information was obtained that "" A preliminary review of the Compensation Plan has been done. However, no further action can be taken from the LUCA is still a finalization and is pending clarification from Sime Darby.

The evidence by an email from the RSPO May 09, 2019 where based on the results of the meeting on May 8, 2019, the points 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.)".

There was an email from the RSPO secretariat on 10 February 2020 explaining that the RSPO Secretariat is awaiting clarification from the SDP about LUCA and will hold a meeting with SDP next week (after 10 February 2020) to discuss the progress of the LUCA SDP. However, until the audit activities (ASA 1.3) have been carried out, the progress of LUCA SDP has not yet been demonstrated. **Based on that's explanation raised Non Conformity No 2019.06 With Critical Category**

Status: Non conformity No 2020.06 with Critical category

3.2. Conformity Checklist of Certificate and Trademark Use

1.	Evidence of permission or approval certificate and trademark from Certification Body which submitted by Client	X or√
ASA-1.3	Sime Darby Plantation Bhd as parent company of PT LMR has had trademark license with number RSPO-1106024 During field observation and documents review PT LMR does not use RSPO logo/trademark.	√
	Status: Comply	
2.	Implementation of certificate and trademark used by Client comply with size and type (shape) against Guideline of trademark Use	X or√
ASA-1.3	Sime Darby Plantation Bhd as parent company of PT LMR has had trademark license with number RSPO-1106024 During field observation and documents review PT LMR does not use RSPO logo/trademark.	√
	Status: Comply	
3.	Implementation of Certificate and Trademark is not used on product	X or√
ASA-1.3	Sime Darby Plantation Bhd as parent company of PT LMR has had trademark license with number RSPO-1106024 During field observation and documents review PT LMR does not use RSPO logo/trademark.	√
	Status: Comply	
4.	Controlling of Certificate and Trademark, including withdrawing inappropriate trademark.	X or√
ASA-1.3	Sime Darby Plantation Bhd as parent company of PT LMR has had trademark license with number RSPO-1106024 During field observation and documents review PT LMR does not use RSPO logo/trademark.	√
	Status: Comply	

3.3 Summary of RSPO Partial Certification.

Compliance of the uncertified management units of Sime Darby Plantation Bhd against the rules for partial certification was determined through Self-Assessment in accordance with RSPO Certification System clause 4.2.4. A summary of findings is as stated below

Sime Darby Plantation Bhd Time Bound Plan is explained in table section 1.10. Sime Darby has achieved 34 management units in Malaysia and 24 Management Units in Indonesia that RSPO certified. Total management unit in Sime Darby Plantation Bhd are 34 in Malaysia, 25 in Indonesia and 1 in Liberia. Sime Darby Plantation Bhd has informed the Time Bound Plan progress through representative's office in Indonesia. MUTU has considered that Sime Darby Plantation Bhd is comply with the RSPO requirement for Time Bound Plan. The Time Bound Plan was revised and declared by the Sime Darby Plantation Bhd Indonesian representative on July 2019 by the Head of Sustainability.

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:

- 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

Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
2.1.1	Did the company conduct an internal audit? If so, has a positive assurance statement been produced?	<p>Company Group/Holding Statement: Companies are already doing internal audits. There are internal audit reports for each company, latest partial internal audit held in 2019, for five units and three smallholder scheme.</p> <p>Auditor Verification: Internal Audit report available for uncertified management unit, latest partial internal audit is held in 2019, for five units and three smallholder scheme.</p>
2.1.2	No replacement of primary forest or any area identified as containing High Conservation Values (HCVs) or required to maintain or enhance HCVs in accordance with RSPO criterion 7.3 (it has changed be Criterion 7.12 in P&C 2018)	<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. Current status of LUCA report of SDP Bhd is having been sent the 19 report of LUCA to RSPO on Aug 2018, responded by RSPO with need clarification. The companies</p>

		ensuring reporting of disclosure of liability progress to RSPO and according to the CB's correspondence with RSPO Remediation and Compensation.
2.1.3	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.
2.1.4	Land conflicts, if any, are being resolved through a mutually agreed process, such as the RSPO Complaints System or Dispute Settlement Facility, in accordance with RSPO criteria 2.2, 6.4, 7.5 and 7.6 (it has changed be Criterion 4.8, 4.7 and 4.5 in P&C 2018).	<p>Company Group/Holding Statement: Sime Darby (Liberia) Plantation Inc. Status: Box G - Close for Monitoring Further details please refer to: http://www.rspo.org/members/complaints/status-of-complaints/view/46</p> <p>Auditor Verification: Auditor has verified the supporting evidence of above the company statement. There are land conflict in: PT Bina Sains Cemerlang, this issue was raised on 22 April 2017 and still being process to resolve.</p>
2.1.5	Labour disputes, if any, are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3 (it has changed be Criterion 4.2 in P&C 2018).	<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>
2.1.6	Legal non-compliance, if any, is being addressed through measures consistent with the requirements of RSPO P&C criterion 2.1 (it has changed be Criterion 4.2 in P&C 2018).	<p>Company Group/Holding Statement: None noted. No stakeholder comments or complaints received.</p> <p>Auditor Verification:</p>

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

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

NCR No.	: 2019.01.	Issued by	: Arif Faisal Simatupang
Date Issued	: 15 February 2018	Time Limit	: ASA 1.3
NC Grade	: Minor	Date of Closing	: 22 April 2019
Standard Ref. & Requirement	: 2.1.2 A documented system, which includes written information on legal requirements, shall be maintained.		
Evidence observed (filled by auditor):			
<p>The CH has a list of legal requirements contained in the document Evaluation of Fulfillment of Regulations (update dated August 18, 2018), but based on the results of the document review, it is known that:</p> <ol style="list-style-type: none"> 1. Does not contained the list of regulations that issued since 2013. 2. Has not been contained the latest regulation, but not limited such as: <ul style="list-style-type: none"> - Agricultural Minister Regulation No. 5 of 2018 concerning Opening and / or processing of Plantation Land without Burning. - Law 39 of 2014 concerning plantations. - Manpower Minister Regulation No. 9 of 2010 concerning transport and lifting equipment operators - Manpower Minister Regulation No. 38 of 2016 concerning Occupational Safety and Health of power and roduction equipment. - Minister of Environment Decree No. 45 of 2005 concerning guidelines for preparing reports on the implementation of the RKL-RPL report. - Agricultural Minister Regulation No. 11 of 2015 related ISPO - Regulations relating to the latest Minimum Wages. - Manpower Minister Regulation r No. 5 of 2018 concerning Occupational Safety and Health at the Work Environment. - Environmental Minister Regulation No.5 of 2018 concerning Standards and Certification of Competency of Responsible Operators for Wastewater Treatment and Responsible for Water Pollution Control. - Law No. 101 of 2014 concerning the management of hazardous waste.. 			
Non-Conformance Description (filled by auditor):			
The legal register document does not yet contain all regulations / laws that support the company's operations.			
Root Cause Analysis (filled by organization audited):			
The Evaluation Document for Compliance with the PT LMR Regulation has not been updated and includes the latest implementation of regulations. This is because there is a change of PIC that is still inexperienced about RSPO.			
Correction (filled by organization audited):			
Renewed the document of Evaluation of Regulations Compliance which contained legal regulations that supported the company's operations. (Documentation attached)			
Corrective Action (filled by organization audited):			
LMR's PSQM will coordinate with the PSD team to monitor the latest legal regulations implemented by the company and record them in the Regulatory Compliance Evaluation document.			

Assessor Evaluation and Conclusion (filled by auditor):

Verification on April 14, 2019:

The company shows a list of regulations relating to the RSPO updated in 2019, but the list of regulations still does not include:

- Manpower Minister Regulation No. 5 of 2018 concerning Occupational Safety and Health of the Work Environment.
- Environmental Minister Regulation No.5 of 2018 concerning Standards and Certification of Competency of Responsible Operators for Wastewater Treatment Operations and Person in Charge of Water Pollution Control.

In addition, companies need to review the root cause analysis. So that this NCR has not been fulfilled.

Verification on April 22, 2019

The company shows a List of Regulations related to the RSPO update in 2019, which includes :

- Manpower Minister Regulation No. 5 of 2018 concerning Occupational Safety and Health of the Work Environment.
- Environmental Minister Regulation No.5 of 2018 concerning Standards and Certification of Competency of Responsible Operators for Wastewater Treatment Operations and Person in Charge of Water Pollution Control.

This NCR stated as comply.

Verified by : **Arif Faisal Simatupang**

NCR No.	: 2019.02.	Issued by	: Radytio Puspanjana
Date Issued	: 15 February 2019	Time Limit	: ASA 1.3
NC Grade	: Minor	Date of Closing	: April 28 2019
Standard Ref. & Requirement	: 4.6.10 It should be shown evidence that pesticide waste has been handled in accordance with prevailing laws and regulations understood by workers and managers.		
Evidence observed (filled by auditor): SOP for storing pesticides and used pesticide container (039 / LMR-PST / C9 December 1, 2010), explained that used pesticide container was returned to the hazardous waste warehouse clerk. However, based on field visit, found that used pesticides container were stored in civil warehouses and warehouses for harvest equipment in Division 1 of Bakau Estate.			



