

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

**[ ✓ ] Initial Certification**

Name of Management Organisation : Bukit Tunggal Jaya Mill PT Ladang Sawit Mas subsidiary of Bumitama Agri Ltd

Plantation Name : Bukit Tunggal Jaya Estate & Hamparan Jaya Estate

Location : Village of Simpang Tiga Sembelangaan, Sub District of Nanga Tayap, District of Ketapang, Province of West Kalimantan, Indonesia

Certificate Code : **MUTU-RSPO/150**

Date of Certificate Issue : 11 December 2020      Date of License Issue : 11 December 2020

Date of Certificate Expiry : 10 December 2025      Date of License Expiry : 10 December 2021

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
<b>IC</b>	<b>9 – 13 December 2019</b>	Leonada (Lead Auditor) Asystasya Aishah Silalahi, Hasiholan Sihombing, Bayu Yogatama	Ganapathy Ramasamy	Ardiansyah

Assessment	Approved by MUTUAGUNG LESTARI on:
<b>IC</b>	<b>11 December 2020</b>

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 MUTU Certification • Accredited by Accreditation Services International  
 on March 12<sup>th</sup>, 2014 with registration number **ASI-ACC-055**

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Figure 1. Location Map of PT Ladang Sawit Mas – Bukit Tunggal Jaya Mill

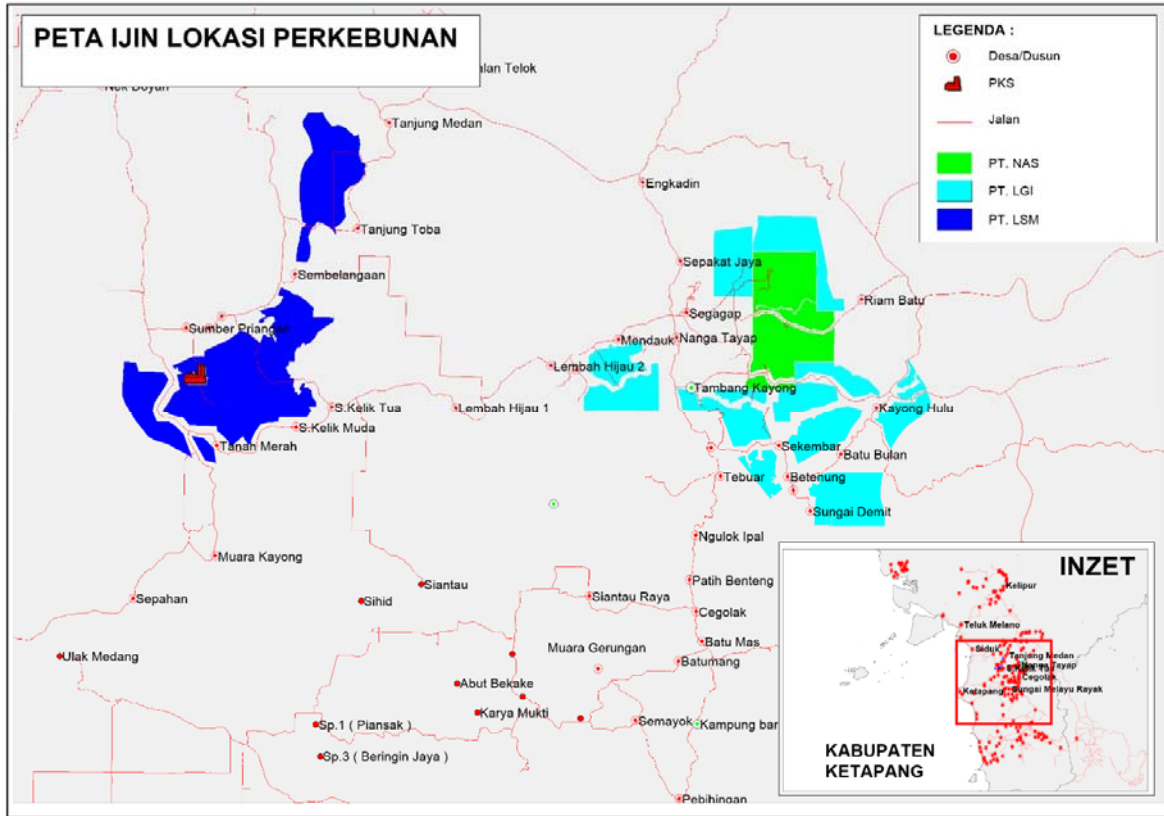
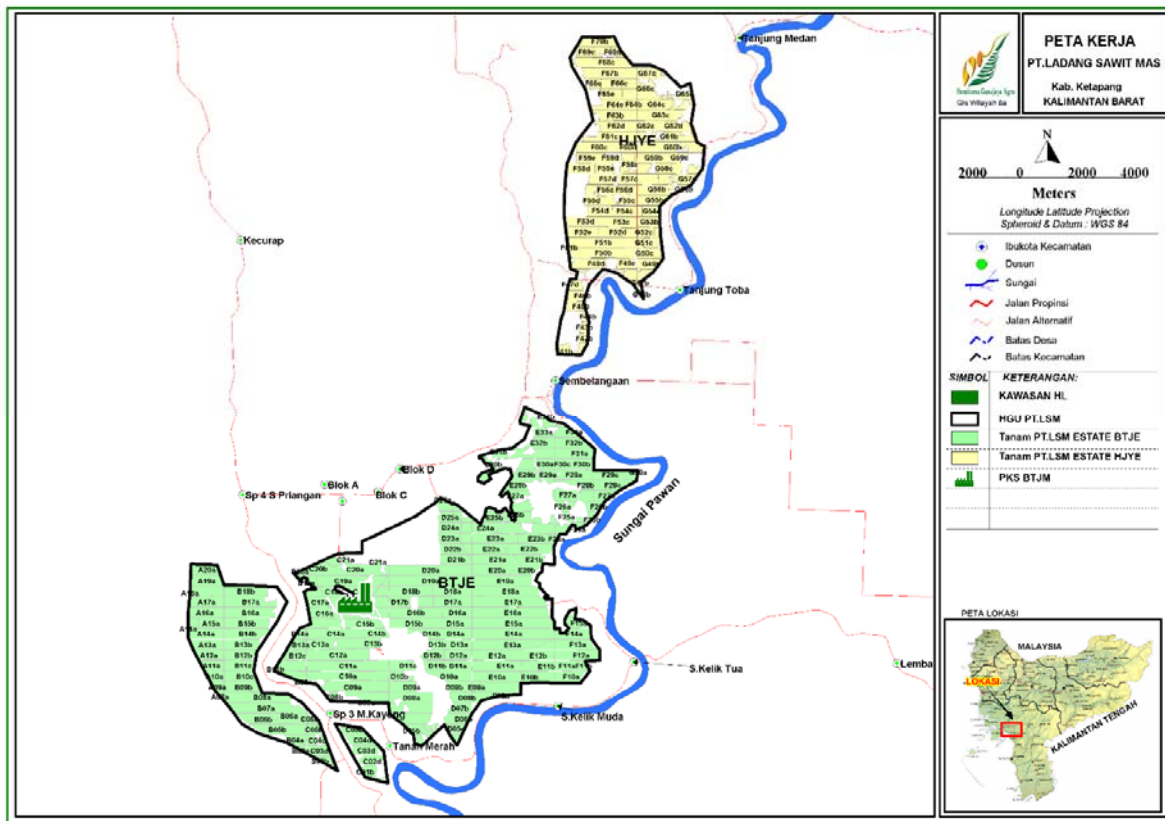


Figure 2. Operational Map of PT Ladang Sawit Mas – Bukit Tunggal Jaya Mill



**Abbreviations Used**

BJYE	:	Bengkirai Jaya Estate
BMS	:	BGA Manuring System
BOD	:	Biochemical oxygen demand
BPJS	:	Badan Penyelenggara Jaminan Sosial / Social Security Agency
BSS	:	BGA Spraying System
BTJE	:	Bukit Tunggal Jaya Estate
BTJM	:	Bukit Tunggal Jaya Mill
CPO	:	Crude Palm Oil
CSR	:	Corporate Social Responsibility
DWL	:	Decent Living Wage
EFB	:	Empty Fruit Bunch
FFB	:	Fresh Fruit Bunch
FR	:	Frequency Rate
HCV	:	High Conservation Value
HIRAC	:	Hazard Identification Risk Assessment and Control
HJYE	:	Hamparan Jaya Estate
HSE	:	Health, Safety and Environment
IPM	:	Integrated Pest Management
KER	:	Kernel Extraction Rate
LGI	:	Lestari Gemilang Intisawit
LSM	:	Ladang Sawit Mas
LSU	:	Leaf Sampling Unit
MSDS	:	Material Safety Data Sheet
NAS	:	Nabati Agro Subur
OER	:	Oil Extraction Rate
OHS	:	Occupational Health and Safety
P2K3	:	Panitia Pembina Keselamatan dan Kesehatan Kerja/OHS Committee
PK	:	Palm Kernel
POM	:	Palm Oil Mill
PPE	:	Protective Personal Equipment
PT LGI	:	PT Lestari Gemilang Intisawit
PT LSM	:	PT Ladang Sawit Mas
RSPO	:	Roundtable on Sustainable Palm Oil
SCCS	:	Supply Chain Certification
SIA	:	Social Impact Assessment
SOP	:	Standard Operating Procedure
SR	:	Severity Rate
SSU	:	Soil Sampling Unit
RTE	:	Rare, Threatened, & Endangered

1.0	SCOPE of the CERTIFICATION ASSESSMENT		
1.1	Assessment Standard Used	<ul style="list-style-type: none"><li>Principles and Criteria for the Production of Sustainable Palm Oil 2018, endorsed by the RSPO Board of Governors and adopted at the 15<sup>th</sup> Annual General Assembly by RSPO Member on 15 November 2018.</li><li>RSPO Certification System for Principles and Criteria, 14 June 2017</li></ul>	
1.2	Organisation Information		
1.2.1	Organisation name listed in the certificate	PT Ladang Sawit Mas – Bumitama Agri Ltd	
1.2.2	Contact person	Lim Sian Choo	
1.2.3	Organisation address and site address	RSPO registered company: Jl. Melawai Raya No. 10 Kebayoran Baru Jakarta Selatan 12160 Indonesia .	
1.2.4	Telephone	(62-21) 727 98418	
1.2.5	Fax	(62-21) 727 98665	
1.2.6	E-mail	lim.sian.choo@bumitama.com	
1.2.7	Web page address	www.bumitama-agri.com	
1.2.8	Management Representative who completed the application for certification	Lim Sian Choo (Head of CSR and Corporate Sustainability)	
1.2.9	Registered as RSPO member	1-0043-07-000-00; 07 October 2007	
1.3	Type of Assessment		
1.3.1	Scope of Assessment and Number of Management Unit	Palm Oil Mill and supply base: Bukit Tunggul Jaya Mill (BTJM), Bukit Tunggul Jaya Estate (BTJE) & Hamparan Jaya Estate (HJYE)	
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
			LatitudeLongitude
	Bukit Tunggul Jaya Mill	Village of Simpang Tiga Sembelangaan, Sub District of Nanga Tayap, District of Ketapang, Province of West Kalimantan, Indonesia	S 1° 32' 49.4"E 110° 20' 38.6"
1.4.2	Location of Certification Scope of Supply Base		
	Name of Supply Base	Location	Coordinate
			LatitudeLongitude
	Bukit Tunggul Jaya Estate	Village of Simpang Tiga Sembelangaan, Sub District of Nanga Tayap, District of Ketapang, Province of West Kalimantan, Indonesia	S 1° 31' 45.4"E 110° 22' 54.8"
	Hamparan Jaya Estate	Village of Pangkalan Teluk, Sub District of Nanga Tayap, District of Ketapang, Province of West Kalimantan, Indonesia	S 1° 27' 24.9"E 110° 24' 11.5"

1.5	Description of Area Statement						
1.5.1	Tenure						
	• State		5,718.63 Ha				
	• Community		- Ha				
	HGU: 5,696.46 Ha and HGB: 22.17 Ha						
1.5.2	Area Statement						
		BTJE	HJYE	Total (Ha)			
	• Total area	4,208.54	1,510.09	5,718.63			
	• Mature area	3,053.68	956.75	4,010.43			
	• Immature area	285.41	211.09	496.50			
	• Mill	22.17	-	22.17			
	• Emplacement	340.60	88.26	428.86			
	• Roads	154.00	33.00	187.00			
	• Lake, river	18.68	-	18.68			
	• Enclave, Occupation	21.96	46.39	68.35			
	• Reserve area	171.04	-	171.04			
	• Conservation area (HCV)	141	174.60	315.60			
1.6	Planting Year and Cycles						
1.6.1	Age profile of planting year						
	Planting Year	Hectarage (Ha)					
		BTJE	HJYE	Total			
	2012	1,309.84	467.16	1,777			
	2013	1,508.06	489.59	1,997.65			
	2014	235.78	-	235.78			
	Sub Total Mature	3,053.68	956.75	4,010.43			
	2017	70.38	122.34	192.72			
	2018	215.03	88.75	303.78			
	Sub Total Immature	285.41	211.09	496.50			
	TOTAL	3,339.09	1,167.84	4,506.93			
1.6.2	New Planting area after January 2010		4,506.93 Ha				
1.6.3	Planting Cycle		1 <sup>st</sup> 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 (%)
	Bukit Tunggal Jaya	35	272,275	52,508	19.28	12,126	4.45
	*Production data source from 12 months before assessment December 2018 – November 2019						