Non-Conformance Description (filled by auditor):

CH doesn't shown evidence used pesticide container has been managed in accordance with the procedures.

Root Cause Analysis (filled by organization audited):

Hazardous waste management is not in accordance with the procedure because employees (supervision) do not understand the regarding procedures for managing Hazardous waste.

Correction (filled by organization audited):

Pick up the hazardous waste in general warehouse and harvest equipment Div. 1 BKE then transported to the hazardous waste warehouse (Documentation attached).

Corrective Action (filled by organization audited):

A warnest the rules for managing Hazardous waste and giving memos so that employees (supervision) involved in the use of Hazardous material comply with hazardous waste procedures. And socialize it (Documentation attached).

Assessor Evaluation and Conclusion (filled by auditor):

Auditor verification April 28, 2019

The company shows proof of improvement in the form of:

- Memorandum of Hazardous Waste Management Management Bakau Estate February 15 2019 by Estate Manager explained:
 - Every foreman must ensure that all used pesticides used on the application day are not scattered.
 - It is not possible to store it in other storage locations except Hazardous waste storage.
 - All used pesticides must be collected and transported to the Hazardous waste storage at the BBF.
 - Pesticide packaging is cleaned.
 - Every shipment of hazardous waste must be documented and waste must be destroyed before being sent to the BBF.
- The Memorandum of Bakau Estate Sprayer Tool storage February 15, 2019 by Estate Manager explained:
 - Every foreman must ensure that all spray equipment is stored, washed, arranged neatly in the BSS.
 - Sprayers should not be stored anywhere except in the BSS.
 - Damaged sprayers must be stored at the BSS.
- Minutes of the transported of Hazardous waste February 15, 2019 from the Division 1 Bakau Estate warehouse

to the BKE hazardous waste warehouse, former 25-sheet Lenser pesticide packaging, 17 sheets of Kencepat, Capture 19 pcs, Ken Up 9 pcs, Basta 2 pcs and Kenlon 8 pcs.

Based on the evidence submitted, NCR Number. 2019.02 has been Comply.

Verified by : **Radytio Puspanjana**

<i>NCR No.</i>	: 2019.03.	<i>Issued by</i>	: Moh Arif Yusni
<i>Date Issued</i>	: 15 February 2019	<i>Time Limit</i>	: 16 May 2019
<i>NC Grade</i>	: Major	<i>Date of Closing</i>	: 15 April 2019
<i>Standard Ref. & Requirement</i>	: 4.7.2 Risk assessment must be available, documented and there is a record of implementation		
Evidence observed (filled by auditor): The company already had a Hazard Identification and Risk Assessment and OHS Control document, but based on the results of field observations and interviews with management it is known that there are several Risk Controls that have not been implemented such as: - Fertilizer loading and unloading workers were found at Bakau Estate who did not use shoes and respiratory protection. - Sprayers that are still being used are placed in the public warehouse division 1 Bakau Estate (Not at BSS House).			
Non-Conformance Description (filled by auditor): OHS implementation not suitable with Hazard Identification and Risk Assessment Control document.			
Root Cause Analysis (filled by organization audited): <ul style="list-style-type: none"> Fertilizer loading and unloading workers were not found using PPE because the employee was a FFB loading employee who did not have a standard PPE working in a fertilizer warehouse and in the fertilizer warehouse there is no standard PPE available for employees who are not PIC working in fertilizer warehouses. PPE in the fertilizer warehouse is not yet available because the employee was first assigned to unload fertilizer. So it doesn't have a standard PPE. The sprayer was found in the public warehouse in Division 1 BKE because the sprayer was a used spray for spray worker equipment that had not been transferred to the BSS house. his is because the location of the BSS house is far from the div 1 BKE, that is in the BKE main office. 			
Correction (filled by organization audited): <ul style="list-style-type: none"> BKE provides standard PPE working in the Fertilizer warehouse, so if there are employees who do not have a standard PPE, the standard PPE can be loaned while working in the fertilizer warehouse (Documentation attached). Standard PPE for officers related to fertilizer utilization is appropriate (Documentation attached). Transferring the spray tool from the public warehouse Div.1 BKE to the BSS house (Documentation attached). 			
Corrective Action (filled by organization audited): <ul style="list-style-type: none"> The safety officer monitors the availability of PPE in the fertilizer warehouse every month. Make requests for the procurement of PPE if it has been damaged. Safety officers, supervision and staff overseeing every work done in the BKE environment always uses standard PPE according to the type of work (Documentation 			

<p>attached). Make a memorandum so that no spray equipment that has been used is always in the BSS house. Disseminate the memorandum. Documentation attached.</p> <ul style="list-style-type: none"> The manager gives a memo to reiterate the rules for using sprayers after used must be in the BSS warehouse. The division assistant and safety officer carry out routine controls every month by going around the division environment in an effort to implement these rules. And PSQM staff conducted inspections in the RSPO ISPO internal audit which was conducted once a year, three months before the RSPO and ISPO assessment at PT. LMR. And socialize the memo. (Documentation attached). 	
<p>Assessor Evaluation and Conclusion <i>(filled by auditor):</i></p> <p>Verification April 15, 2019</p> <p>The company has shown evidences of improvement in the form of:</p> <ul style="list-style-type: none"> Documentation of the availability of PPE in fertilizer warehouses for fertilizer transport workers. Monitoring the availability of PPE in the BSS period for February 2019. Explain the root problem analysis. <p>Based on the evidences, the non-conformity is fulfilled.</p>	
<p>Verified by</p>	<p>: Moh Arif Yusni</p>

<p>NCR No.</p>	<p>: 2019.04.</p>	<p>Issued by</p>	<p>: Moh Arif Yusni</p>
<p>Date Issued</p>	<p>: 15 February 2019</p>	<p>Time Limit</p>	<p>: 16 May 2019</p>
<p>NC Grade</p>	<p>: Major</p>	<p>Date of Closing</p>	<p>: 15 April 2019</p>
<p>Standard Ref. & Requirement</p>	<p>: 4.7.3 The Work Safety and Health Recordings (OHS) training program (see 4.8) and Personal Protective Equipment (PPE) in accordance with the results of hazard monitoring and risk analysis must be available to all workers.</p>		
<p>Evidence observed <i>(filled by auditor):</i></p> <p>The results of the document review of the PPE handover documents in the POM and Estates are known that the PPE in the form of shoes/boots is given once a year (document record of PPE handover in 2018). Based on the results of interviews and field observations at the Bebunga POM, Bebunga Estate, Bakau Estate and Sungai Cengal Estate, information was obtained that the average age of use was under one year so that workers provided the PPE by himself if it was damaged until the new replacement period.</p> <p>In the Standard Operating Procedure "Personal Protective Equipment" (No.:001/LMR-APD/C1) it is stated that "Entrepreneurs (Companies) provide Free PPE which is required by workers in accordance with the potential hazards found in the workplace or environment as described in this procedure</p> <p>Non-Conformance Description <i>(filled by auditor):</i> The company not yet implemented the OHS aspect related to provide PPE suitable with the procedure.</p>			
<p>Root Cause Analysis <i>(filled by organization audited):</i> The shoes that were distributed were not able to last up to one year for some activities (Harvesting, loading and fertilizing for 6 months had been damaged) so that employees always used shoes purchased themselves because of</p>			

damage before the time of PPE replacement, which is once a year. And also from the type of shoes used at Bebunga POM cannot stand in every field condition, for example leather safety shoes used by WWTP employees in the waste pool have been damaged before one year.

Correction *(filled by organization audited):*

Evaluate the type and lifetime of PPE from all the workers in the estate and POM (Documentation attached). Evaluation was made by ESH KSP staff guided by units at KSP including PT. LMR.

Corrective Action *(filled by organization audited):*

Revise the PPE replacement procedure stating the replacement of boots is done once a year is replaced become can be replaced before the replacement period of PPE with the applicable conditions. And then the effectiveness of the PPE will be monitored by the safety officer then reported to ESH staff.

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

Verification April 15, 2019

The company has shown evidences of improvement, as follows:

- Recommendations and evaluations regarding the age of boot / safety used by workers by the company team.
- Revised SOP regarding PPE replacement for all employees at Minamas Group where replacement of damaged shoes (before one year) can be carried out with certain conditions such as: submitting damaged PPE and damage caused by work (nothing else).
- The procedure for Personal Protective Equipment (No.Pol : 739 / TQEM-ESH / 10) has been approved by the Pamukan 1 Area Control Region along with all managers.