1.7.2	Description of Certification Scope of Supply Base						
	Name of Estate	Total Area (Ha)	Production Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/ year)	Supplied to Mill	
						FFB (tonnes/year)	%
	Bukit Tunggal Jaya	4,208.54	3,053.68	39,344	11.78	39,344	100
	Hamparan Jaya	1,510.09	956.75	13,736	11.76	13,736	100
	TOTAL	5,718.63	4,010.43	53,080	11.78	53,080	100
*Production data source from 12 months before assessment December 2018 – November 2019							
1.7.3	FFB description from other source						
	Name of sources/Organisation		Type of Organisation	number of smallholders	Production Area (Ha)	Supplied to Mill FFB (tonnes/year)	
	Bengkirai Jaya Estate (Non Certified)		PT Lestari Gemilang Intisawit & PT Nabati Agro Subur (BGA Group)	-	3,406.42	28,954	
	Natai Jaya Estate (Non Certified)		PT Lestari Gemilang Intisawit & PT Nabati Agro Subur (BGA Group)	-	2,774.95	40,309	
	Cemata Jaya Estate (Non Certified)		PT Gemilang Makmur Subur (BGA Group)	-	1,517.60	49,211	
	Cemata Jaya Estate (Non Certified)		PT Gemilang Makmur Subur (BGA Group)	-	3,042.01	24,619	
	Padang Harapan Jaya Estate (Non Certified)		PT Sejahtera Sawit Lestari (BGA Group)	-	1,155.27	5,653	
	Seladan Jaya Estate (Non Certified)		PT. Agro Manunggal Sawitindo (BGA Group)	-	3,603.87	22,525	
	Sumber Mas Jaya Estate (Non Certified)		PT Karya Makmur Langgeng (BGA Group)	-	-	10,027	
	Koperasi Duta Usaha (Non Certified)		Independent Smallholder	-	-	1,328	
	Koperasi Kalimas Mandiri (Non Certified)		Independent Smallholder	-	-	4,026	
	Koperasi Sejahtera Mandiri (Non Certified)		Independent Smallholder	-	-	2,624	
	PT. Arrtu Plantation (Non Certified)		Outgrower	-	-	1,234	
	PT. Arrtu Borneo Perkebunan (Non Certified)		Outgrower	-	-	680	
	CV A A A, (Non Certified)		Outgrower	-	-	304	
	PT. Lestari Abadi Perkasa (Non Certified)		Outgrower	-	-	192	
	Kop. Gerunggang Sejahtera Mandiri (Non Certified)		Independent Smallholder	-	-	209	
	CV Gabema (Non Certified)		Outgrower	-	-	2,400	
	PT Sandai Makmur Sawit		Outgrower	-	-	1,660	



	(Non Certified)							
	CV Mora Jaya (Non Certified)	Outgrower	-	-	3,479			
	CV Garuda Mas Jaya (Non Certified)	Outgrower	-	-	13,802			
	CV Mitra Raya Sejati (Non Certified)	Outgrower	-	-	1,916			
	CV Welly Jaya Sumber Priangan (Non Certified)	Outgrower	-	-	2,112			
	CV Mantab Bersama (Non Certified)	Outgrower	-	-	1,931			
	<b>TOTAL</b>				219,195			
<i>*Source Production Data on 12 months before assessment December 2018 – November 2019</i>								
1.7.4	Product categories		<b>FFB, CPO, PK</b>					
<b>1.8</b>	<b>Tonnage of Product</b>							
1.8.1	Past Annual Claim Certified Product	Last Year Projected Certified Volume (MT)		Last Year Actual Certified Volume (mm yy to mm yy) (MT)				
	FFB Processed	-		-				
	CPO Production	-		-				
	Palm Kernel (PK) Production	-		-				
1.8.2	Product selling							
	Type of selling product	Actual selling product for last year (mm yy to mm yy) (MT)						
	CSPO sold as RSPO certified product	-						
	CSPK sold as RSPO certified product	-						
	CSPO sold under other scheme	-						
	CSPK sold under other scheme	-						
	CSPO sold as conventional	-						
	CSPK sold as conventional	-						
1.8.3	Estimate of Certified FFB Claim							
	<b>Name of Estates</b>	<b>Total Area (Ha)</b>	<b>Production Area (Ha)</b>	<b>FFB (tonnes/year)</b>	<b>Yield (tonnes/ha/year)</b>			
	Bukit Tunggal Jaya	4,208.54	3,053.68	41,500	12.43			
	Hamparan Jaya	1,510.09	956.75	14,500	12.42			
	<b>TOTAL</b>	5,718.63	4,010.43	56,000	12.43			
<i>*Projected FFB production for 11 Dec 2020 to 10 Dec 2021</i>								
1.8.4	Estimate of Certified Palm Product Claim							
	<b>Name of Mill</b>	<b>Capacity (tonnes/ hour)</b>	<b>FFB Processed (tonnes/year)</b>	<b>CPO Out put (tonnes)</b>	<b>Extraction (%)</b>	<b>Palm Kernel Out put (tonnes)</b>	<b>Extraction (%)</b>	<b>Supply Chain Module</b>
	Bukit Tunggal Jaya	35	56,000	11,200	20	2,800	5	MB
<i>*Projected CSPO and CSPK production for 11 Dec 2020 to 10 Dec 2021</i>								

1.9	Other Certifications					
	Others		-			
1.10	Time Bound Plan					
1.10.1	Time Bound Plan for Other Management Units					
	Management Unit		Estate (Supply Base)	Time Bound Plan	Location	Status
	MILL	Time Bound Plan				
	Pundu Nabatindo (PT Windu Nabatindo Lestari)	2014	Pundu Nabatindo	2014	KotawaringinTimur District,Kalimantan Tengah	Certified
			Koperasi Harapan Abadi	2021		-
			Kelompok Tani Tenera	2018		Certified
			PT Fajar Bumi Nabati	2021		-
			PT Gemilang Subur Maju	2021		-
	Katari Agro (PT Windu Nabatindo Lestari)	2016	Pelantaran Agro Estate	2016	KotawaringinTimur District, Kalimantan Tengah	Certified
			Katari Agro Estate			
			Pantai Mas Estate			
	Gunung Makmur (PT Karya Makmur Bahagia)	2014	Gunung Makmur	2014	KotawaringinTimur District, Kalimantan Tengah	Certified
			Sungai Mentaya			
			Bukit Kecubung			
			Bukit Makmur			
			Bukit Daman			
			KUD Mekar Jaya	2021		-
			KUD Sekar Tani	2021		-
			KUD Lestari	2021		-
			KUD Usaha Bersama			-
			KUD Makarti Jaya			-
			KUD Marga Rahayu			-
			KUD Tani Santoso			-
			PT Tanah Tani Lestari			-
			KUD Hapakat		-	
			KUD Rika Bersatu		-	
			KUD Usaha Bersama		-	
			KUD Eka Harahap	-		
			KUD Berkat Usaha Bersama	-		
			KUD Bina Tani	-		
	Bukit Makmur	2018	Bukit Kecubung	2014		Certified
			Bukit Makmur	2014		Certified

(PT Karya Makmur Bahagia)		Sungai Puring (PT Langgeng Makmur Sejahtera)	2021	Kotawaringin Timur District, Kalimantan Tengah	-
		KUD Telawang Bersatu	2020		-
		KUD Hinje Ate			-
		KUD Eka Harahap			-
Kotawaringin (PT Bumitama Gunajaya Abadi)	2022	Sepantaian	2022	KotawaringinBarat District, Kalimantan Tengah	-
		Danau Merah			
		Kotawaringin			
		Tonam Raya			
Lamandau Mill (PT Bumitama Gunajaya Abadi)	2022	(PT Bumitama Gunajaya Abadi)	2022	Lamandau District, Kalimantan Tengah	-
		Kumai Hilir Estate (PT Andalan Sukses Makmur)		Lamandau District, Kalimantan Tengah	-
		PT Investa Karya Bhakti		Lamandau District, Kalimantan Tengah	-
		KUD Kompak Maju Bersama		Lamandau District, Kalimantan Tengah	-
		KUD Mitra Bahaum		Lamandau District, Kalimantan Tengah	-
		KUD Tanjung Biru		Lamandau District, Kalimantan Tengah	-
		KUD Seberang Jaya Sejati		Lamandau District, Kalimantan Tengah	-
		KUD Pulau Sejahtera		Lamandau District, Kalimantan Tengah	-
Kendawangan Mill (PT. Gunajaya Karya Gemilang)	2016	Mekar Utama	2016	Ketapang District, Kalimantan Barat	Certified
		Kendawangan			
		Banjar Sari			
		Seriam Jaya			
		Membuluh Jaya			
		Koperasi Serba Usaha Bersama	2021	Ketapang District, Kalimantan Barat	-
		Koperasi Binasari			
		Koperasi Serba Usaha Karya Bersama			
		Koperasi Binasari			
		Koperasi Perkebunan Fajar Mandiri			
		KoperasiRimba Sari			
Suka Damai (PT Rohul Sawit Industri)	2018	PT Masuba Citra Mandiri	2018	Rokan Hulu District, Riau	Certified
		KUD Karya Melayu Sejati	2018	Rokan Hulu District, Riau	Certified
Pembangunan Raya Mill	2018	Pembangunan Raya	2018	Ketapang District, Kalimantan Barat	Certified
		Bengkuang Raya			

	(PT Agro Sejahtera Manunggal)	2021	Belaban Raya	2021		
			KopBun Agro Seriam Mandiri			
			Teluk Rengit (PT Gunajaya Harapan Lestari)			
			Belaban Raya Estate (The area with suspect liability mechanism)			
			Marau Raya			
			KUD Rangkong Betuah			
			KUD Rasau Tiga Bersama			
	Sungai Rasau Mill (PT Karya Bakti Agro Sejahtera)	2021	Ketapang District, Kalimantan Barat	-		
				-		
				-		
	Selucing Mill (PT. Windu Nabatindo Abadi)	2022	Serawak Damai (PT Windu Nabatindo Sejahtera)	2022	Central Kalimantan	-
	Sungai Cempaga Mill (PT. Windu Nabatindo Abadi)	2021	PT. Windu Nabatindo Abadi	2021	Central Kalimantan	-
			PT Nabatindo Karya Utama	2021	Central Kalimantan	-
			KSU Sehati Pundu	2021	Central Kalimantan	-
			KUD Koling Hapakat	2021	Central Kalimantan	-
	Bukit Tunggal Jaya Mill (PT Ladang Sawit Mas)	2020	PT Ladang Sawit Mas	2020	Ketapang District, West Kalimantan	IC
			PT Lestari Gemilang Intisawit	2021		-
			PT Ago Manunggal Sawitindo	2022		-
			PT Karya Makmur Langgeng	2022		-
			PT Gemilang Makmur Subur	2021		-
			PT Nabati Agro Subur	2022		-
			PT Sejahtera Sawit Lestari	2021		-
			PT Damai Agro Sejahtera	2022		-
			KopBun Bukti Tunggal Sejahtera	2021		-
			KopBun Mitra Penjalaan Permai	2021		-
			KUD Kayong Sekayuk	2021		-
			KUD Mitra Sejati	2021		-
			KUD Istana Pawan Mandiri	2021		-
KUD Rungau Sejahtera			2021	-		
Bukti Bebalan Mill			2021	PT Sentosa Prima Agro		2021
	PT Raya Sawit Manunggal	-				

			PT Wahana Hujau Indah			-
			PT Hungarindo Persada	2022		-
1.10.2	<b>Progress of Associated Smallholders and Outgrowers for Certifiable Standard</b>					
	<p>Bukit Tunggal Jaya Mill – PT Ladang Sawit Mas has smallholder which have been included in timebound plan on 2021, those are:</p> <ul style="list-style-type: none"> <li>• KopBun Bukti Tunggal Sejahtera</li> <li>• KopBun Mitra Penjataan Permai</li> <li>• KUD Kayong Sekayuk</li> <li>• KUD Mitra Sejati</li> <li>• KUD Istana Pawan Mandiri</li> <li>• KUD Rungau Sejahtera</li> </ul> <p>The progress for those smallholders will be verify on next assessment.</p>					