Based on this evidence, non-conformity has been fulfilled.

Verified by : **Moh Arif Yusni**

NCR No.	: 2019.05.	Issued by	: Radytio Puspanjana
Date Issued	: 15 February 2019	Time Limit	: 16 May 2019
NC Grade	: Major (Recurring minor)	Date of Closing	: 3 May 2019
Standard Ref. & Requirement	: 5.3.3 A documented waste management plan to avoid or reduce pollution and its implementation shall be available.		

Evidence observed *(filled by auditor):*

In the Domestic Waste Management SOP (No. 001 / SOP-TPSA / III / 2014 March 4, 2014) in section 5.2, explained domestic waste disposal into landfill at least 1 km from the housing complex and at least 200 meters from riparian and when the garbage fully, the hole is closed and makes a new hole.

Based on field visits at Landfill is known:

- In Sungai Cengal Estate Block H 24 domestic waste is not dumped into hole and burned.
- In Bakau Estate Block G 34 domestic waste is not dumped into hole.



(Picture 1)



(Picture 2)

Non-Conformance Description (filled by auditor):

CH cannot show evidence that domestic waste has been managed accordance with the procedures.

Root Cause Analysis (filled by organization audited):

1. Domestic waste SCE not disposal to landfill because, the road is damage if rainy weather and domestic burn.
2. Domestic waste BKE not disposal to landfill because the landfill is limited.

Correction (filled by organization audited):

1. Incorporating domestic waste in the SCE to landfill and creating a burn ban sign board, a ban on removing used pesticide container at the landfill (Documentation attached).
2. Widening the hole in landfill BKE and incorporating the garbage to landfill. Make a burn board sign board, a ban disposal used pesticide container on landfill. (Documentation attached).

Corrective Action (filled by organization audited):

1. Make The burn ban sign board and socialized to employee SCE and communities about domestic management.
2. Make The burn ban sign board, fence and socialized to employee SCE and communities about domestic management.
3. Rainy weather, the landfill will be closed and making new landfill , so that the landfill, always available.
4. Company making landfill every 6 months or can be accelerated if the landfill is full.

Assessor Evaluation and Conclusion (filled by auditor):

Verification February 26 2019.

Bakau Estate

- Documentation of evacuation of domestic waste to landfill February 15, 2019.
- Documentation of fence making activities on landfill February 15, 2019.
- Documentation of sign board installation ban 15 February 2019.
- Documentation of sign board installation activities prohibited to dispose in BKE housing complex February, 15 2019.

Sungai Cengal Estate

Minute of letter February 14, 2019 related to the evacuation of Hazardous waste from landfill and the sign board prohibited from disposing of herbicide and other Hazardous waste in landfill.

Verification April 28 2019.

The RSPO NC issue resolution action form dated February 14, 2019 was made by the safety officer and assistant of the 1st division of BKE, which explained the evacuation of domestic waste to the trash pit in the BKE block G34 (C37).

Verification May 3, 2019

The company shows the minutes of making the landfill Sungai Cengal Estate April 7, 2019 which is located in the C11 SCE field measuring 4 x 7 x 2 meters, the minutes were made by the safety officer and known as assistant division 1 SCE.

Based on corrective evidence that presented by the company, this non conformity has been closed and will be verify on next assessment

Verified by : **Radytio Puspanjana**

NCR No.	: 2019.06.	Issued by	: Moh Arif Yusni
Date Issued	: 15 February 2019	Time Limit	: 16 May 2019
NC Grade	: Major	Date of Closing	: 12 May 2019
Standard Ref. & Requirement	6.1.3 A social impact management and monitoring plan must be in place to avoid or reduce negative impacts and increase the positive impact based on the results of the Social Impact analysis through a consultation process with affected, documented and scheduled parties including implementation responsibilities..		
<p>Evidence observed (filled by auditor): The company can show the results of the review related to the management and monitoring plan of PT LMR's social impact for the 2018-2020 period which includes:</p> <ol style="list-style-type: none"> 1. replanting activity 2. Increasing Community Economy 3. Education Improvement Program 4. a program to maintain local wisdom <p>However, there is not enough evidence that the management and monitoring plan includes clear timelines, the person in charge of its implementation and its implementation.</p> <p>Non-Conformance Description (filled by auditor): There is not enough evidence that the management and monitoring plan includes clear timelines, the person in charge of its implementation and its implementation.</p>			
<p>Root Cause Analysis (filled by organization audited): PT LMR has not shown a SIA management and monitoring plan because the plan has not been well documented by the safety officer in the RSPO room.</p>			
<p>Correction (filled by organization audited): Documenting SIA management and monitoring plans that cover timelines clearly the person in charge of their implementation and implementation. Documentation is carried out by the safety officer supervised by the head of administration and PSQM.</p>			
<p>Corrective Action (filled by organization audited): PSQM staff coordinates with the head of administration to oversee the safety officer performance and conduct RSPO internal audits before the surveillance audit of RSPO. This is to ensure that the availability of these documents is well documented in the RSPO room of PT. LMR.</p>			

Assessor Evaluation and Conclusion (filled by auditor):

Verification April 14 2019

The company can show the evaluation program of PT LMR's social impact management for the period 2018 - 2020 which includes the Description, Respondents, Methods, PIC and time of implementation.

Regarding the corrective evidence that sent team, the auditor assessed that the non-compliance with this indicator was stated to have not been fulfilled yet, evidence could not be shown regarding the plan for social impact management and monitoring for the period 2018 - 2020 which includes (1) replanting activity (2) Increasing Community Economy; (3) Education Improvement; (4) Control of local wisdom that includes clear timelines, the person in charge of its implementation and its implementation.

Verification 02 May 2019

The company can show the evaluation program of PT LMR's social impact management for the period 2018 - 2020 which includes the Description, Respondents, Methods, PIC and time of implementation. However, based on evidence that corrective sent, its known if

- The monitoring time is only conducted once, in June 2018
- Implementation only mentions village community leaders around the company and employees.

Related to Corrective evidence that sent, the non conformity on this indicator not yet filed has not been fulfilled due to:

- Evidence that the implementation time has been planned and implemented
- Implementation has not explained the realization of activities
- Social monitoring plans should be carried out periodically to avoid or reduce negative impacts and increase positive impacts

Verification 12 May 2019

The company has shown evidences of improvement, Social Impact Monitoring plan PT LMR years 2018 - 2018 for aspects regarding (1) the activities replanting oil palm plantations; (2) Increasing Community Economy; (3) Education Improvement; (4) Control of local wisdom. In the social management plan, it explains the sources and types of impacts monitored and controlled, PIC / person in charge, period and location, benchmark / parameter, management plan and monitoring method.; (2) Increasing Community Economy; (3) Education Improvement; (4) Control of local wisdom. In the social management plan, it explains the sources and types of impacts monitored and controlled, PIC / person in charge, period and location, benchmark / parameter, management plan and monitoring method.

Based on corrective evidence that presented by the company, this non conformity has been closed and will be verify on next assessment

Verified by	:	Moh Arif Yusni
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NCR No.	:	2019.07.	<i>Issued by</i>	:	Moh Arif Yusni
Date Issued	:	15 February 2019	<i>Time Limit</i>	:	ASA 1.3
NC Grade	:	Minor	<i>Date of Closing</i>	:	20 February 2020
Standard Ref. & Requirement	:	6.1.4 The documented plan for management and monitoring of social impacts is reviewed at least once every two years. If needed, the plan should be improved. There shall be evidence that the review process involves the participation of all affected parties.			

<p>Evidence observed (filled by auditor): In 2018 PT Langgeng Muaramakmur has evaluated the social impact assessment (SIA) for period 2019 - 2020. The goal is to evaluate the effectiveness and accuracy of the implementation of SIA to reducing negative impacts and increasing positive impacts. Negative aspects evaluated include: transparency, land disputes and potential conflicts.</p> <p>The review has been carried out in a participatory manner by involving the community, this is evidenced by the distribution of questionnaires by companies to local communities on December 23, 2018 to Lintang Village, Sebangau Village, Binturung Village, Balaimea Village, Wonorejo Village and Lomu Village. However, there is not enough evidence that the evaluation of the SIA assessment has involved workers as affected parties.</p>	
<p>Non-Conformance Description (filled by auditor): there is not enough evidence that the evaluation of the SIA assessment has involved workers as affected parties.</p>	
<p>Root Cause Analysis (filled by organization audited): PT LMR has not shown a SIA review because the plan has not been well documented by the safety officer in the RSPO room.</p>	
<p>Correction (filled by organization audited): Documenting SIA review with involving all affected parties. Documentation is carried out by the safety officer supervised by the head of administration and PSQM.</p>	
<p>Corrective Action (filled by organization audited): PSQM staff coordinates with the head of administration to oversee the safety officer performance and conduct RSPO internal audits before the surveillance audit of RSPO. This is to ensure that the availability of these documents is well documented in the RSPO room of PT. LMR.</p>	
<p>Assessor Evaluation and Conclusion (filled by auditor): Verification auditor ASA 1.3 The company showed evidence of improvement in form implementation of PT LMR Social Impact Assessment Management and Monitoring plan for 2018-2020, and evaluation of SIA has involved workers as affected parties, this is explained on minutes and attend a list of the SIA evaluation conducted March 15, 2019 involving employees of Sungai Cengal Estate, Bakau Estate, Bebunga Factory, and bulking Pamukan. SIA evaluation conducted on housing complex each estate.</p> <p>Based on the evidence that presented by the company, this non conformity number 2019.07 has been closed.</p>	
Verified by	: Radytio Puspanjana