<b>2.0</b>	<b>ASSESSMENT PROCESS</b>
<b>2.1</b>	<b>Assessment Team</b>
<b>IC</b>	<p><b>1. Leonada (Lead Auditor).</b> Bachelor of agriculture for plant breeding and seed technology program study, department of agronomy, faculty of agriculture in Bogor Agricultural University. Having experience of more than five years working as a plantation operations staff and sustainability in private company of Indonesian oil palm plantations and experience in plasma management. Training and awareness have been followed are: training of Indonesian sustainable palm oil (ISPO) lead auditor, training of RSPO lead auditor, RSPO SCCS training, ISCC training, HCV, GHG, SA 8000, ISO 17021:2011, ISO 17065:2012, ISO 19011:2011, training of lead auditor ISO 9001:2008, lead auditor ISO 14001:2005 training, training of management development program agronomy, training of analysis base solution for operation, training of integrated pest management (IPM), use of limited pesticides training, training management of waste pesticides and fertilizers, training mediation and conflict resolution, RSPO social and worker welfare training, general safety specialist training, training of health and safety management system (SMK3) auditor, and currently working on independent certification bodies as an auditor. In this audit He conducted an assessment on transparency, social, legal and land dispute.</p> <p><b>2. Hasiholan Sihombing (Auditor).</b> Indonesian citizen. Bachelor of Agriculture Majoring in Agronomy, Agriculture Faculty. He has working experienced for 7 (seven) years since 2009 as an Operational Staff in an Oil Palm Plantation Company in Indonesia. The training he has followed namely: Lead Auditor ISPO, RSPO P&amp;C Lead Auditor Course by Checkmark, SA 8000 Awareness, Quality Management Systems (ISO 9001:2015), Environmental Management Systems (ISO 14001:2015), OHS General Expert, OHSAS 18001:2007, ISO 19011:2018, ISO 17021:2011 and ISO 17065:2012. He has experienced in various audit activities related to the certification system of sustainable palm oil plantation since 2016. During this audit, he assigned to verify best management practices, long term plan, OHS aspects.</p> <p><b>3. Asystasya Aishah Silalahi (Auditor).</b> Indonesia Citizen, Bachelor of Economy, Major of Agribusiness, Faculty of Economic and Management. She has one-year experience in consultancy. She has followed training such as ISPO Auditor Training, Lead Auditor ISO 9001:2015, OHS General Expert, RSPO lead auditor training course, SCCS, and several in house training related to environmental, BMP, SA 8000, etc. Has been involved in several audit activities since 2016 related to sustainable palm oil certification covering waste management aspect, Social Aspect, Health and Safety Aspect, and Worker Welfare. During this audit, she verifies SCCS, social and worker welfare aspects.</p> <p><b>4. Bayu Yogatama (Auditor).</b> Bachelor of Forestry, Department of Forest Resources Conservation and Ecotourism, Bogor Agricultural University. Has attended the ISO 9001: 2015 Quality Auditor / Lead Auditor Course Quality Management System (QMS) course and ISO 19011: 2011 Guidelines for Auditing Management System, ISPO Lead Training, SA 8000, RSPO Lead Training, IHT RSPO NPP, IHT RSPO RaCP, IHT ISO 17021, and IHT ISO 17065. Having experience working in plywood field as Inspector in foreign private company. Currently working for an independent certification body. During this audit, he verifies Environmental Aspect, HCV, and Green House Gases.</p>
<b>2.2</b>	<b>Assessment Methodology, Assessment Process and Locations of Assessment</b>
<b>2.2.1</b>	<b>Figure of person days to implement assessment</b>
<b>IC</b>	<p>Number of auditors: 4 auditors</p> <p>Number of days for IC at site: 5 days</p> <p>Number of working days for IC at site: 20 Working days</p>
<b>2.2.2</b>	<b>Assessment Process</b>
<b>IC</b>	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT Ladang Sawit Mas to the requirements of <b>Principles and Criteria for the Production of Sustainable Palm Oil 2018, endorsed by the RSPO Board of Governors and adopted at the 15<sup>th</sup> Annual General Assembly by RSPO Member on 15 November 2018 and RSPO Certification System for Principles and Criteria, 14 June 2017.</b></p> <p>The team traveled from Jakarta to Ketapang by airplane and continued with road trip to site in first day. After arriving on site, the team continued to held an opening meeting. The opening and closing meeting were held in Regional Office</p>

	<p>attended by the management representatives and other related personnel. During audit activity, auditors were accompanied by management representative and the documents are presented well.</p> <p>The assessment was conducted in three methods: (1) document review, aiming to observe the sufficiency of types or substances from required documents; (2) <i>interview</i>, aiming to obtain more detailed information and cross check the information; and (3) field observation, aiming to observe directly the sufficiency of implementation on site.</p> <p>Some opportunities for improvement of the results Initial Certification 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). All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of <b>Initial Certification</b>.</p> <p>In the audit plan and implementation of the onsite audit, the audit activities were carried out with a scope of 1 mill (BTJM) and 4 estates (BTJE, HJYE, BJYE, and NJYE), because 2 estates (BJYE &amp; NJYE) could not complete the RaCP, the scope of the certification was reduced to only 1 Mill (BTJM) and 2 estates (BTJE &amp; HJYE)</p> <p><i>The assessment program please find Appendix 2</i></p>
<b>2.2.3</b>	<b>Locations of Assessment</b>
<b>IC</b>	<p>Number of units in this scope of certification is 1 (one) Mill and 2 (two) Own Estates. Mill and All estate units are sampled in the audit.</p> <p><b>Bukit Tunggal Jaya Mill</b></p> <ul style="list-style-type: none"> <li>• <b>Security Post (2 security)</b>. Observation and interview with security related personnel understanding over the applicable SOP, the implementation of occupational health and safety, medical examination, trainings from company and worker welfare.</li> <li>• <b>Weighbridge (1 operator)</b>. Observation and interview related to personnel understanding for mass balance, worker welfare etc.</li> <li>• <b>Loading Ramp (2 workers)</b>. Observation and interview with sortation personnel related to personnel understanding over sortation procedure, the implementation of sortation, fruit criteria, fruit separation with ripeness and rawness criteria.</li> <li>• <b>Grading station</b>. Interview with 2 workers about understanding of task and responsibility, worker welfare, OHS implementation, complaint mechanism.</li> <li>• <b>Sterilizer Station (1 worker)</b>. Observation and interview with operator related personnel understanding over the applicable SOP, infrastructure in mill, the implementation of occupational health and safety, medical examination, trainings from company and worker welfare.</li> <li>• <b>Clarification Station (1 worker)</b>. Observation and interview with operator related personnel understanding over the applicable SOP, infrastructure in mill, the implementation of occupational health and safety, medical examination, trainings from company and worker welfare.</li> <li>• <b>Press Station (1 worker)</b>. Observation and interview with operator related personnel understanding over the applicable SOP, infrastructure in mill, the implementation of occupational health and safety, medical examination, trainings from company and worker welfare.</li> <li>• <b>Boiler Station (3 worker)</b>. Observation and interview with operator related personnel understanding over the applicable SOP, infrastructure in mill, the implementation of occupational health and safety, medical examination, trainings from company and worker welfare.</li> <li>• <b>Engine Room Station (1 worker)</b>. Observation and interview with operator related personnel understanding over the applicable SOP, infrastructure in mill, the implementation of occupational health and safety, medical examination, trainings from company and worker welfare.</li> <li>• <b>Nut and Kernel Station (1 worker)</b>. Observation and interview with operator related personnel understanding over the applicable SOP, infrastructure in mill, the implementation of occupational health and safety, medical examination, trainings from company and worker welfare.</li> <li>• <b>WTP (1 Operator)</b> Observation and interview related regulation related to OHS and workers welfare</li> <li>• <b>Waste water treatment plant (1 Operator)</b> Observation and interview for palm oil mill effluent management</li> </ul>



- **Chemical store (1 Operator).** Observation related OHS and hazardous material handling
- **Central Warehouse.** Observation about storage condition, and interview with 2 worker storage about OSH implementation, worker welfare, understanding of job description, training, worker union, employee cooperative, and complaint mechanism
- **Hazardous Waste Warehouse.** Observation and interview related waste management, OHS, and hazardous material handling.
- **Empty Bunch Area** Observation for empty bunch management
- **Hydrant Simulation** to ensure that emergency response equipment can be used properly.

#### Bukit Tunggal Jaya Estate

- **HGU Poles No. 121 block B20, No. 122 block C20.** Observation of legal boundaries
- **BSS and BMS house (1 worker).** Observation about PPE storage condition and cleaning house for spraying and manuring worker after work.
- **Fertilizer storage.** Observation about storage condition, fertilizer stock, and interview with 1 worker about OSH implementation, worker welfare, understanding of job description, training, worker union, employee cooperative, and complaint mechanism
- **Generator room.** Interview with one operator about worker welfare, understanding of job description, implementation of OHS, complaint mechanism
- **Housing Division 5** Observation related to domestic waste management, public facilities and sanitation
- **Landfill Block E27.** Observation about landfill condition and management of domestic waste from estate.
- **Workshop (1 Operator)** Observation and interview related worker welfare, OHS, and waste management
- **Land Application Block C20 (1 Operator)** Observation and Interview related palm oil mill effluent management.
- **Central Fertilizer storage.** Observation about storage condition, fertilizer stock, and interview with 2 worker storage about OSH implementation, worker welfare, understanding of job description, training, worker union, employee cooperative, and complaint mechanism
- **Chemical storage.** Observation about storage condition, pesticide stock, implementation of OHS, and interview with worker about OHS implementation, worker welfare, understanding of job description, training, worker union, employee cooperative, and complaint mechanism.
- **Firefighters warehouse** fire equipment observation
- **Central Warehouse.** Observation about storage condition, and interview with 2 worker storage about OSH implementation, worker welfare, understanding of job description, training, worker union, employee cooperative, and complaint mechanism
- **Clinic** Observation and interview with four medical staff about clinic condition, medical waste management, worker welfare, understanding of job description, training, worker union, employee cooperative, and complaint mechanism

#### Hamparan Jaya Estate

- **HGU Poles No. 38 block F47, No. 39 block F47, No. 40 block F48.** Observation of legal boundaries.
- **Enclave area block F42, F43 and F44.** Observation the condition of enclave area.
- **Block G63 Division 2 (7 Fertilizer Applicator).** Interview with the fertilizer applicator related type of fertilizer use according to the procedure and also worker welfare.
- **Block G60 Division 2 (10 Pesticide Applicator).** Observation on safe working practices and interview with the spraying workers related type of pesticides use according to the procedure and also worker welfare.
- **Block F59 Division 1 (4 harvester).** Observation and interview with harvester related fruit ripeness, safe working practices and also worker welfare.
- **Block F59 Division 1 (Loading FFB process).** Interview with foreman of FFB about loading FFB procedure, administration, FFB sortation in platform, safety and health and worker welfare.
- **Block F55 Division 1 (Peat Area).** Observation peat area, water management, water level monitoring, piezometer monitoring and subsidence pole conditions and staff interviews on monitoring techniques.
- **Block F47 Division 1 (Watergate).** Field observations on Watergate about water management.
- **Block F66 Division 1 (EFB Application).** Field observations on application and management of empty fruit bunch.
- **Pesticide storage.** Observation about storage condition, pesticide stock, implementation of OHS, and interview with worker about OHS implementation, worker welfare, understanding of job description, training, worker union,



	<p>employee cooperative, and complaint mechanism.</p> <ul style="list-style-type: none"> <li>• <b>Fertilizer storage.</b> Observation about storage condition, fertilizer stock, and interview with storage worker about OSH implementation, worker welfare, understanding of job description, training, worker union, employee cooperative, and complaint mechanism</li> <li>• <b>Day care.</b> Interview with worker about OSH implementation, company facility, worker welfare, worker union, employee cooperative, worker's rights, and complaint mechanism.</li> <li>• <b>Generator room.</b> Interview with operator about worker welfare, understanding of job description, implementation of OHS, complaint mechanism</li> <li>• <b>BSS and BMS house.</b> Observation about PPE storage condition and cleaning house for spraying and manuring worker after work.</li> <li>• <b>Landfill Division 2, Block G60.</b> Observation about landfill condition and management of domestic waste from estate.</li> </ul> <p>Stakeholder:</p> <ul style="list-style-type: none"> <li>• Government Agency of Ketapang District</li> <li>• Kayung Utara Village, Betongin Village, Sungai Kelik Village and Simpang Tiga Semblangaan Village.</li> </ul>
<b>2.3</b>	<b>Stakeholder Consultation and Stakeholders Contacted</b>
<b>2.3.1</b>	<b>Summary of stakeholder consultation process.</b>
<b>IC</b>	<p>Summary of stakeholder consultation process</p> <p>Consultation of stakeholders for PT Ladang Sawit Mas was held by:</p> <ul style="list-style-type: none"> <li>• Public Notification on website of PT Mutuagung Lestari (<a href="http://www.mutucertification.com">www.mutucertification.com</a>) on 12 November 2019</li> <li>• Public consultation meeting with government institution in Ketapang District on 9 December 2019.</li> <li>• Public consultation meeting with communities including previous land owner on 11-12 December 2019.</li> <li>• Public consultation meeting with internal stakeholders and local contractor on 10 December 2019.</li> <li>• Public consultation with NGO (Sawit Watch, WWF, WALHI and AMAN) by email on 5 December 2019.</li> </ul> <p>Numbers of input from stakeholders were clarified by PT Ladang Sawit Mas</p>
<b>2.3.2</b>	<b>Stakeholder contacted</b>
	<i>Please find appendix 1</i>
<b>2.4</b>	<b>Determining Next Assessment</b>
	The next visit (ASA-1) will be conducted eight (8) - twelve (12) month, after certificate Issued.

### 3.0 ASSESSMENT FINDINGS

#### 3.1 Summary of Assessment Report of the RSPO Certification 9 14

MUTUAGUNG LESTARI has conducted an assessment of Bukit Tunggal Jaya Mill – PT Ladang Sawit Mas subsidiary Bumitama Agri Ltd, operation consisting of one (1) mill and two (2) oil palm estates.

During the assessment, there were nine (9) Nonconformities were assigned against Major/Critical Compliance Indicators, fourteen (14) nonconformities were assigned against Minor/Non-Critical Compliance Indicators and seven (7) opportunities for improvement were identified.

Further explanation of the non-conformities raised and corrective actions taken by the company are provided in section 3.5. The company has already prepared and implemented the corrective actions that had been reviewed and accepted by Auditors in form of documentation evidences e.g. (*document record/photographic/etc*). Those corrective actions taken that consist of nine (9) Nonconformities against Major/Critical Indicators and fourteen (14) nonconformities against Minor/Non-Critical Indicators had been closed out shall and will be verified during next assessment.

MUTUAGUNG LESTARI found that Bukit Tunggal Jaya Mill – PT Ladang Sawit Mas subsidiary Bumitama Agri 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 15<sup>th</sup> 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 Issued.

Ref Std.	VERIFICATION RESULT of MUTU-Certification	
<b>PRINCIPLE #1 BEHAVE ETHICALLY AND TRANSPARENTLY</b>		
<b>1.1</b>	<b>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.</b>	
<b>1.1.1, 1.1.2, 1.1.4, 1.1.5</b>	<p>Document that can be accessed publicly is listed in <i>SOP Transparansi</i> No. BGA-SOP-LSM-0713-12-R0, signed on 1 January 2019. Based on the document, some of public document is legality document, company report, procedure, work instruction, or policy, and physical business document and general document (company's organization structure, HCV and SIA document, CSR document, OHS program, Etc.). Some of these documents also available in company's website, so other people can access them.</p> <p>As for communication and consultation, company has <i>Prosedur Komunikasi</i> No. LSM-SUST-SOP-09 signed on 1 January 2019. Based on the SOP, it is known that the company can meet with the local government if necessary. Any communication / consultation from external stakeholder will be responded by related parties in writing not later than 15 days. This procedure has socialized to stakeholder on 29 November 2019 attended by 10 participants from FFB supplier, and representative of Kelik and Tanjung Medan Village. Based on interview with representative of Sungai Kelik, Nangatayap, and Simpang Tiga Semblangan Village, it is known that they understand mechanism conducting communication and consultation with company.</p> <p>Company also has identified the stakeholders in form of list stakeholder that explain name of stakeholder, position, and contact number. The stakeholder consists of local government from District of Nanga Tayap and Ketapang Regency and local contractor.</p>	

<b>1.1.3</b>	The company has not been able to show evidence that the records of requests for information from stakeholders and their responses have been well managed. It becomes non conformity No. 2019. 1.	
<b>1.1.3</b>	<b>Status: Non-Conformity No. 2019. 1 with Critical category</b>	
<b>1.2</b>	<b>The unit of certification commits to ethical conduct in all business operations and transactions.</b>	
<b>1.2.1, 1.2.2</b>	<p>Company has ethical conduct document on BGA Code of Conduct, No. BGA-COC-HC-333.1-R0. This document explains several things about company ethics with shareholders, ethics of corporate relations to BGA group employees, ethics of corporate relations to the community and the surrounding environment, government, business partners, suppliers / contractors, mass media. Company ethics include the following.</p> <ul style="list-style-type: none"> <li>• Prioritize the principle of benefits by choosing business partners that provide the best synergy to the company and are free of corruption, collusion and nepotism.</li> <li>• Avoid cooperation with business partners who carry out business practices that do not carry out good business ethics.</li> <li>• Maintain good relations, transparency, and mutual benefits at work.</li> </ul> <p>This document has socialized to external stakeholder and worker, for example socialization on 16 March 2019 to surrounding village and FFB supplier. This document also has been socialized to local contractor by distributed the policy to them. Based on interview with worker and local contractor, they are aware and understand about ethical conduct in company.</p>	
	<b>Status: Comply</b>	
<b>PRINCIPLE #2 OPERATE LEGALLY AND RESPECT RIGHTS</b>		
<b>2.1</b>	<b>There is compliance with all applicable local, national, and ratified international laws and regulations.</b>	
<b>2.1.1</b>	<p>The Company has list of regulations of 2019 that includes local regulations and national regulation updated annually. List of laws/regulations listed has covers several aspects such as land permit and legality, manpower, occupational health and safety, best management practices and environment. Some examples of regulations compliance that have been done such as plantation business permit by Decree of Ketapung district head (No. 420 dated 28 July 2010).</p> <p>The other compliances of regulations are regarding to environment aspects are EIA management and monitoring in routinely, hazardous waste storage license approved by local government. Compliances of workers and OHS regulations are provided the minimum wage, company safety &amp; occupational health, transporting and forklift operator etc. Based on interview with stakeholders such as government agencies it is known that the company has comply the related regulations for example: has plantation business permit, land use right, no workers under age of 18, land application permit, hazardous waste storage permit etc.</p> <p>In terms of best management practices, it is known that plantation and mill management has implemented several compliances with Indonesian laws and regulations, for example not using the burning method in the land clearing process, trees planted are from seed producers (DxP) which are recognized by the Indonesian government. Each unit of the Unit of Certification has implemented integrated pest management, biological control and only uses pesticides that are listed on the pesticide government website.</p>	
<b>2.1.2</b>	<p>Procedure of legal requirement which presented in document BGA-SOP-CCS-1102.1-R0, dated 9 Mei 2012 mentioned that sustainability officer has responsibility to arranged and monitored legal related laws and/or regulation. The procedure mentioned that in order to monitor and update of laws and/or regulations, the sustainability officer required to actively check and make coordination with Government Agencies or Institutions. But the company cannot show the evidence of audit result for regulation compliance evaluating included for third party (contractor). <b>NC 2019.2</b></p>	

**2.1.3**

The company able to shows location of boundary poles map as well as its coordinate points, which presented in HGU map with scale 1:2000. Boundary poles monitoring record on 10 August 2019 informed that 220 poles monitored in good condition and satisfactory maintained.

Based on field observation to HGU Poles No. 121 block B20, No. 122 block C20 (Bukit Tunggal Jaya Estate) and HGU Poles No. 38 block F47, No. 39 block F47, No. 40 block F48 (Hamparan Jaya Estate), it could be concluded that estate management has monitor their boundary legal poles, clearly demarcated and visibly maintained. Verification using GPS indicates that the pole coordinate is in accordance with the provisions of the land title and confirmed that there has been no planting beyond the legal demarcated boundary areas of the plantation.

**2.1.2**

**Status: Non-Conformity No. 2019. 2 with Non critical category**

**2.2**

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

**2.2.1**

The company shows a list of stakeholders with document number LSM-PAD-SH-01 which was validated on January 1, 2019 by Area Controller 8A. The document records contracted parties, including 4 local contractors, but does not include a list of external FFB suppliers. In this regard, the company has not been able to show evidence that a list of all contracted parties has been maintained. It becomes **non conformity No. 2019.3**

**2.2.2**

The company shows work agreements with third parties, for example: Local FFB purchase agreement 001 / SPKL / BTJM-TBS / IV / 2019 dated April 9, 2019 between PT Ladang Sawit Mas and Koperasi Sejahtera Mandiri. The agreement contains several articles, including the scope of the agreement, quality requirements and acceptance of oil palm FFB, price of oil palm FFB, agreement period, method of payment, guarantee, termination of agreement, force majeure, dispute resolution, and other articles. However, the contract does not yet have its own clause regarding the fulfillment of applicable legal obligations.

Based on the above evidence, the company has not been able to show evidence of the contract of buying and selling FFB already has its own clauses regarding the fulfillment of applicable legal obligations, for example but not limited to the implementation of OHS, employment, legality etc. It becomes **non conformity No. 2019.4.**

**2.2.3**

The company shows a work agreement with a FFB supplier, for example: Local FFB sales agreement. 001 / SPKL / BTJM-TBS / IV / 2019 dated April 9, 2019 between PT Ladang Sawit Mas and Koperasi Sejahtera Mandiri. The agreement contains several articles, including the scope of the agreement, quality requirements and acceptance of oil palm FFB, price of oil palm FFB, agreement period, method of payment, guarantee, termination of agreement, force majeure, dispute resolution, and other articles. However, the contract does not yet have its own clause that prohibits practices involving child labor, forced labor, and workers from trafficking in persons.

The company has not been able to show evidence that the contract has its own clause that prohibits practices involving child labor, forced labor, and workers from human trafficking. If there are young workers, the contract includes a clause to protect them. It becomes **non conformity No. 2019.5.**

**2.2.1**

**Status: Non conformity No. 2019. 3 with noncritical category**

**2.2.2**

**Status: Non conformity No. 2019. 4 with noncritical category**

**2.2.3**

**Status: Non conformity No. 2019. 5 with noncritical category**

**2.3**

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

**2.3.1**

Based on the results of document review and interviews with management, the following facts are known:

- Bukit Tunggal Jaya Mill received FFB from a 3rd party (based on the results of interviews with the mill manager, it was found that there were> 100 suppliers)
- The company shows several examples of agreement for buying and selling FFB with third parties, such as:

- FFB sale and purchase agreement with CV Garuda Mas Jaya (not equipped with geolocation data, land rights, planting permits and trading permits)
- Agreement with CV Mora Jaya (not yet completed, land rights, planting permits and trade permits)
- Agreement with CV Welly Jaya Sumber Priangan (Not equipped with land rights and planting permits)
- Agreement with Koperasi Sejahtera Mandiri (not equipped with geolocation data, land rights, planting permits and trade permits)
- The company has not been able to show all 3rd party supplier data, along with 3rd party classification (direct sources or collectors)

The company has not been able to show all the information related to the receipt of FFB that was obtained directly from the source, which is equipped with geolocation information, proof of ownership of land rights, and valid supporting permits for the purchase and sale of FFB. **Non-Conformity No. 2019.6 with Critical category**

### 2.3.2

The company has not been able to show all the information related to the receipt of FFB that was obtained indirectly from the source, which is equipped with geolocation information, proof of ownership of land rights, and valid supporting permits for the purchase and sale of FFB at the location. **Non-Conformity No. 2019.7 with Non critical category**

**2.3.1 Status: Non-Conformity No. 2019.6 with Critical category**

**2.3.2 Status: Non-Conformity No. 2019.7 with Non critical category**

## **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

PT Ladang Sawit Mas have a six-year production projection which is contained in the Long-term New Planting, Crop Production Program and Cost for the 2020 - 2025. The document contains a projected area statement, quality of planting materials, projected production (FFB), CPO, Kernel, plantation costs, factory costs, oil prices, core prices, income from oil sales and core sales, expenditures (production costs) and the acquisition of profit / loss (revenue vs cost).

#### 3.1.2

Based on the document review, the company does not have a replanting plan in the next 5 years because the plant age in the operational area of the certified unit has not yet entered the time for replanting. The oldest plant age in the scope of this certification is 7 years (year 2012).

#### 3.1.3

The company's annual report is available in the Management Review document which informs the discussion of the annual performance achievement of monthly plantation production, CPO production, Kernel production and other achievements in both the plantation and factory units, for example, which was carried out on 14-20 April 2019 by PT LSM Management. An evaluation of the achievements of the current year has been carried out every year, as a material consideration in the preparation of the next year's budget.

**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 management unit has taken continuous improvement actions carried out from several aspects, for example the management unit has reviewed the plan to manage social and environmental monitoring by involving the community, reducing waste by utilizing solid and liquid waste for operational activities. Conduct HCV management and monitoring in accordance with the existing plan. Each activity is carried out and supervised by a separate PIC in accordance with their respective fields. To ensure that all activities are carried out well, the management unit conducts periodic monitoring by means of internal audit activities which are carried out at least once a year or every semester.

**3.2.2**

The company has not been able to present the annual report submitted to the RSPO Secretariat for continuous monitoring and improvement using the RSPO matrix template. **Non-Conformity No. 2019.8 with Non-critical category.**

**3.2.2**

**Status: Non-Conformity No. 2019.8 with Non-critical category**

**3.3**

**Operating procedures are appropriately documented, consistently implemented and monitored.**

**3.3.1**

The agronomy procedures divided in to 3 chapter approved by Director dated 25 May 2011. First chapter explained of nursery, land preparation, road/bridges construction and maintenance, trench construction and maintenance, soil and water conservation, planting legume cover crop and palm oil planting. Second chapter explained weed control, manuring and pest and disease control. The third chapter explained of castration and canopy management, tree and yield census, harvesting, pesticides management, transportation management, marginal soil management and replanting.

The company has an SOP for FFB processing in mill and documented in Mill Operational that approved by COO dated 17 January 2013. The SOP contain procedures from FFB received until dispatch. It also supply chain procedures (Identification and Traceability Procedures / GKG-SUST-SOP-21).

Interviews were conducted to harvesters, pesticides applicators, and manuring workers in BTJE and HJYE and also operators in BTJM. Based on the results of interviews can be concluded that the workers understand the duties and responsibilities of their work in accordance with the applicable SOP.

The entire procedure both of plantation and mill has been included of safe working instruction, other than those described in the HIRAC document.

**3.3.2 and 3.3.3**

The company has conducted annually internal monitoring to ensure implementation of procedures. The monitoring conducted through annually operational internal audit by internal audit department and RSPO internal audit by sustainability department. The records of internal audit on 2019 has been documented. Noncompliance records of internal audit has been corrected and verified by management.

Each unit has documented the operations of the estate and mill production such as daily reports, supervisor workbooks, etc. The field visit at the mill shows that the unit has been documenting the daily activities in a daily production report that documented by using computerized systems. There is an internal audit from the company to check and monitoring the performance of contractor related to compliance to company procedure.

**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 already has SEIA documents consisting of AMDAL and SIA documents for areas within the scope of certification. PT LSM has an AMDAL Addendum document consisting of the 2019 ANDAL, RKL and RPL documents for activities to increase factory processing capacity from 35 tons / hour to 60 tons / hour. The addendum document has received Environmental Feasibility from the Regent of Ketapang on February 19, 2019 with Number: 026 / DPMPTSP-D.B/2019 concerning the Environmental Feasibility of PT Ladang Sawit Mas Plantation and Palm Oil Processing Factory activities located in Nanga Tayap District, Ketapang Regency.