NCR No.	: 2019.08.	Issued by	: Arif Faisal Simatupang
Date Issued	: 15 February 2019	Time Limit	: 16 May 2019
NC Grade	: Major	Date of Closing	: 08 May 2019
Standard Ref. & Requirement	: 6.5.2 Coolecctive Labor Agreement/Company Regulation, in accordance with the Manpower Regulation, shall be available in understandable language, and explained by the management or Labor Union to the workers.		
Evidence observed (filled by auditor):			

Based on the results of the employee list document study as of February 2019 and temporary worker agreements of Bebunga Estate, it is known that there are two temporary worker of harvesting with Reg. No. 0000117836 and Reg. No. 0000117056 who have worked since November / December 2017 and have now experienced three temporary worker extensions agreements, namely:

Temporary worker agreements for employees with Reg. No. 0000117836

- Agreement No. 001 / BBE-PKWT / XII / 2017 dated December 14, 2017, valid until March 15, 2018.
- Agreement No. 001 / BBE-PKWT / III / 2018 dated March 15 2018, valid until June 16, 2018.
- Agreement No. 001 / BBE-PKWT / VI / 2018 dated 16 June 2018, valid until 17 September 2018.
- Agreement No. 001 / BBE-PKWT / IX / 2018 dated 17 September 2018, valid until 18 December 2018.
- For Agreement after December 18, 2018 until the date of the audit, it has not been able to be shown and currently the concerned person is still working.

Employee contract with Reg. No. 0000117056

- Agreement No. 001 / BBE-PKWT / I / 2017 dated January 2, 2017, valid until April 3, 2017.
- Agreement No. 001 / BBE-PKWT / IV / 2017 dated April 4, 2017, valid until July 4, 2017.
- Agreement No. 001 / BBE-PKWT / VII / 2017 July 4, 2017, valid until October 5, 2017.
- Agreement No. 001 / BBE-PKWT / X / 2017 dated October 5, 2017, valid until January 6, 2018.
- For Agreement after January 6, 2018 until the date of the audit, it has not been able to be shown and currently the concerned person is still working

Inside Inter-Office Mail No. 085 / RSP-i2 / XI / 2016 dated November 11, 2016 and Inter-Office Mail No. 017 / HRM-i5 / I / 2019 dated January 25, 2019 concerning the use of non-permanent employees or temporary worker, it was explained that the use of temporary worker was intended for harvest workers during peak season (seasonal), and the appointment and extension of temporary worker agreement referred to the applicable regulations.

Meanwhile in Labor Minister Regulation No. 100 of 2004 concerning temporary worker, Chapter III concerning temporary worker for seasonal work, explained that:

- Article 4 states:

- (1) Seasonal work is work that depends on the season or the weather.
- (2) Temporary worker agreement carried out for work as referred to in paragraph (1) can only be done for one type of work in a particular season.

- Article 5 is stated

- (1) Work that must be done to fulfill certain orders or targets can be done with temporary worker as seasonal work.
- (2) Temporary worker carried out for work as referred to in paragraph (1) is only applied to workers / laborers who carry out additional work.

Meanwhile in Chapter VII about the Change in temporary worker to permanent worker in Article 15 paragraph 2 it is stated that in the event that the temporary worker is made not fulfilling the provisions referred to in Article 4 paragraph (2), or Article 5 paragraph (2), then temporary worker has changed to permanent worker since the relationship of work.

Non-Conformance Description (filled by auditor):

The CH has not been able to show the application of temporary worker agreements in accordance with the IOM owned and the applicable provisions.

Root Cause Analysis (filled by organization audited):

The application of the temporary worker contract is not in accordance with the provisions because the worker is the contracted employee who is promised to be lifted into permanent worker if it meets the desired productivity requirements of the company. However, the appointment of permanent worker was not implemented because the quota for appointment of permanent worker was not yet available for PT. LMR.

Correction *(filled by organization audited):*

Strive to appoint temporary worker personnel to permanent worker through special lines recommended by pipeline units so that they are in accordance with government regulations and applicable SOPs. Then the temporary worker submission will be followed up by KPW HRM to be helped to accelerate its appointment to become a permanent worker. Attached document.

Corrective Action *(filled by organization audited):*

Head of Administration coordinated with HRM to monitor temporary worker which had expired contracts or had exceeded 2 contract extensions. And PSQM staff conduct internal audits once a year to ensure that these findings are not repeated.

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

Verification May 05, 2019:

The company shows proof of improvement in the form of a Letter and Proposal Form Appointment of SKUs for the two harvesters to the Head Plantation Operation dated February 23, 2019. However, the letter and form have not been approved / signed by the relevant Head Plantation Operation.

This NCR is still declared open, considering that the proposed appointment is made after the audit (becomes a finding of nonconformity). It is necessary to prove the company's commitment to fulfill labor regulations, namely the appointment of the two employees to become permanent worker.

NCR is declared still open.

Verification May 08, 2019

The company shows proof of improvement in the form of Letters and Proposal Forms Appointment of permanent worker dated February 23, 2019 on the two harvesters that have been approved by Head Plantation Operation. **This NCR is stated to be fulfilled**

Verified by : **Arif Faisal Simatupang**

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

NCR No.	: 2020.01	Issued by	: Moh. Arif Yusni
Date Issued	: 21 February 2020	Time Limit	: Next Surveillance
NC Grade	: Minor	Date of Closing	:
Standard Ref. & Requirement	: 2.2.2 All contracts, including those for FFB supply, contain specific clauses on meeting applicable legal requirements, and this can be demonstrated by the third party.		
Evidence observed (filled by auditor): Based on document verifications and interview with management it was known in 2019 there are several activity that outsourced to contractor or third party that is three (3) contractors in Bebunga Factory, seven (7) contractors in Bebunga Estate, six (6) contractors in Sungai Cengal Estate dan four (4) contractors in Bakau Estate. The engagement between the company and contractor regulated in work agreement that agreed by both party. Pertaining clausal about the fulfillment to the applicable regulations mentioned in in one of the articles who mentioned if the contractors should to comply related legal or law requirements. As an effort to ensure compliance related responsibilities with regard to the law, the certificate holder can presented Procedure about Work Regulations for Contractors (001 / SOP-PKK / II / 2019 dated 28 February 2019) with the purposes which aim to the evaluation of the application of standard-labor standards that have been agreed and monitoring all contractors workers. In this regard, the company has been not able to demonstrate implementation of the Procedure about Work Regulations for Contractors and the provisions that set out in the RSPO Principles and Criteria, related to: <ul style="list-style-type: none"> • Evidence about the minimum wages in accordance with regulation • Health and employment insurance • Implementation of OSH aspects In the RSPO certification system 2017 clausa 4.4.6 mentioned if <i>In cases where an organization seeking certification contracts or outsources non processing activities to independent third parties (such as labour, transport and external bulking activities), the activities of these third parties fall inside the scope of certification, and they shall comply with all relevant requirements of the RSPO certification standards)</i> Non-Conformance Description (filled by auditor): the company has been not able to demonstrate implementation of the Procedure about Work Regulations for Contractors and the provisions that set out in the RSPO Principles and Criteria			
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	:		

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NCR No.	: 2020.02	Issued by	: Radytio Puspanjana
Date Issued	: 21 February 2020	Time Limit	: 21 May 2020
NC Grade	: Critical / Major	Date of Closing	: 8 April 2020
Standard Ref. & Requirement	<p>3.4.3 The social and enviromental management and monitoring plan is implemented reviewed and updated regulary in participatory way.</p>		
<p>Evidence observed (filled by auditor): Base on document verification known Social Impact Management and Monitoring plans for 2018-2020, where the sources and kind of impacts managed and monitored include:</p> <ul style="list-style-type: none"> • Replanting activities. • Improvement of Community Economy from plantation and mill activities. • Increased education, labor and health from plantation and factory activities • Maintenance of local wisdom. <p>On management plan and social monitoring, explained about the officer / PIC responsible, period and location, parameters, management efforts and monitoring efforts, for replanting activities as follows:</p> <ul style="list-style-type: none"> • PIC: KTU / Kasi / PSQM / PSD. • Period and location: semester / every six (6) months to the village community around the plantation. • Benchmarks / parameters: activities reduce negative impacts and increase the positive impacts of replanting activities affecting the water environment and social environment. • Management efforts: applying water conservation and labor allocation to the replanting area of the community around the plantation. • Monitoring plan: Interviews and questionnaires monitoring replanting activities on estate. <p>Base on PT LMR social impact mangement & monitoring report July 2019 is know management and monitoring of social impacts that have been carried out are the company's relationship with the community, the impact caused by the company (economic facilities), the respondents' income before and after the company and the respondent's expectations regarding local communities work on PT LMR. The method used is through the socio-economic questionnaire (July 2019) which explains related data of respondents, the general view of company, use of social indexes (Education, Economy, Culture, Perceptions about the environment and perceptions about project / company).</p> <p>Meanwhile, on report on the implementation of RKL-RPL semester 1 of 2019 in the replanting activities section, it explains the implementation of management which includes:</p> <ul style="list-style-type: none"> • Management of increased erosion and surface runoff. • Management of impact biodiversity. • Management of impact social aspects. <p>While monitoring efforts include:</p> <ul style="list-style-type: none"> • Monitoring of Erosion and Surface Runoff. • Monitoring of Biodiversity. • Monitoring of Social Aspects. 			

Base on RKL-RPL report Semester 1 2019, the implementation of Monitoring of Social Aspects regarding replanting was **carried out on 2017**.

In this regard, company has not been able to show evidence that the activities of monitoring and managing social impacts regarding **replanting activities have not been carried out in accordance with the stipulated period, namely every semester / six (6) months**.

Non-Conformance Description (filled by auditor):

The company has not been able to show evidence Management & monitoring plan for the impact of replanting activities has been carried out in accordance with the specified period.

Root Cause Analysis (filled by organization audited):

The management plan & monitoring of the social aspects of replanting activities have been carried out but have not been updated in the reports because at the time of the RPL RK report making the replanting report had not been reviewed by the PSQM area team, so the report had not been included in the RK RPL report. Next SIA report will be added in the RSKL – RPL reports or other social reports.

Correction (filled by organization audited):

- Presented documents of identification affected village for replanting activities for period if 2018 -2020
- Presented SIA questionnaire documents for the impact of replanting activities to affected villages that carry out in 20 December 2020
- Presented Review SIA PT. LMR related replanting activities in PT LANGGENG MUARA MAKMUR towards the village around the Company.
-

Corrective Action (filled by organization audited):

The SQM team coordinated with each other to speed up the review process for a maximum of 1 month after the semester period, especially the RPL RKL results regarding Replanting social aspects so that no RKL RPL report sections had not been reviewed but had been sent. PIC for making RPL RKL PT. LMR is the LMR Sustainability Staff and the reviewer is the SQM area.

Assessor Evaluation and Conclusion (filled by auditor):

Auditor verification 8 April 2020

The company shows evidence:

- Village Identification Documents affected by replanting activities in 2018-2020 PT. LMR September 18, based on the document, the nearest is villages Bakau, Tamiang village, Binturung village, Lintang Jaya village, Mulyoharjo / Sebangau and Wonorejo / Balaimea village.
- Document SIA questionnaire filling for the impact of replanting activities to affected villages, for example Tamiang village, Binturung village, Lintang Jaya village, Sigendang village, Mulyoharjo village, Wonorejo village, Bakau village, Sebangau village, Balaimea village and Pamukan Indah village.
- For the period 2020 review document of replanting activities to villages around the company, December 20, 2019 concluded that replanting activities had a positive impact on the nearest community, such as employment, increasing income, and increasing business opportunities for the nearest community.
- Presented Review SIA PT. LMR related replanting activities in PT LANGGENG MUARA MAKMUR towards the village around the Company.

The company shows evidence that the activities of monitoring and managing social impacts regarding replanting activities, based on the evidence of improvement submitted, concluded non-conformity No.2020.02 was fulfilled and will be observed in the next assessment.

Verified by : **Radytio Puspanjana**

NCR No.	: 2020.03	Issued by	: Haikal Ramadhan Kharismansyah
Date Issued	: 21 February 2020	Time Limit	: Next Surveillance
NC Grade	: Non Critical	Date of Closing	:
Standard Ref. & Requirement	3.5 A System for managing human resources is in place 3.5.2 Employment procedure are implemented and records are maintained		
Evidence observed (filled by auditor): <p>Based on the BBE employee register document for the period of January 2020 it is known that there are employees with NIK 0000124806 with <i>PKWT</i> status who have been working since March 1, 2015. It can be shown the history of the contract extension of the worker for example SPK No: 005 / BBE-PKWT / IV / 2017; SPK No: 001 / BBE-PKWT / IV / 2018; and SPK No: 001 / BBE-PKWT / IV / 2019. In the Collective Labor Agreement of PT LMR article 14 it is stated: Specific Time Work Agreements can be carried out by companies for certain types of work in accordance with regulations. The company makes certain <i>PKWT</i> standards</p> <ul style="list-style-type: none"> - Inter-Office Mail No. 085 / RSP-i2 / XI / 2016 dated 11 November 2016 and Inter-Office Mail No. 017 / HRM-i5 / I / 2019 dated January 25, 2019 regarding the use of non-permanent employees or <i>PKWT</i> explains that the use of <i>PKWT</i> is intended for harvest employees during the peak season (seasonal), and the appointment and extension of the <i>PKWT</i> contract refers to applicable laws and regulations. - <i>Kepmenakertrans No. 100 of 2004</i> concerning <i>PKWT</i>: CHAPTER II: <i>PKWT</i> for work that is completed once or is temporary in nature whose completion is no longer than 3 (three) years CHAPTER III: <i>PKWT</i> for work that is seasonal CHAPTER IV: <i>PKWT</i> for work related to new products CHAPTER VII concerning the Change of <i>PKWT</i> into <i>PKWTT</i>: Article 15 paragraph 2 states that in the event that <i>PKWT</i> is made not fulfilling the provisions as referred to in Article 4 paragraph (2), or Article 5 paragraph (2), <i>PKWT</i> becomes <i>PKWTT</i> since the employment relationship exists. - Corrective Action previous assessment: <i>Kasi / KTU</i> coordinated with HRM to monitor <i>PKWT</i> that have expired the contract or have exceeded 2 times the contract extension. And the PSQM staff conducts an internal audit once a year to ensure these findings are not repeated berulang Implementation of the plan has not been demonstrated <p>So that employees with NIK 0000124806 have experienced a contract extension > 3 times with a work period of ± 5 years but not monitored</p>			
Non-Conformance Description (filled by auditor): The Company has not been fully consistent in implementing the established human resource management procedures.			
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 :	
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NCR No. :	2020.04	Issued by :	Haikal Ramadhan Kharismansyah
Date Issued :	21 February 2020	Time Limit :	21 May 2020
NC Grade :	Critical	Date of Closing :	14 April 2020
Standard Ref. & Requirement :	3.6.1 All operations are risk assessment to identify H&S issues. Mitigation plans and procedure are documented and implemented		
Evidence observed (filled by auditor): <p>The OHS plan that has been carried out by the company includes compiling risk analysis documents and carrying out periodic health inspection activities for employees deemed to have high work risks. Based on the results of the document review, the following facts were found:</p> <ul style="list-style-type: none"> - Risk analysis documents that have been prepared do not fully discuss all of the company's operational activities, for example risk analysis in manual upkeep activities, replanting activities, nursery activities, and castration. In addition, the risk analysis document presented also cannot be ascertained as a valid document because it has not been approved - Not all workers identified have a high risk of taking part in periodic health inspection activities- Periodic health examination activities were carried out on January 7 and 08, 2020. BBF included 43 workers while BBE, SCE, and BKE included a total of 193 workers - However, based on the results of document review and information from company doctors, it is known that not all participants who are planned to attend the MCU are present such as 4 mechanics, 1 laboratory assistant, 2 WTP operators, 2 Boiler Operators, 1 Engine room operator, and 1 Nut & Kernel operator . In the information provided by the company, it was stated that the absence was caused by employees on leave, illness, loss to follow-up, and not coming to the clinic. - It has been shown the application letter for the schedule of MCU for the follow-up of employees in accordance with letter no. 29 / BBF / FM-Klinik / II / 2020 dated February 20, 2020 for 11 BBF employees. - However, procedures or mechanisms that have yet to be detailed and clear about plans and follow-up periodic checks as a form of OHS mitigation have not yet been demonstrated. <p>Non-Conformance Description (filled by auditor):</p> <ol style="list-style-type: none"> 1) Risk assessment conducted by companies to identify Occupational Health & Safety (OHS) problems does not cover all operational activities 2) The company has not been fully consistent in establishing and implementing a Work Health and Safety plan <p>Root Cause Analysis (filled by organization audited):</p> <ol style="list-style-type: none"> 1. The Risk Assessment has not included work on immature and palm oil mechanization because at the time of the review it was conducted by PSQM and did not involve the unit operational team 2. There is no mechanism for OHS plan mitigation procedures because the SOP for OHS plan mitigation is in the form of SOP based on mitigation measures so that the mechanism to ensure mitigation actions are implemented properly has not been included 			

Correction (filled by organization audited):

1. Holding a meeting involving the unit operational team to review the Risk assessment in the OHS committee meeting which will be held at the end of each year. The OHS committee implementation PIC is the OHS committee secretary of PT LMR. Documentation attached.
2. Making a memo from the Area Controller which contains a mechanism regarding mitigation procedures for the established OHS plan. In the memo there are provisions requiring employees who are not present but have been given permission to get strict sanctions in the form of loss to follow-up, and employees who are on leave / sick and who are absent will be included in the follow-up MCU. Documentation attached.