In addition, the company has obtained an Environmental Permit for Oil Palm Plantation Activities of  $\pm$  8300 Ha and a Change in the Improvement of the Oil Palm Processing Factory to 60 tons of FFB / Hour by PT Ladang Sawit Mas which is located in Nanga Tayap District, Ketapang Regency. The management unit (PT LSM) has carried out the SIA assessment contained in the November 2013 report on the Social Impact Assessment of PT Ladang Sawit Mas Oil Palm Plantation conducted by Sonokeling akreditasi Nusantara, the field visits were carried out on 26 April - 3 May 2013 conducted with interviews and FGD to three villages surrounding the company are Kelik Village, Simpang Tiga



Semblangan Village, Pangkalan Teluk Village. Which consists of 7 hamlets, namely Tanah Merah, Old Kelik, Tanjung Perak, Sumber Priangan, Semblangan, Tanjung Toba, Tanjung Medan. In the implementation of the AMDAL and SIA assessment, affected parties were shown by the attendance list and questionnaire to the stakeholders.

#### **3.4.2**

SEIA document (AMDAL & SIA) PT LSM has stated its management plan and social and environmental monitoring plan. as for several management plans such as:

Environment:

- Increased Job Opportunities
- Increase in Community Income
- Public Perception
- Decreasing Water Quality
- Air Quality Deterioration
- Increased Noise
- The emergence of disease patterns
- Decreasing Biota Diversity

Social:

- Resolving tenure issues around the company
- Socialization and formation of cooperative partnerships with stakeholders
- Improvement of the community economy
- Increasing public education
- Quality of public health
- The preservation of the local community's local culture
- Availability of clean water
- Manpower sector

from the social environmental monitoring management plan that is owned, all aspects have been covered according to operational activities in the field.

#### **3.4.3**

The management unit has carried out the management and monitoring of SEIA, indicated by the report on the implementation of management and monitoring of RKL-RPL Semester 1 of 2019 for (AMDAL) to be reported to the Ketapang Regency Environmental Service on 29 November 2019 and the 2019 SIA Implementation Report. has included:

- Air Quality Deterioration
- Decreasing Surface Water Quality
- Increased Noise
- The emergence of a pattern of disease
- Decreased Biota Diversity
- Not yet attached all laboratory test results

Based on the results of environmental monitoring in semester 2 of 2019. it is known that the results of parameter monitoring are still in accordance with quality standards. specifically, for surface water quality there are advantages for the BOD parameter, however, the BOD parameter has exceeded the quality standard from the upstream of the river so that what management can do is maintain the quality of the BOD parameter so that it does not increase downstream.

Meanwhile, the SIA Company Report shows a report on the implementation of PT LSM's social management plan, including those related to social issues such as the settlement of multiple claims, the cost of compensation that is felt to be different. Realization of plasma by means of socialization of the partnership scheme. Development of communication with stakeholders, enhancing the preservation of local culture of the local community, facilitating the development of trade unions.

However, the management unit has not been able to show evidence of management review of the results of managing social and environmental monitoring it has. As well as not reporting RKL-RPL in accordance with the format of KepMenLH 45 of 2005 regarding the procedure for writing an RKL-RPL report (*laboratory test results and other monitoring evidence have not been attached to the report*) and has not been able to show evidence that all management plans and reviews are implemented, reviewed together and updated regularly. **Non-Conformity No. 2019.9 with Critical category**

<b>3.4.3</b>	<b>Status: Non-Conformity No. 2019.9 with Critical category</b>
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### 3.5

**A system for managing human resources is in place.**

#### 3.5.1, 3.5.2

Type of worker in company is permanent worker and probation time worker. Worker recruitment is conducted according to Human Resources Procedure and has documented all the stage of recruitment. Company showed the latest recruitment document in 2019, such as application letter, copy of identity card and family card, copy of diploma certificate, medical check-up result or health certificate from health center, and last is work agreement of probation time for 3 months. All these documents are kept in each unit office. The work agreement has signed by both worker and company and also worker has the copy of work agreement. Based on interview with worker, they know and understand the content of work agreement and the copy of it is in their house.

The system of recruitment, selection, hiring, promotion, retirement, and termination is listed on Company Regulation of PT Ladang Sawit Mas. The Company Regulation can be accessed and also shared to the workers.

	<b>Status: Comply</b>
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### 3.6

**An occupational health and safety (H&S) plan is documented, effectively communicated and implemented.**

#### 3.6.1

The company has a policy of occupational safety and health were written in Bahasa. The policy has been legalized and updated on January 2015 by Area Controller. This policy is designed to control hazards in every activity that is in the working environment to prevent accidents and occupational diseases. Management have work program of occupational health safety every year. Realization of the program of work will be monitored through regular meetings Guiding Committee of Occupational Safety & Health every month. This work program applies generally to all workers in the workplace. If the plans have been made yet on target then will be evaluated in the management review to assess effectiveness.

The company shown the document of hazard identification, risk assessment and risk control which issued on January 2019. It will be reviewed if any occupational accident happens. The document describes the description/activity, potential hazards, risk assessment and risk control. Interviews were conducted to estate workers (harvester and pesticides applicator) and mill workers (boiler operator, engine room operator, kernel operator, etc.). Based on the results of interviews can be concluded that workers understand the OHS policy and it's recognized that every morning meeting is always affirmed about the importance of safety in work.

#### 3.6.2

The company can show the OHS program or plan that has been made in the 2019 period. The company has shown evidence that it has realized the program, for example the monitoring of fire extinguishers and the first aid kit conducted every month, conducting a fire control socialization once a year and the socialization of OHS every month. The OHS Program in 2020 is currently in progress as planned.

The effectiveness and evaluation of the realized programs is carried out through Committee of Occupational Safety and Health (P2K3) meetings which are held monthly. Based on information from the P2K3 secretary of the PT GMP and PT PHP, it is explained that if there is a program that is not achieved according to the target set, then it will be evaluated in routine monthly meetings to set a new program in the following year.

	<b>Status: Comply</b>
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### 3.7

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

#### 3.7.1, 3.7.2

Company has training program for all worker in each unit covering OHS aspect and work procedure for period of 2019.



Training program for 2020 will arrange in early of 2020. The training program for contractor's worker, it follows training program for company's worker and will be adjusted with the type of work for each contractor. Some of training program, namely:

- Harvesting training will be conducted once a month.
- Spraying training will be conducted once a month.
- Work accident (OHS) training will be conducted every 3 months
- And others

Based on interview with worker in estate and mill and also contractor, they have received some training related to their work, such as work procedure training, emergency response, and first aid training. The training has been documented into minutes of meeting, list of attendees, and photo activity.

Company also showed the documentation of training or socialization whether it is internal or external training in form of minutes of meeting, list of attendees, and photo activity. For example:

- Minutes of meeting of socialization of grading procedure on 7 December 2019 attended by 5 workers in BTJM
- Attendance list of Bipartite socialization on 9 December 2019 attended by 46 mill workers
- Minutes of meeting of Spraying procedure and simulation on 11 September 2019
- Work procedure training on 5 March 2019 attended by 9 contractor worker and foreman.

### 3.7.3

The company showed the minutes of the SCC training program on August 27, 2019 which was attended by 16 participants (weighbridge operators, the process section, foreman sorting, compound, RSPO assistant). The training aims for employees and staff to understand what is meant by the palm oil supply chain from land clearing to the production of crude palm oil.

	<b>Status: Comply</b>	
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## 3.8

### Supply Chain Requirements for Mills

#### 3.8.1 & 3.8.2

The site is applied supply chain model Mass Balance due to it still received FFB from uncertified sources.

#### 3.8.3

The estimate volume of palm oil products are describe in this Stage-2 report (Basic Info 1.8.3). The record of actual tonnage produced will be verify further at ASA-1 after the mill has certified.

#### 3.8.4

- RSPO IT Platform member registration number: RSPO\_1000004316 (Bukit Tunggal Jaya Mill)
- Certified CPO and PK sold to each buyer will be verify further at ASA-1 after the mill has certified

#### 3.8.5

The Certificate Holder has the procedure of Product Identification & Supply Chain (No. LSM-SUST-SOP-43 dated 1 January 2019). The procedures established and covering all elements of the supply chain model requirements, records and reports of compliance with supply chain requirements including training records. The procedures also identified role of implementation responsibility persons that trained. Based on interviews with mill clerk note that the clerk understands the procedure of supply chain which will be implemented after the mill certified.

#### 3.8.6

The Procedure to conduct annual internal audit are describe at procedure of internal audit (No. LSM-SUST-SOP-39 dated 1 January 2019). Internal audit is conforming to the requirements in the RSPO SCCS and the RSPO market communications and claims documents and effectively implements and maintains the standard requirements. The last internal audit conducted on 7 August 2019. The company also can show the record of the internal audits of supply chain and all actions taken to correct nonconformities.

**3.8.7**

The record of certified and non-certified FFB received will be verify further at ASA-1 after the mill has certified. The mill has no certified yet, so there is no overproduction of certified tonnage. The SOP of handling non-conforming oil palm products of FFB received (certified or non-certified) describe in procedure of Product Identification & Supply Chain (No. LSM-SUST-SOP-43 dated 1 January 2019). Non-conforming of oil palm product has described as a false in FFB received notes (certified or non-certified) and regarding of FFB received records. To handling on this non-conforming are to corrected the record base on FFB source (certified or non-certified areas) and monitored by mass balance record documents.

**3.8.8**

This matter will be verified further at ASA-1 after the mill has certified

**3.8.9, 3.8.10 & 3.8.11**

The company has not certified yet and there are no certified products, so there is no contract with a third party in handling certified products. Record the names and contact details of all contractors used for the processing or physical handling of RSPO certified oil palm products will be verified further at next assessment.

**3.8.12**

The company has not certified yet, so the records of certified products will be verified at next surveillance audit.

**3.8.13 & 3.8.14**

The company has not certified yet and the site doesn't apply a conversion rate.

**3.8.15**

The mill has procedure to ensure the verification of certified FFB and uncertified FFB received at mill. The procedure is No. LSM-SUST-SOP-43 dated 1 January 2019.

**3.8.16 & 3.8.17**

The company has not certified yet, so there is no transaction or claim that registered in RSPO IT Platform. This matter will be verified further at annual surveillance audit.

	<b>Status: Comply</b>	
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**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 an Employment and Human Rights Policy which was adopted by the Regional Head in June 2019. The policy states that the company will respect human rights as stipulated in Law No. 32 of 1999. The company is also committed to protecting whistle blowers related to human rights. The policy also states that the company is committed not to carry out acts of intimidation outside the law / violence in any form against human rights defenders, including the use of military / security forces. Based on interview with contractor worker, company worker, and representative of Simpang Tiga Semblangaan, Sungai Kelik, and Nangatayap Village, it is known that the understand about human rights. Also, there were no issues related to the use or violence of mercenaries or paramilitary use.

	<b>Status: Comply</b>	
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**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.**

Company has complaint procedure No. LGI-SUST-SOP-45 signed by Regional Head 5 on 8 October 2019 which explain the mechanism to dealing with complaint from internal or external stakeholder. Based on interview with representative of Simpang Tiga Semblangaan, Sungai Kelik, and Nangatayap Village, it is known that they understand about mechanism to delivery their complaint. Company also protecting whistle blowers related to human rights. It is written in Employment and Human Rights Policy which was adopted by the Regional Head in June 2019.

The person in charge to receive complaint and grievance is Corporate Affair, Estate Controller, dan Mill Controller, Head of CSR, Certification & Compliance Dept. If the complaint cannot be resolved, the company and the party who submitted the complaint will submit it through a mediation forum. The mediation forum must take place at a third party location or other place that has been agreed as a neutral venue. It can be aside from RSPO Complaint system.

#### 4.2.3, 4.2.4

Company documents the complaint resolution from internal stakeholder in "*Buku Keluhan*". Based on verification of *Buku Keluhan*, complaints from worker has responded by company well. Complain mostly about reparation of housing. However, based on interviews with FFB suppliers, it is known that there are complaints about the price of FFB and have been submitted to the company. But the company has not been able to indicate whether the complaints or questions from these stakeholders have been resolved or have not been documented. This becomes an OFI and will be verified in further assessments.

Company can show the complaint resolution documentation from community groups of Tanah Merah Hamlet about river pollution and it has been resolved at the district court in Ketapang. Based on decision No. 13 / Pdt.G / 2018 / PN Ktp stated that lawsuits from community groups were declared invalid. The auditor has conducted interviews with representatives of Sungai Kelik Village, Tanah Merah Hamlet.

Status: Comply

### 4.3

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

#### 4.3.1

Based on the results of FGDs carried out in SIA activities, information was obtained that the work program to be carried out by the company is in the social sector, strengthening stakeholders, social culture and the field of manpower, for community development activities it is derived in one product of the company's CSR plan activities.

The management unit shows the 2019 and 2020 CSR plans.

- Economic empowerment:
- Education Improvement
- Living environment
- Health
- Social and Cultural

Based on the results of interviews with the head of Sungai Kelik Village, it was stated that several planned programs had been implemented, for example in Sungai Kelik village assistance for freshwater fish cultivation. School construction, social and religious assistance.

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

The Company have an area for 5,718.63 Ha, which consist of Land Use Right (HGU) through Decree of Minister of Agraria and Chief of National Land Agency No. 93/HGU/KEM-ATR/BPN/2017 dated 29 August 2017 for 5,696.46 Ha. But The Company cannot show the land title for Bukit Tunggal Jaya Mill Area of 22.17 Ha. **NC 2019.10**

#### 4.4.2, 4.4.3, 4.4.4 & 4.4.5

The documents of compensation are documented in Bahasa included maps for each land that compensated. The results of compensation documents verification and interview with communities are known that there is no indigenous rights or customary rights. It also known that compensation process is done directed to the land owner and landowners are given the freedom to release their land without coercion.