Corrective Action (filled by organization audited):

1. Add a schedule of OHS committee discussion plans for a year to ensure a review of the risk assessment is carried out properly. Documentation attached
2. Ensure that the memo goes well by providing outreach to operational units, clinics by the Sustainability Staff.

Assessor Evaluation and Conclusion (filled by auditor):

Verification on April 08, 2020

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

1. PT LMR OHS committee work program for the 2020 period
2. Socialization of AC memo regarding OHS mitigation on 20-27 March 2020 which was attended by a total of 100 people representing all PT LMR plantation and factory units
3. HIRAC updates the 2020 period of PT LMR which has explained the activities in Immature and the mechanization of the harvest

However, the company has not been able to show:

1. Memo from AC about the intended OHS mitigation
2. OHS mitigation procedures for established OHS plans specifically regarding employee medical checkup. What if the names submitted were not present at the examination? What is the plan and follow-up to ensure and evaluate the established OHS plan?

Based on the description above, the nonconformity is stated not yet closed

Verification on April 14, 2020

The company shows evidence of improvement in the form of IOM from AC Pamukan 1 dated February 27, 2020 regarding the MCU examination which includes regulating:

1. Every employee who is included by the MCU but intentionally avoids will be given a warning letter and is considered absent
2. If there are employees who are on leave or other matters unable to attend and together with the MCU period, the clinic will reschedule the MCU schedule for the employee
3. The level of supervision has responsibility for the implementation of the MCU and monitoring of these activities

Auditor Conclusion :

Based on the root cause analysis, corrections and corrective actions the non-conformity is stated to have been fulfilled

Verified by : **Haikal Ramadhan Kharismansyah**

NCR No.	: 2020.05	Issued by	: Radytio Puspanjana
Date Issued	: 21 February 2020	Time Limit	: 21 May 2020

NC Grade	: Critical / Major	Date of Closing	: 25 March 2020
Standard Ref. & Requirement	7.10.1 GHG emissions are identified and assessed for the unit of certification, plans to reduce or minimise them are implemented, monitored through the palm GHG calculated publicly reported.		
Evidence observed & Non-Conformance Description (filled by auditor): <p>The company has not been able to show GHG calculations using the Palm GHG calculator RSPO version 4.0.</p>			
Root Cause Analysis (filled by organization audited): <p>GHG calculations cannot yet be demonstrated because the SQM-Jakarta team has not yet received complete data from the operational team until the audit time has finished so that the calculations are not completed.</p>			
Correction (filled by organization audited): <p>The operational team completes the missing data to be calculated by SQM - Jakarta and submitted to the Auditor. Documentation attached.</p>			
Corrective Action (filled by organization audited): <p>SQM units as PIC coordinate with SQM - Jakarta and operational units to ensure data from operational units has been received.</p>			

Assessor Evaluation and Conclusion (filled by auditor):

Auditor verification 25 March 2020

Based on auditor verification result during audit known data pesticides usages monitoring, data diesel fuel monitoring, HCV identification, data POME, total planted area and etc. found that accurate data has been put into the RSPO palm GHG Calculator. Meanwhile this GHG calculation using options Apply November 2005 Cut off for LUC.

Calculation of GHG and its monitoring has conducted by sustainability department. GHG emission calculated using RSPO palm GHG calculator 4.0 Summary of GHG emmision for Bebunga POM and its supply base are listed as follows

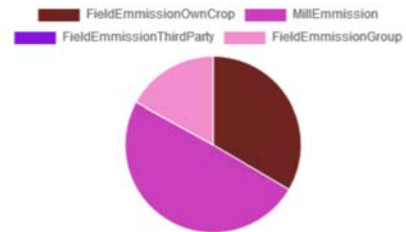
Based on the results of the auditor verification the non-conformity on this indicator has been fulfilled.

Bebunga POM - 2019 Summary

Summary Emission

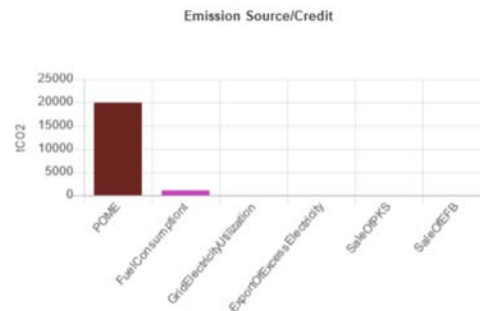
Product	tCOe2 / tProduct	Action
CPO	1.58	
PK	1.58	
PKO	0.00	
PKE	0.00	

Description	Unit	Value	Action
Oil palm planted on mineral soil	Ha	23754.20	<input type="checkbox"/>
Oil palm planted area on peat	Ha	0.00	<input type="checkbox"/>
Total oil palm planted area	Ha	23754.20	<input type="checkbox"/>
Conservation area (Forested)	Ha	756.11	<input type="checkbox"/>
Conservation area (Non-Forested)	Ha	0.00	<input type="checkbox"/>
FFB Production per hectarage	t/ha	11.03	<input type="checkbox"/>
OER	%	21.29	<input type="checkbox"/>
KER	%	5.10	<input type="checkbox"/>



Mill Emissions and Credits

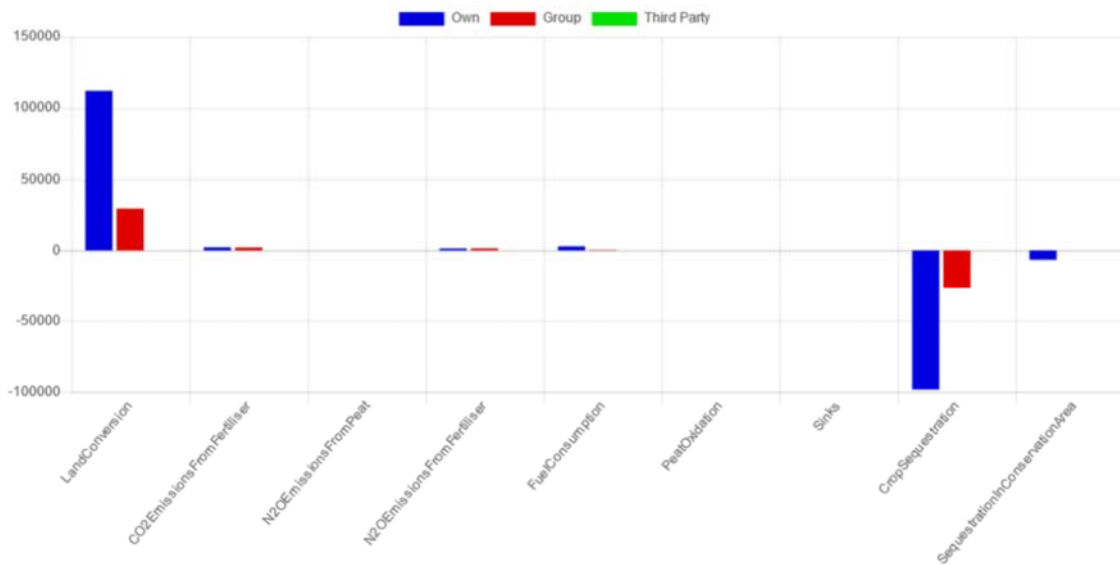
Description	tCO2	tCO2e/t FFB	Action
Emission Sources			
POME	20028.97	0.20	
Fuel Consumption	1126.80	0.01	
Grid Electricity Utilisation	0.00	0.00	
Credits			
Export of Excess Electricity to Housing & Grid	0.00	0.00	
Sale of PKS	0.00	0.00	
Sale of EFB	0.00	0.00	
Total	21155.77	0.21	



Estate/Plantation field emissions and sinks

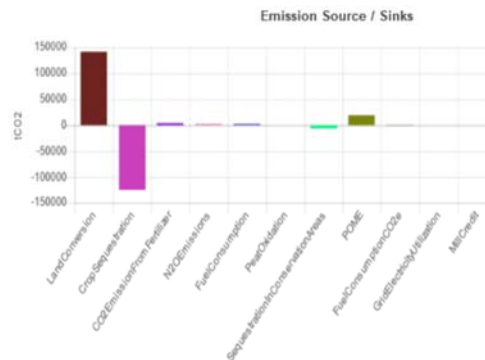
Description	Own			Group			3rd Party			Total
	tCO2e	tCO2e/ha	tCO2e/t FFB	tCO2e	tCO2e/ha	tCO2e/t FFB	tCO2e	tCO2e/ha	tCO2e/t FFB	
Emission Source										
Land Conversion	112559.20	10.36	1.15	29735.27	2.31	7.64	0.00	0.00	0.00	142294.47
CO2 Emissions from Fertiliser	2497.14	0.23	0.03	2383.97	0.18	0.61	0.00	0.00	0.00	4881.11
N2O Emissions from Peat	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
N2O Emissions from Fertiliser	1729.13	0.16	0.02	1769.93	0.14	0.45	0.00	0.00	0.00	3499.06
Fuel Consumption	3202.80	0.29	0.03	622.11	0.05	0.16	0.00	0.00	0.00	3824.92
Peat Oxidation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sinks										
Crop Sequestration	-98763.58	-9.09	-1.00	-27266.02	-2.12	-7.01	0.00	0.00	0.00	-126029.60
Sequestration in Conservation Area	-6933.53	-0.64	-0.07	0.00	0.00	0.00	0.00	0.00	0.00	-6933.53
Total	14291.17	1.32	0.15	7245.26	0.56	1.86	0.00	0.00	0.00	21536.43

Field Emission and Sinks



Emissions from Palm Kernel Crusher

Emission Source	tCO2e
PK from own mill	0.00
PK from other sources	0.00
Fuel Consumption	0.00
Total Crusher Emissions	0.00



Based on the results of the auditor verification the non-conformity on this indicator has been fulfilled.

Verified by	: Radytio Puspanjana
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NCR No.	: 2020.06	Issued by	: Radytio Puspanjana
Date Issued	: 21 February 2020	Time Limit	: 21 May 2020
NC Grade	: Critical / Major	Date of Closing	: 15 May 2020
Standard Ref. & Requirement	7.12.8 Where there has been land clearing without prior HCV assessment since November 2005, or without prior HCV-HCSA assessment since 15 November 2018, the remediation and compensation procedure (RaCP) applies.		
Evidence observed (filled by auditor): The company shows the PT LMR RaCP process as follows: <ul style="list-style-type: none"> • Liability and Disclosure to RSPO on December 2, 2014 • Concep Note was submitted to RSPO on March 25, 2016 and was responded to on December 5, 2016. • The revised LUCA report is sent back on December 8, 2017. • The Compensation Plan was sent to RSPO on March 8, 2018 • Based on communication CB's PT Mutuagung Lestari and RSPO February 13, 2019, information was obtained that " A preliminary review of the Compensation Plan has been done. However, no further action can be taken from the LUCA is still a finalization and is pending clarification from Sime Darby. "In this regard, CH has not been able to show that the RaCP compensation plan has been approved by the RSPO. • The evidence by an email from the RSPO May 09, 2019 where based on the results of the meeting on May 8, 2019, the points 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.)". • There was an email from the RSPO secretariat on 10 February 2020 explaining that the RSPO Secretariat is awaiting clarification from the SDP about LUCA and will hold a meeting with SDP next week (after 10 February 2020) to discuss the progress of the LUCA SDP. 			
Non-Conformance Description (filled by auditor): The company has not been able to show evidence RaCP compensation plan has been approved by RSPO because LUCA is still waiting to be finalized is being clarified by simerdarby.			
Root Cause Analysis (filled by organization audited): PSQM assistant on the site didn't received latest information regarding LUCA report.			
Correction (filled by organization audited): The LMR team continues to coordinate with Jakarta PSQM as PIC to complete the RaCP that has not been accepted by the RSPO secretariat and communicated with RSPO secretariat about the tatus of RaCP PT LMR			
Corrective Action (filled by organization audited): The PSQM staff in the unit continues to coordinate with the Jakarta PSQM staff regarding the documents needed to meet the RSPO principles and criteria. And carry out internal audits by PSQM once a year, which is 3 months before the RSPO audit is conducted.			
Assessor Evaluation and Conclusion (filled by auditor): Verification 15 may 2020			

There is an email from the RSPO Secretariat to the SDP 14 May 2020 regarding PT LMR's LUCA status. Based on the email obtained that information :

1. NC raised to the units with FCL = 0 can be closed and hence proceed with certification.
2. NC raised to the units with FCL value, the NC can be left open until the next ASA in which the compensation plan needs to be approved by then.

Since the final liability for PT PSA is 0, this non conformity declared to be fulfilled and can be continued for the certification process.

Based on the results of the auditor verification the non-conformity on this indicator has been fulfilled.

Verified by : **Radytio Puspanjana**

3.4.2 Opportunity for Improvement

No.	Ref. Std.	Description
1	3.7.1	the company has the opportunity to ensure that the training plans that have been prepared are carried out according to a predetermined schedule
2	6.2.1	The company has the opportunity to ensure that the progress of ratification of the Collective Labor Agreement is carried out in accordance with the established timeframe
3	6.7.3	<ul style="list-style-type: none"> • The company has the opportunity to be able to evaluate the period of PPE inspection and re-ensure that all PPE given has been used in an orderly manner by workers • The company has the opportunity to be able to ensure an understanding of the mechanism for replacing damaged PPE and the replacement has not yet been conveyed to all employees







3.4.3 Noteworthy Positive Components

No	Ref Std	Descriptions
1	-	Award from the Ministry of Environment and Forestry award "PROPER" predicate Blue period 2018 - 2019).
2	-	Application of soil and water conservation such as making water irrigation and silt pit.
3	-	Realized the Plasma for local community.
4	-	Clean and comfortable housing complex.

3.5 Summary of Arising Issues from Public and Auditor Verification

Public Issues (Institution/ NGO/Community)	Auditor Verification
<p>National Land Agency of Kotabaru District</p> <ul style="list-style-type: none"> • Communication with the National Land Agency is going well, marked by always giving regular reports in accordance with the timeframe • There is No. request for additional Land Use Tile 	<p>In general there are no issues that need to be clarified</p>
<p>Village official of Wonorejo</p> <p>There is no negative issues, land dispute issues or environmental pollution. The land compensation process has been carried out by involving various parties</p> <p>The company has made efforts to develop the surrounding community through CSR programs, the use of local labor and local contractors.</p> <p>The relationship between the company and the community has run quite well and harmoniously. Communication between the company and the village is quite good.</p> <p>The village and company formed a fire fighting team namely "Desa Mandiri Fire Prevention", and conducted fire emergency response training jointly.</p>	<p>The company has shown land compensation documentary evidence carried out referring to the concept of FPIC. Described in detail in principle 4 and indicator 7.11.</p>
<p>Village official of Mulyoharjo</p> <p>There are no negative issues, land dispute issues or environmental pollution. The land compensation process has been carried out by involving various parties such as the village head and related elements. The company has made efforts to develop the surrounding community through CSR programs, recruitment of local workers. Local contractor, plasma plantation development .</p> <p>So far the relationship between the company and the community has run quite well and harmoniously. Communication between the company and the village went quite well.</p>	<p>There are no negative issues that need further verification. The company has made efforts to develop the surrounding community through CSR programs, the use of local workers and local contractors.</p>
<p>Village official of Lintang Jaya</p> <p>There is no negative issues, land dispute issues or environmental pollution. The land compensation process has been carried out by involving various parties</p> <p>The company has made efforts to develop the surrounding</p>	<p>There are no negative issues that need further verification. The company has made efforts to develop the surrounding community through CSR programs, the use of local workers and local contractors.</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
<p>community through CSR programs, recruitment of local workers. Local contractor, creation of plasma plantations.</p> <p>So far the relationship between the company and the community has run quite well and harmoniously. Communication between the company and the village went quite well.</p>	
<p>Labour union of BBE</p> <ul style="list-style-type: none"> • The company supports union activities • Coordination is going well but lately communication is rather difficult • The dominant issue is the C1R2 system for harvester 	<p>issues regarding complaints have been discussed in 4.2.1. Basically, the company always facilitates and responds to employee complaints. The bipartite process about the C1R2 system is still ongoing</p>
<p>Gender Committee</p> <p>Gender Committee activities include socialization of sexual harassment, complaints, general health and so on. There are no issues related to sexual harassment.</p> <p>Female workers have the right to get menstruation leave (H1) and maternity leave (H2).</p>	<p>There are no negative issues that need further verification. The company was formed a Gender Committee. Described in Criteria 6.1.</p>
<p>Labour Union of BBF</p> <ul style="list-style-type: none"> • There are no employment issues • Coordination goes well and smoothly • Union activities are supported by the company 	<p>In general there are no issues that need to be clarified</p>