#### 4.4.6

The company can show the evidence of land acquisition evaluation, as example on 10 January 2017. But the review is not conducted by consultation with affected parties. **NC 2019.11**

4.4.1	Status: Non-Conformity No. 2019.10 with Critical category	
4.4.6	Status: Non-Conformity No. 2019.11 with Non critical category	
<b>4.5</b> <b>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.</b>		
<b>4.5.1, 4.5.2, 4.5.3, 4.5.4, 4.5.5, 4.5.6, 4.5.7 &amp; 4.5.8</b> The company have a procedure to identify and assess any legal, customary and user rights (SOP-PAD-001). The results of compensation documents verification and interview with communities are known that there is no indigenous rights or customary rights. There is no planting established on local people's land that have legal of land. All area of planting has been released to the company through compensation and landowners are given the freedom to release their land without coercion. For about 68.35 Ha on HGU is not compensated yet and the company is not cleared the land. Based on interview with surrounding communities and previous landowner also not found any isolated society.		
	Status: Comply	
<b>4.6</b> <b>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.</b>		
<b>4.6.1, 4.6.2, 4.6.3 &amp; 4.6.4</b> The Company has compiled SOP of Land Compensation, document (No. SOP-PAD-001) related to identifying legal, customary or user rights, and for identifying people entitled to compensation. The procedure is described how to calculate and distribute fair and gender-equal compensation in all activities related to the compensation process for land over the land right cultivated by the Company, the purpose is to ensure the area of plantation free from others right. The compensation process was conducted in 2012 to 2015 and its documented. The results of compensation documents verification and interview with communities are known that compensation process is done directed to the land owner and given an equal opportunity to both men and women, and landowners are given the freedom to release their land without coercion.		
	Status: Comply	
<b>4.7</b> <b>Where it can be demonstrated that local peoples have legal, customary or user rights, they are compensated for any agreed land acquisitions and relinquishment of rights, subject to their FPIC and negotiated agreements.</b>		
<b>4.7.1, 4.7.2, 4.7.3</b> The company has a procedure in place to identify people and/or community groups entitled to compensation presented in document No. SOP-PAD-001. The procedure is describe how to calculate and distribute fair compensation, its also mentioned that FPIC shall be implemented since the beginning of estate and mill development. The company has no new land acquisition and legal acquisition or compensation payment had completed in 2015.  The results of compensation documents verification and interview with communities are known that there is no indigenous rights or customary rights. It also known that compensation process is done directed to the land owner and landowners are given the freedom to release their land without coercion. The communities that have lost access and rights to land also provided opportunities to benefit from plantation development such as plasma plantation cooperation and other benefit in the form of CSR program.		
	Status: Comply	
<b>4.8</b> <b>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.</b>		
<b>4.8.1, 4.8.2, 4.8.3 &amp; 4.8.4</b> The Company has established the mechanism for conflict resolution and land dispute in the procedure No. No. BGA-SOP-LSM-01-R0. Based on interview with communities and field observations, there were no land disputes and no land has been acquired through dispossession or forced abandonment of customary and user rights prior to the current operations.  However, it was reported by estate management that there were enclave area that have not been compensated for about 68.35 Ha. Estate management and occupant has agreed a resolution which mentioned that there will be no conflict		

between affected parties. This matter has gone smoothly without any conflicts, proved by field observation that not found any significant conflict and the company is not force to cleared the land. Hence it could be concluded that land conflict could be handled through a smooth and prior to kinship process which involving representative from respective Villages.

**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**

The management unit shows the FFB price determination document, there are two FFB pricing schemes that are accepted, for plasma plantations or cooperatives under the BGA Group, the price determined is the price set referring to the Plantation Agency price. Meanwhile, for general FFB suppliers it is based on the contract and price agreed upon by both parties. The management unit shows the FFB price fixing document from the West Kalimantan Plantation Agency for the July-September 2019 period. For example, the tbs price for the second period of September 2019 for Six-year-old plants is IDR 1,187.48 per kg. As for general seller prices, prices are determined daily and are informed to each supplier through the group, or the price is contained in the POM.

The management unit can show evidence of calculating the FFB price for both plasma plantations or for general suppliers, based on the verification results, it is known that the calculated price is in accordance with the discounted price in effect on that day (plasma) while for local suppliers the price paid is in accordance with the agreed price.

Based on the results of interviews with representatives from Sejahtera Mandiri Cooperative, it is known that the management unit pays the FFB price following the Plantation Agency price for the plasma scheme. As for the other third parties, the price decided is in accordance with the agreement of the two parties. So far, there have never been any late payments or price mismatches.

#### **5.1.2 & 5.1.3**

Based on the results of interviews with representatives from Sejahtera Mandiri Cooperative, it is known that the management unit pays the FFB price following the Plantation Agency price for the plasma scheme. As for the other third parties, the price decided is in accordance with the agreement of the two parties. So far, there have never been any late payments or price mismatches. Information on price changes for third parties is routinely informed from the PKS to the supplier through the WA group and the information is displayed at the entrance to the PKS. The supplier can access it by telephone to ask directly.

As for the price of plasma FFB, every two weeks the cooperative representatives get a copy of the price issued by the Provincial Plantation Office. So that the cooperative can calculate itself and make comparisons when the monthly book closing is done. Apart from that, the company routinely reports monthly to the cooperative. The contents of the report itself contain the amount of harvest according to the age of planting, the price prevailing in that period, the product of the FFB price with the tonnage of FFB.

The management unit can show an example of the Local FFB Sale and Purchase Agreement number: 001/SPKL/BTJM-TBS/IV/2019 dated April 19, 2019 which is valid for one year. The price of FFB is determined by the first party with reference to the FFB price determined by the Plantation Agency West Kalimantan Provincial. Based on the results of interviews and document review, so far there have been no complaints regarding the price of FFB.

#### **5.1.4, 5.1.5, & 5.1.6**

Based on the results of interviews with management and several related stakeholders such as (village representatives) FFB suppliers and cooperatives. It is stated that the company gives freedom to farmers (suppliers) to get assistance in determining decisions to understand their contracts.

The management unit can show an example of the Local FFB Sale and Purchase Agreement number: 001/SPKL/BTJM-TBS/IV/2019 dated April 19, 2019 which is valid for one year. The price of FFB is determined by the first party with reference to the FFB price determined by the Plantation Agency West Kalimantan Provincial. Based on the results of

interviews and document review, so far there have been no complaints regarding the price of FFB. The management unit can show proof of FFB payment to third parties or to plasma cooperatives under the BGA Group, payments have been made according to the prevailing price or the contract held.

Based on document review and interviews with stakeholders, cooperative or the third party FFB suppliers have not provided legal assistance to determine or make decisions in making cooperation because they have sufficient understanding of the contract terms being made.

#### 5.1.7

The company shows the document of the results of the Bridge Scale Calibration test conducted by the Directorate General of Consumer Protection and Commercial Order of the Directorate of Metrology Number: 901 / PKTN.4.11 / SKHP / 06/2018 on May 21, 2018 for a bridge with a capacity of 40,000 kg at PT Ladang Sawit Mas - Bukit Tunggal Jaya Mill.

#### 5.1.8

Based on the document review, the following facts are known: The company has FFB buying and selling cooperation for example Letter of agreement between Sumber Usaha Sejahtera cooperative and BTJM (SPK No. 002 / SPK-LSM / II / 2019)

The company has not been able to show documentation of support for independent smallholders related to the certification program, if it can be done, which ensures mutual agreement between the certification unit and the farmer concerned regarding the party implementing the Internal Control System (ICS), the party holding the certificate, and the party who owns and sells certified material. **Non-Conformity No. 2019.12 with Non critical category**

#### 5.1.9

The company has a Communication Procedure set out in the Code of Conduct (BGA-COC-HC-333.1-RO) regarding the Complaint Resolution procedure. External / internal communication in the form of an official letter submitted to the company in the form of complaints or information which the company responds to no later than 15 days after receipt. This procedure is designed to handle internal and external complaints. The Whistleblowing Mechanism can also be done through the complaint box and telephone hotline for workers.

Both internal and external stakeholders have a choice if the identity is not known in the reporting, namely through the special staff contact / email number that has been provided, or through the suggestion box with anonymity. Regarding the protection of whistle blowers, the company has installed a notice board at the front of the office area in each work unit, for example in plantations and factory offices. The main points of the notification are the address of the complaint (phone number & email) and the guarantee of confidentiality and protection of the reporter.

Based on a review of these documents, it is known that the company has documented and responded to complaints that have been received and that no complaints will be brought to the RSPO complaints system because these complaints can still be handled internally by the company. Based on interviews with workers and members of the Bipartite Cooperative, it was found that if a complaint cannot be handled by the company, then workers can file it through the RSPO complaint system. This is in line with the results of public consultations with the surrounding community. It is known that the surrounding community is aware of the complaint's procedures provided by the Company.

#### 5.1.8

**Status: Non-Conformity No. 2019.12 with Non critical category**

### 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 & 5.2.5

Based on the document review, the following facts are known: The company has FFB buying and selling cooperation for example Letter of agreement between Sumber Usaha Sejahtera cooperative and BTJM (SPK No. 002 / SPK-LSM / II / 2019).

The company has not been able to produce documentation of consultation activities with interested farmers (regardless of farmer type), including women, or other partners in its supply base to assess their need for support to improve their



livelihoods and their interest in pursuing RSPO certification. **Non-Conformity No. 2019.13 with Non-critical category**

The company has not been able to show documentation of the implementation of programs to improve livelihood standards, including at least increased capacity to increase productivity, quality, organizational and managerial skills, and certain elements of RSPO certification (including the RSPO Standard for Independent Smallholders). **Non-Conformity No. 2019.14 with Non-critical category**

The company has not been able to show documentation of the efforts made by the certification unit to farmers to support the legality of FFB production. **Non-Conformity No. 2019.15 with Non-critical category**

The company has not been able to show evidence that it has reviewed and publicly reported the progress of the farmer support program on a regular basis. **Non-Conformity No. 2019.16 with Non-critical category.**

#### 5.2.4

The company has a partnership smallholder, however, all of its operational activities are carried out by the company. The company shows that it has been given training on the handling of pesticides and the use of pesticides for each spray worker, for example based on the minutes of training in March 2019 at BTJE and HJYE which was attended by 39 people and in July 2018 at PT LSM.

5.2.1	Status: Non-Conformity No. 2019.13 with Non-critical category	
5.2.2	Status: Non-Conformity No. 2019.14 with Non-critical category	
5.2.3	Status: Non-Conformity No. 2019.15 with Non-critical category	
5.2.5	Status: Non-Conformity No. 2019.16 with Non-critical category	

### PRINCIPLE #6 RESPECT WORKERS' RIGHTS AND CONDITIONS

#### 6.1

**Any form of discrimination is prohibited.**

#### 6.1.1, 6.1.2

The company has policy of employment and human rights policy which signed in June 2019 by the Regional Head. The policy explains that the company is committed to providing equal employment opportunities by not distinguishing race, religion, degree, ethnicity, gender, skin color, imperfection (disability), sexual orientation, political affiliation, organizational membership, and age. Based on document verification of list of workers, company worker is from different regions, gender, religion, and race. There is no migrant worker in company. Also based on interview with worker, there is no discrimination between workers. Company also accept workers from local village.

#### 6.1.3, 6.1.4.

Company showed the latest recruitment documentation, for example:

- Recruitment documentation for mill worker such as application letter, copy of identity card, family card, and diploma certificate also result of medical check-up. Company also showed work agreement for probation time for 3 months No. LSM-WIL8A/SPK-PTH/X/2065, start from 1 November 2019 – 1 February 2020.
- Recruitment documentation for estate worker such as application letter, copy of identity card, family card, and diploma certificate also result of medical check-up. Company also showed work agreement for probation time for 3 months No. LSM-WIL8A/SPK-PTH/X/2095, start from 23 October 2019 – 23 January 2020.

All documents is kept in each estate and mill office and for work agreement, worker also get its copy. Based on interviews with woman workers in the estate, there was no pregnancy test at the time of recruitment. Recruitment is done by attaching a job application letter and a copy of identity.

#### 6.1.5

The company has formed a gender committee which aims to protect the rights of workers, especially female workers and handle complaints or violence when working. Based on interview with representative of gender committee of PT LSM, each estate also have the responsibility person for the gender committee. Gender committee is formed in July 2019 and has conduct some socialization about awareness of gender committee and company policy every month, for example

socialization on 20 August, September, October, and November 2019. There is no complaint from worker or woman worker about discrimination issue or sexual harassment issue.

#### **6.1.6**

Company showed copy of Decree of Kalimantan Barat Governor No. 590/DISNAKERTRANS/2018 about minimum wage and sectoral minimum wage for Ketapang Regency for 2019. Based on the document, sectoral minimum wage for oil palm plantation sector including oil palm processing is Rp 2,638,000 per month. Company also showed inter office memo No. 023/IOM-A/HC-BGA/XII/2018 issued on 20 December 2018 about determination of the wages of daily and monthly permanent worker in 2019 in region 6, 7A, 7B, 8A, 8B, and 10 (Ketapang Regency – Kalimantan Barat).

Then, company showed the wages documentation for each unit for daily and monthly permanent worker. For example:

##### **Daily worker**

Company showed wage documentation for generator operator in Bukit Tunggal Jaya Estate with worker ID 5112013, generator operator in Hamparan Jaya Estate with worker ID 13120006. Each worker get basic wage as much as Rp 2,638,000 with daily wage as much as Rp 105,520.

##### **Monthly worker**

Company showed wage documentation for worker in Bukit Tunggal Jaya Mill with worker ID 13000205 for November 2019. He gets basic wage as much as Rp 2,668,000 and also overtime payment. Company shows details of overtime hours in employee attendance documents which indicate that overtime hour calculation and payment are in accordance with applicable regulations.

Based on interview with worker, there is no complaint about wages payment. It has been paid in accordance with applicable regulation. And for harvester, the penalty for harvesting unripe fruit do not deduct the basic wage.

<b>Status: Comply</b>
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#### **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, 6.2.7**

Company has company regulation ratified through Decree of the Director General of Industrial Relations Development and Workers' Social Security No. 688/PHIJSK-PK/PP/V/2018 on 24 May 2018. Company regulation valid from 14 July 2018- 13 July 2020. This document rules employment aspects in company, including workers' rights and obligations. Based on interview with workers in estate and mill, they understand the content of company regulation.

Type of worker in company is daily and monthly permanent workers. For the latest recruit workers, they are including in daily permanent worker with probation period. Company showed work agreement with daily worker which rules the employment condition, for example about working hours, wage, overtime, leaves, and other employment aspects. Based on interview with worker, they have the copy of work agreement. For example:

- Work agreement No. 096 LSM-WIL8A/SPK-PTHX/2065 for mill worker valid from 1 November 2019 – 1 February 2020. The work agreement explains the assignment and placement, work order, wages, termination of the agreement, dispute resolution, and closing provisions. The work agreement has been signed by both the employee and the company.
- Work agreement No. 091 LSM-WIL8A/SPK-PTH/X/2095 for Bukit Tunggal Jaya Estate worker valid from 23 October 2019 – 23 January 2020. This agreement has been signed by both worker and company.

Company has showed wage documentation for each unit for daily and monthly permanent worker. The wage documentation showed the income and deduction. Income component consist of basic wage, premium pay, overtime payment, benefits, and other income. Deduction consists of social and work insurance, tax, debt, and other deduction.

##### **6.2.3**

Based on interviews with workers in the estate and mill, it is known that working hours in one day is 7 working hours. If employees work more than 7 hours, they will be paid overtime. If the employee works on holidays or weeks, the employee will be paid overtime too and overtime payment is in accordance with applicable regulations. The auditor has checked the example of overtime calculations on mill employees. Company also give leave for every worker. Based on interviews with



women workers in estate, they learned about maternity leave, which is 1.5 months before and after delivery and menstrual leave for 2 days.

However, based on the document verification and interview with stakeholder, found the following evidence:

- Based on the results of interviews with stakeholders, it is known that there is information related to termination of employees without notification in accordance with applicable labor provisions.
- The company shows the list of workers who have left the company starting in August 2019. Based on the review of the document, the names of former employees obtained from the interviews, written in the list of employees who have left the company.
- The company has not been able to show all evidence of employee termination documents from the sample set by the auditor.
- The company shows examples of employees who have left the company for being absent for 12 days based on absences for the period September 26, 2019 - October 25, 2019. But the company has not been able to show evidence of the employee's summons in writing after being absent 5 days (based on Company Rules and Law No. 13 of 2003).

Based on this evidence, the company has not shown evidence that employee termination are in accordance with applicable labor regulations. **Non-Conformity No. 2019.17 with critical category.**

#### 6.2.4, 6.2.5.

The company has provided facilities for employee welfare, such as adequate housing, toilet facilities, clean water, electricity, health facilities, and daycare facilities. Based on field observation to employee housing in Bukit Tunggal Jaya and Hamparan Jaya, it is known that the company has provided these facilities for employees. The employee's house consists of 2 rooms, 1 bathroom inside the house, clean water provided by the company through the wellbore and the water is always there. If during the long dry season and employees lack clean water, the company still provides water to employees by carrying water in a unit of water tank. Electricity comes from generators, health facilities in the form of clinics and also provide maternity activities. Employees can go to the clinic for free. For educational facilities, the company provides a school bus to pick up employees' children.

Based on interview with workers, they get staple food by accessing the nearest market from estate, about 15 KM from worker housing. Access road to the market is well available. The price of food sold in the market is also affordable. Workers will shop for groceries once a week or once a month.

#### 6.2.6

Based on the document "Statement from the RSPO Standards Committee Regarding Indicator 6.2.6 on Decent Living Wage" endorsed by the RSPO BoG 7 November 2019, it states that: For countries where no living wage standard is set, until a benchmark time is adopted by the RSPO for that country to exist, national minimum wages must be paid to all workers. In addition to payment of the minimum wage, the certification unit must conduct an assessment of the applicable wage and benefits in the form of goods provided to workers in the certification unit that are in line with RSPO guidelines for implementing a living wage (DWL).

Based on the auditor verification, the company has currently implemented a minimum wage, but the company has not been able to show the results of the calculation of the applicable wages and benefits in the form of goods given to workers.

The company has not been able to show the results of the calculation of applicable wages and benefits in the form of goods given to workers that are in line with RSPO guidelines for implementing a decent living wage (DWL). For example, housing allowances, water, electricity, health facilities, children's education, food, Etc. It becomes non conformity **No. 2019.18 with normal category.**

6.2.3	Status: Non-Conformity No. 2019.17 with Critical category	
6.2.6	Status: Non-Conformity No. 2019.18 with Non-critical category	

#### 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**

The company has an Employment and Human Rights Policy signed by Regional Head in June 2019 which in point 3 states that the company respects the right of every worker to form or become a member of a trade union. Company has formed Bipartite cooperative and worker union. Based on interview with representative of worker, company allowed workers to formed and join worker union. There is no intervention from company in any activity of union or bipartite cooperative.

The documentation on meeting between company and representative of workers is documented in form of list of attendance and minutes of meeting. For example, meeting on 1 November 2019 about establishment of bipartite cooperative. The documentation is available for member/worker if requested.

**Status: Comply**
**6.4**
**Children are not employed or exploited.**
**6.4.1, 6.4.2, 6.4.3, 6.4.4.**

Company has Employment and human rights policy signed by Regional Head in June 2019 which in point 4 states that company will not employ children under 18 years old. Based on document review of list of worker and field observation in mill and estates, there were no worker under 18 years old. Auditor also did not see any harvester is helped by their family (child). Based on interview with worker, they are aware that minimum age to work in company is 18 years old. However, company could not show the documentation of age verification or written requirement for contractor worker. It becomes non conformity in indicator 2.2.3.

**Status: Comply**
**6.5**
**There is no harassment or abuse in the workplace, and reproductive rights are protected.**
**6.5.1, 6.5.2, 6.5.3, 6.5.4.**

Company has policy to prohibit any form of sexual and all other forms of harassment and violence in Sexual Harassment Procedure No. BGA-SOP-HC-311.2-R0 and in Employment and human rights policy signed by Regional Head in June 2019. The Sexual Harassment procedure explains the mechanism for reporting if there is sexual harassment, victim handling and protection of victims, witnesses, and perpetrators, investigations, until giving sanctions. Based on interview with worker in estate and mill, representative of bipartite and gender committee, there was no complaint about harassment or abuse in workplace. Workers, especially woman workers are understood about their reproductive rights. They also know how to report if there was a harassment or abuse in workplace. Company also protect the identity of reporter.

Related to new mother, the company has not yet identified the presence of new mothers, so an assessment of the needs of new mothers has not been made. Therefore, companies are encouraged to identify the existence of young mothers first, then make an assessment of the needs of young mothers if there are known young mothers in the certification unit. (OFI).

**Status: Comply**
**6.6**
**No forms of forced or trafficked labour are used.**
**6.6.1, 6.6.2**

There is no migrant worker in company. Workers are from surrounding village or within Kalimantan Barat or outside Kalimantan Barat. Workers entered the company voluntarily and has signed the work agreement without force. The work agreement that explains about the obligation and rights of the worker, and other provision. They work based on the contract and work order. Based on interview with worker in estate and mill, there is no compulsion towards overtime work, contract substitution, or others form of forced labor. Based on field observation in estate, auditors did not sight any harvester accompanied by their wife or children. Also based on interview with the harvester and committee of worker union, there were no complaint about working hours.

**Status: Comply**

**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 already has persons that responsible for the OHS program within the organizational structure of Committee of Occupational Health and Safety (*P2K3*) established in each management unit. The organization routinely conducts monthly meetings on OHS issues in the workplace. The documentation of the meeting was recorded and stored well.

The company routinely send *P2K3* quarterly reports to the Office of Manpower and Transmigration Agency, for example, indicated by minutes of PT LSM *P2K3* Quarterly III Report on 12 December 2019. Example of record of *P2K3* PT LSM monthly regular meeting on 25 November 2019, which discusses about OHS in unit. Based on interviews to workers who are members of the *P2K3* organization it is known that monthly meetings are always routinely conducted to discuss about OHS such as consistency of PPE usage, work accident report, fire simulation, checking of emergency response equipment, OHS sign board, cleanliness of work area, etc.

**6.7.2**

The company has an SOP regarding Emergency Preparedness and Response (No: LSM-SUST-SOP-23, dated January 1, 2019, passed by Regional Head 5). The SOP includes an explanation of the procedures for land fire control, factory and office fire management, explosion prevention and prevention, handling and prevention of hazardous spills / leaks, earthquake handling, evacuation procedures and others. Based on interviews with workers in estate and mill, it was concluded that all workers understood emergency procedures and in case of an emergency, they knew where the position of the muster point was.

PT LSM has already licensed first aid officers and there was first aid internal training conducted on 3 December 2019 which was attended by 28 participants. Based on field visits and interviews, it was found that all the supervisor in each of activities were equipped with first aid kit and had been trained on the use of first aid boxes and the supervisor explained the usefulness of each first aid kit.

**6.7.3**
**Use of PPE**

The company has a PPE Control Procedure (LSM-SUST-SOP-20, January 1, 2019), in section 6.3 it explains that every employee is required to wear PPE properly while working and in areas where PPE is required. From the identification of the use of PPE owned by the company, it is explained that the PPE used by harvest workers is a helmet and shoes; FFB loading workers, namely helmets and shoes; Land Application operators namely shoes, helmets and masks; kernel station operators, namely helmets, shoes, masks and earmuffs; press station operators, namely helmets, shoes, masks and earplugs. From the results of the auditor's verification, the following evidences are found:

- Based on field observations and interviews with 2 harvest workers in block E16 BTJE, it is known that the 2 workers did not wear helmeted PPE while working.
- Based on field observations and interviews with Land Application operators, it is known that these operators do not wear masks while working.
- Based on field observations and interviews with 2 press station operators, it is known that 1 out of 2 operators do not use earplugs when working.
- Based on field observations and interviews with kernel station operators, it is known that these operators do not use earmuffs when working.

**PPE Replacement**

The company has a PPE Control Procedure (LSM-SUST-SOP-20, January 1, 2019), in section 6.8 it explains that if the employee's PPE is damaged, the employee has the right to get a new PPE by submitting the damaged PPE and filling out the handover proof form. From the results of the auditor's verification, the following evidences are found:

- Based on field observations and interviews with 5 spray workers in block E13 BTJE, it is known that 1 in 5 of these workers wear damaged PPE shoes.
- Based on field observations and interviews with operators at BTJM (sorting stations, sterilizer stations, press stations, clarification stations, engine room stations, kernel stations and boiler stations), it was found that 6 out of 11 operators interviewed used PPE shoes that were bought themselves because the shoes were given the company is out of

order.

Based on the evidence above, it is concluded that there are the following discrepancies:

1. The company has not been effective in ensuring that PPE is used by workers in the field in accordance with existing procedures.
2. The company has not been effective in implementing the procedure for replacing the damaged PPE of workers in accordance with existing procedures.

This becomes **Nonconformity No. 2019.19 with the Critical category.**

Sanitary facilities for pesticide operators are available such as bathing areas, changing clothes and others. Wastewater from the rinse is stored in a place that has been made permanent to prevent contamination of water sources or soil.

#### 6.7.4

The company has provided medical care for all workers. Medical care is covered by worker and health insurance (*BPJS*). The payment for BPJS is conducted every month according to the available rule. Besides, the company also provide medical facilities for workers if work accident is occurred. Work accident will be reported to the *BPJS* Agency and claim for it will be done if the medical process has been completed. Based on document verification, every worker has been registered to health insurance and accident insurance (*BPJS Kesehatan dan Ketenagakerjaan*). Based on interviews with workers at POM and workers in the Estates (spray workers, fertilizer workers, harvest workers), it was concluded that all of the employees were aware of medical service procedures in the event of a work accident or illness. All employees interviewed also claimed to have a *BPJS* card and if they went to the company's clinic there was no fee at all.

There are some contractors in certification unit. Based on interview with contractor representative, it is known that the accident insurance and health insurance for contractor's workers is covered by the head of contractor itself.

#### 6.7.5

The company has calculated the Lost Time Accident every month for monitoring the recording of occupational accidents. It shown the Lost Time Accident calculation per November 2019. This document informs the number of workers, number of working days, the number of non-effective working days, overtime, hours of work in total, the number of accidents, the number of working days lost, hours of work a year, the number of accidents a year, lost days a year. Calculation of SR and FR is reviewed regularly and will be evaluated at monthly meeting of OHS Committee.