4.0	CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY				
4.1	Formal Sign-off of Assessment Findings				
	<p>Hereunder sign by management representative from inspected company to acknowledge a field assessment and agree for all content explained in this assessment report, included of non-compliance findings.</p> <p>Signed on behalf of:</p> <table data-bbox="386 800 1274 1134"><tr><td data-bbox="386 800 812 867">PT Langgeng Muaramakmur Head of PSQM Simeдарby Plantation Bhd</td><td data-bbox="1073 800 1274 867">Mutuagung Lestari Lead Auditor</td></tr><tr><td data-bbox="493 911 711 1134"> <u>Alagendran Maniam</u> Friday, 15 May 2020</td><td data-bbox="1063 898 1274 1134"> <u>Moh Arif Yusni</u> Friday, 15 May 2020</td></tr></table>	PT Langgeng Muaramakmur Head of PSQM Simeдарby Plantation Bhd	Mutuagung Lestari Lead Auditor	 <u>Alagendran Maniam</u> Friday, 15 May 2020	 <u>Moh Arif Yusni</u> Friday, 15 May 2020
PT Langgeng Muaramakmur Head of PSQM Simeдарby Plantation Bhd	Mutuagung Lestari Lead Auditor				
 <u>Alagendran Maniam</u> Friday, 15 May 2020	 <u>Moh Arif Yusni</u> Friday, 15 May 2020				

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

No	Institution/ NGO/ Community	Address	Phone/ Email	Form of Communication	Date of Contact	Response	
						Yes	No
1	Plantation Agency	Kotabaru District, Kalimantan Selatan Province	-	Interview by phone	18 February 2020		✓
2	Land Agency	Kotabaru District, Kalimantan Selatan Province	-	Interview by phone	18 February 2020	✓	
3	Manpower and Transmigration Agency	Kotabaru District, Kalimantan Selatan Province	-	Interview by phone	18 February 2020		✓
4	Environmental Agency	Kotabaru District, Kalimantan Selatan Province	-	Interview by phone	18 February 2020		✓
5	Village official of Mulyoharjo	Kotabaru District, Kalimantan Selatan Province	-	Interview	18 February 2020	✓	
6	Village official of Wonorejo	Kotabaru District, Kalimantan Selatan Province	-	Interview	18 February 2020	✓	
7	Labour union of BBE	Kotabaru District, Kalimantan Selatan Province	-	Interview	18 February 2020	✓	
8	Labour union of BBF	Kotabaru District, Kalimantan Selatan Province	-	Interview	18 February 2020	✓	
9	Gender Committee	Kotabaru District, Kalimantan Selatan Province	-	Interview	18 February 2020	✓	
10	Sawit Watch	Jakarta	info@sawitwatch.or.id	Questionnaire via email	06 February 2020		✓
11	WALHI	Jakarta	info@walhi.or.id	Questionnaire via email	06 February 2020		✓
12	IARI	Jakarta		Questionnaire via email	06 February 2020		✓
13	AMAN	Jakarta	rumahaman@cbn.net.id	Questionnaire via email	06 February 2020		✓
14	Bebunga POM - Sortation and Grading (3 Worker)	PT Langgeng Muaramakmur	-	Field observation and direct interview	18 February 2020	✓	

	<ul style="list-style-type: none"> - Engine Room (1 worker) - Boiler (1 Worker) - WTP (1 Worker) - Chemical Warehouse (1 worker) - Hazardous Waste Temporary Shelter (1 worker) - Firefighter simulation (4 worker) - 1 WWTP operator - 1 Water pump operator - 						
15	<p>Bebunga Estate</p> <ul style="list-style-type: none"> - Emplacement (2 resident) - Daycare (2 worker) - Central Warehouse (1 worker) - Clinic (2 nurse) - Landfill (1 supervisor) - Workshop (3 worker) - Nursery (2 worker and 1 supervisor) - 1 POME LA worker 	PT Langgeng Muaramakmur	-	Field observation and direct interview	20 February 2020	✓	
16	<p>Sungai Cengal Estate</p> <ul style="list-style-type: none"> - Harvesting (2 Worker) - Circle and path spraying (5 worker) - Racking (5 worker) - VOPs control (3 worker) - Warehouse : 1 worker 	PT Langgeng Muaramakmur	-	Field observation and direct interview	20 February 2020	✓	

	<ul style="list-style-type: none"> - Temporary Hazardous Waste : 1 worker - Chemical & Fertilizer Warehouse : 1 Worker 						
17	<p>Bakau Estate</p> <ul style="list-style-type: none"> - Harvesting 3 workers and 1 supervisor - Circle and path spraying. 5 workers and 1 Supervisor workers - Spraying pest and disease 13 worker and 1 supervisor - Fertilizer aplaction 11 worker and 1 supervisor 	PT Langgeng Muaramakmur	-	Field observation and direct interview	19 Februari 2020	✓	

Appendix 2. Assessment Program

DATE	17 to 22 February 2020	
PROGRAM	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
Monday, 17 February 2020		
04.55 – 08.05 08.30 – 18.00	Jakarta (CGK) – Balikpapan (BPN) Balikpapan – PT LMR	All Auditor
Tuesday, 18 February 2020		
08.00 – 09.00	Opening Meeting <ul style="list-style-type: none"> Auditee Speech (Introduction of PIC, Profile of Certified Management Unit) Auditor Team Speech (Introduction, Audit Objective, Audit Scope, Audit Plan Discussion, Determine of Audit Sample, Transparency and Confidentiality Clarification) 	All Auditor
09.00 – 12.00	Stakeholder consultation to affected communities surrounding the plantations and previous land owner	HRK
09.00 – 12.00	Field Observation Bebunga POM <ul style="list-style-type: none"> Supply Chain verification (FFB Receiving, Weighbridge, FFB Sorting, Processing Activity, Despatch CPO) Occupational Health & Safety Aspect (Inspection to Chemical Storage, Hazardous Waste Storage, Fire Control Simulation, POME Pond) Implementation of Employment Procedure and Mechanism Aspect 	MAY / MRD RPN / RIO RPN / RIO
12.00 – 14.00	Break	All Auditor
14.0 – 16.30	<ul style="list-style-type: none"> Verification of stakeholder consultation result and field visit. Document review and completing audit checklist. Verification of Basic Information Mill and Estate Confirmation of Time Bound Plan Review of Partial Certification Public Consultation <ul style="list-style-type: none"> Interview with Labour union (SPSI), Gender Committee & local contractor Interview with related agencies (by phone) 	All Auditor HRK MAY
16.30 – 17.00	Audit Progress	All Auditor
Wednesday, 19 February 2020		
08.00 – 12.00	Field Observation on Bakau Estate: Aspect to be verified : <ul style="list-style-type: none"> Implementation of Legal Aspect (Land Ownership, Legal Boundaries); Implementation of Agronomy Aspect (Harvesting & Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application) Implementation of Environmental, Conservation/HCV and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste 	All Auditor

	Storage, Fire Control Facilities, Waste Management) <ul style="list-style-type: none"> • Implementation of Occupational Health & Safety Aspect • Implementation of Employment Procedure and Mechanism Aspect • Observation of Workers Facilities (Housing, School, Worship Place). 	
12.00 – 14.00	Break	All Auditor
14.00 – 16.30	<ul style="list-style-type: none"> • Verification of stakeholder consultation result and field visit. • Document review and completing audit checklist. 	All Auditor
16.30 – 17.00	Audit Progress	All Auditor
Thursday, 20 February 2020		
08.00 – 12.00	Field Observation on Sungai Cengal Estate and Bebunga Estate:: Aspect to be verified : <ul style="list-style-type: none"> • Implementation of Legal Aspect (Land Ownership, Legal Boundaries); • Implementation of Agronomy Aspect (Harvesting & Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application) • Implementation of Environmental, Conservation/HCV and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management) • Implementation of Occupational Health & Safety Aspect • Implementation of Employment Procedure and Mechanism Aspect • Observation of Workers Facilities (Housing, School, Worship Place). 	All Auditor
12.00 – 14.00	Break	All Auditor
14.00 – 16.30	<ul style="list-style-type: none"> • Verification of stakeholder consultation result and field visit. • Document review and completing audit checklist. 	All Auditor
16.00 – 17.00	Internal meeting auditor team	All Auditor
Friday, 21 February 2020		
08.00 – 09.00	Closing Meeting <ul style="list-style-type: none"> • Presentation of audit findings (Noteworthy Positive Component, Non Conformities, OFI, Timelie of CAR's, Conclusion). • Comments, Responses and Questions 	All Auditor
10.00 – 18.00	PT LMR – Balikpapan	All Auditor
Saturday, 22 February 2020		
13.05 – 14.10	Balikpapan (BPN) – Jakarta (CGK)	All Auditor