<b>6.7.3</b>	<b>Status: Non-Conformity No. 2019.19 with Critical category</b>
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### 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

The company has a documented IPM management plan in its Annual Work Plan. The plan is detailed in the Monthly Work Plan which will be realized in the Manager Monthly Report. Identification of pests that have the potential to be listed in the SOP for controlling pests and diseases. The types of pests that have been identified can cause potential including leaf-eating caterpillars, rats, *Oryctes rhinoceros*, *tirathaba* and termites. In the SOP for Pest and Disease Control, biological control that can be carried out includes planting of beneficial plants as host plants for predators and leaf-eating caterpillars parasitoids, such as *sycanus*. The company has also planned to use a natural predator of rats, namely owls (*Tyto Alba*), but this will be realized in 2020. Pesticides are only applied if the census results show the level of attack is above the control threshold. As long as the intensity of the pest attack is still below the control threshold, pesticide application is not carried out.

The company can show records of pest incidents and their control, for example there is an attack by rats in block B12a BTJE whose census results are above the threshold (> 5%) on August 2019, then control is carried out using racumin (coumetetralyl) in the first stage campaign at 27 August 2019, then in the second stage the feeding was carried out again on 10 September 2019 and the result was that 9% of the bait was eaten (the feeding was stopped because the bait was eaten by the rats at 20%). Based on the recorded pest observations in November 2019, there were no rats attack that

were above the threshold. This is in accordance with the results of the auditors' field visits to the harvest blocks in BTJE and HJYE where there were no significant signs of rat attack on FFB.

The company has records of the training implementation for workers who are involved in the implementation of integrated pest management, for example, Integrated Pest Management training on 13 July 2019 with the number of participants are 4 employees. Based on interview with the worker revealed that the worker understands the method of plant pest and diseases census or detection.

#### 7.1.2

Based on document review and interviews with relevant management, it is known that the company does not use the species mentioned in the Global Invasive Species Database and CABI.org in integrated pest control.

#### 7.1.3

Based on the study of pest control documents, pest control procedures owned by the company, as well as interviews with related management, it is known that the company does not use fire in controlling pests.

<b>Status: Comply</b>
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### 7.2

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

#### 7.2.1

The company has SOP and work instruction on weeds management, the guidance covering about chosen, storage, application, contaminated handling, known about signs and symptoms of pesticides poison and first aid for poison case. To ensure pesticide used are in accordance with the target, company conducted identification the type of weed found in operational area.

Based on field visits and interviews with pesticide applicators in BTJE and HJYE, it was concluded that workers knew about the function of the chemical used and selective when doing the spraying activity, as for example for glyphosate material used to spray the circle and harvesting path only while the weeds in inter row not sprayed. The company used *Isopropil amina glyphosate* and *Metil metsulfuron* which have received permission from the government. Based on document verification and observation to pesticide storage, there is no prohibited chemicals use.

#### 7.2.2

The company has documented records of pesticide toxicity in the document of Monthly Pesticide Toxicity Data. The document is recorded product name, active ingredients, LD<sub>50</sub>, area treated, amount of active ingredients applied per Ha, and total application. This document is constantly recorded and updated by Estate Sustainability Officer each month.

#### 7.2.3 and 7.2.4

The IPM plan that has been implemented includes planting beneficial plants as a place to perch on palm oil leaf-eating caterpillars. In addition, the company has also carried out routine early detection as stated in the monthly early warning system report. The company has also planned to use a natural predator of rats, namely owls (*Tyto Alba*), but this will be realized in 2020. Based on shown pesticide use data, the use of pesticides for pests has been minimized because application will only be carried out if the census results are above the control threshold. Moreover, it has also conducted early detection routinely listed in the monthly report of early warning system. Based on document review, there is no prophylactic use because the use of chemicals is only intended to control pests that are known to be above the threshold.

#### 7.2.5

Based on the Internal Agriculture & Technical Circular dated 09 May 2015 from the Head of Oil Palm Research to all Area Controllers containing:

1. Herbicides class 1A and 1B (Paraquat) are no longer used in weed control.
2. For Estate that have stock of paraquat herbicide, it can be used until the herbicide runs out and is not allowed to return to make new orders or purchases.
3. To control weeds of saplings around which there is *nephrolepis*, do not use *methyl metsulfurone* but use *triclopyr*.

Based on document verification and field visit to pesticide storage, BTJE and HJYE no longer use paraquat and in the

last 3 years do not use pesticide with WHO 1A or 1B class.

#### **7.2.6**

The company shows that it has been given training on the handling of pesticides and the use of pesticides for each spray worker, for example based on the minutes of training in March 2019 at BTJE and HJYE which was attended by 39 people and in July 2018 at PT LSM. Based on observations at the pesticide storage warehouse in BTJE and HJYE, there are MSDS for pesticides in the warehouse.

However, from the results of the auditor's verification, the following evidences are found: Based on observations on spraying activities in block E13 BTJE, it is known that pesticide spills directly into the soil body during the process of filling the pesticide into the spray equipment. Based on this evidence, there is no handling of pesticides by methods that can minimize risks and negative impacts. This becomes **Nonconformity No. 2019.20 with Critical category.**

#### **7.2.7**

The company has an HSE Work Instruction for the Use & Control of Pesticides Number BGA / LSM-K3 / IK-01/03/2012 Revision number 0 approved by Area Controller 3 dated March 14, 2012, besides that the company already has SOP for pesticide packaging waste management, namely BGA / LSM-K3 / IK-01/03/2012, ratified on March 12, 2012. The procedure states that all empty pesticide packaging must be controlled and managed properly and cannot be used for employee consumption activities, such as water containers, food. Pesticide used packaging which is not reused must be immediately perforated and sent to hazardous waste storage. Based on the results of field visits to the PT LSM area warehouse, it was found that pesticides were stored in a special warehouse, grouped by type. Stored on pallets. and MSDS is available for each type of pesticide.

#### **7.2.8**

The company already has a Hazardous waste storage permit in accordance with the Decree of the Regent of Ketapang Number: 362/DPMPSTSP-D.B/2018 regarding the hazardous waste storage permit to PT lading Sawit Mas in Nanga Tayap District which was issued on 23 October 2018 and is valid for 5 years.

PT LSM has a cooperation in managing hazardous waste with PT Primanru Jaya with SPK 205 / LGL / MOU / PMJ-LSM / IX / 2019 dated 1 September 2019 which is valid until 31 August 2019.

Based on the results of field visits to several areas such as pesticide warehouses, hazardous waste storage and housing areas, the following facts are known:

- Found 2 used round up pesticide packages in landfill area of BTJE Block E27 area
- Found empty pesticide packaging stored in the BSS HJYE area

This is a Non conformity in indicator 7.3.2

#### **7.2.9**

The results of the document review, interviews with management and employees, and field observations revealed that the company did not apply pesticides by air.

#### **7.2.10**

The company can show a list of spray employees owned by each estate in PT LSM, for example the BJYE plantation has 60 spray employees (53 women and 7 men). Special health checks were shown for pesticide applicators in BJYE plantations which were carried out the last time on 11 December 2017 and special health checks for pesticide applicators in HJYE and BTJE which were carried out the last time on 11-18 December 2017. However, the company showed a letter from Kimia Farma Clinical Lab to PT LSM which contains confirmation that they will conduct medical check-up activities at PT LSM on 17 December 2019. **OFI**

#### **7.2.11**

The company has an Internal Office Memo (No: 013 / IOM / KOORDINATOR DOCTOR / BGA / 2019) regarding Policies for pregnant and lactating women workers. It was explained that pregnant and lactating women workers are not allowed to work in contact with chemicals (fertilizers, poisons, etc.) which is strengthened by a recommendation letter from the polyclinic.



Based on interviews with spray workers in HJYE and BTJE plantations, these workers admitted that the company prohibits pregnant women workers from carrying out spray activities. From the results of the interview, none of the employees were pregnant or breastfeeding.

<b>7.2.6</b>	<b>Status: Non-Conformity No. 2019.20 with Critical category</b>
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### 7.3

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

#### 7.3.1

The CH has identified its waste and pollution source and developed waste and pollution management plan in 2019. The identification is grouped based on estate and mill activity. Among the identified waste and pollution source in estate are manuring activity, clinic, workshop, spraying activity, office, warehouse and housing complex, generator use and transportation. Meanwhile, the source of pollution and waste identified in mill among others are processing activities, workshop, office, laboratory and WWTP.

#### 7.3.2

The company already has a hazardous waste storage permit in accordance with the Decree of the Regent of Ketapang Number: 362/DPMPSTSP-D.B/2018 concerning the hazardous waste storage permit to PT ladang Sawit Mas in Nanga Tayap District which was issued on 23 October 2018 and is valid for 5 years.

PT LSM has a cooperation in managing hazardous waste with PT Primanru Jaya with SPK 205 / LGL / MOU / PMJ-LSM / IX / 2019 dated 1 September 2019 which is valid until 31 August 2019. CH shows the last hazardous waste Manifest transported by PT Primanru Jaya on October 5, 2019 using the B9118QT vehicle with the following details:

- TL lamp of 29 kg with manifest BC 0021472
- Clinical waste as much as 299.5 kg with manifest BC 0021473
- 2,840 tons of used oil with manifest BC0021467
- Used filter as much as 190.7 kg with manifest BC0021469
- Used majun as much as 0.1133 tons with manifest BC0021470
- Contaminated packaging 276.9 kg with manifest BC0021471

Hazardous waste was reported on December 11, 2019 to the Public Housing Service for Settlement Areas and the Environment of Ketapang Regency.

Based on the results of the field visit, the following facts are known:

- Found 2 used round up pesticide packages in Landfill BTJE Block E27 area
- Found empty pesticide packaging stored in the BSS HJYE area
- There is no water trap for the used flow of washing spray work equipment and fertilizers in the BSS and BMS HJYE areas, the water used for washing directly flows into the ditch.

The company has not been able to show proof of waste disposal in accordance with applicable procedures and regulations. **Non-Conformity No. 2019.21 with Non-critical category**

Based on the results of interviews with management waste from mill is used for fuel needs and applied to the land. while the hazardous waste is collected and transported by licensed transporters.

The management unit can show documentation of liquid waste management that is applied to the land application area every month. examples of POME applications in November 2019 were 21,763 M3. while the application of fiber was 3,932 tons and shells as much as 1,953 tons.

#### 7.3.3

The results of field visits in several areas in PT LSM showed that the company had carried out waste management by not burning. For hazardous waste it is stored at the licensed hazardous waste warehouse, while domestic waste is disposed of and dumped in the Landfill area, such as the results of visits to the Bukit Tunggal Jaya Estate block E27.

<b>7.3.2</b>	<b>Status: Non-Conformity No. 2019.21 with Non-critical category</b>
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**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 and 7.4.4**

The company has Technical Guidelines for Palm Oil Plantation / Oil Palm Agronomy Standard Operational Procedures to manage soil fertility issued on 25 May 2011, including:

- BGA-AGR-KS-SOP-01 Volume 1 contains soil and water conservation (SOP-05) and legume planting (SOP-06)
- BGA-AGR-KS-SOP-01 Volume 2 contains about Fertilization (SOP-09)

The company shows the results of fertilizer recommendations in 2019. The types of fertilizers used are NPK 12, Urea, RP, MOP, HgFB dan Kieserite. The verification of fertilization activities documents for the period until November 2019 in each estate were in accordance with the recommended dosage. Fertilization activity records are recorded well by the company that explains the type of fertilizer, the number of workers, work performance, and the dosage used. For example in the BTJE for NPK 12 fertilizer has a program in 2019 totaling 1,856.92 tons and as of November 2019 it has been realized 1,861.30 tons and in the HJYE for urea fertilizer has a program in 2019 totaling 350.05 tons and as of November 2019 it has been realized 83.86 tons.

Records that prove that the fertilization program is in accordance with the agronomic report can be seen from the program documents and fertilization realization which are contained in the manager's monthly physical report which is made every month.

**7.4.2**

The company has a soil and leaf sampling mechanism for analysis as a recommendation for fertilization. These mechanisms are contained in:

- Inter Office Memo No: 004/IOM/RSC/II/15 from the Head of Oil Palm Research to all research assistants on soil sampling. Where it is explained that soil extraction is carried out by 20% of the total blocks that exist each year and the sampling points are three positions, namely the inter-plant with a depth of 0-30 cm and 30-60 cm.
- The company demonstrates the leaf sampling mechanism described in the Inter Office Memo No. 153 / RSC-ADM / XII / 15 from Research Manager and Group Head of Oil Palm Research dated December 7, 2015. Leaf sampling was carried out with the norm of 1 sample for each 1 hectare if the block area is 30 Ha. Blocks of more than 30 Ha 1 sample for every 1.5 Ha. The main sample was taken with a diagonal pattern from South-East to North-West according to field conditions. The sample rows used multiples of 4. Vegetative measurements (number of fronds, width and thickness of 17 th petiole, stem height, stem diameter, leaf length and width, number of leaflets) were only 20% of the total sample.

Soil and leaf sampling is carried out in accordance with IOM, which is carried out annually as a basis for fertilizer recommendation. The last Soil and Leaf Sample Test was carried out in 2019 as a recommendation material for the preparation of a fertilizer program for the 2020 period carried out by the Analytical Laboratory of the BGA Group Research Department.

The results of leaf analysis (30 July 2019 were completed analysis) in BTJE, HJYE, NJYE and BJYE informed about the content of elements N, P, K, Mg, Ca, and B. While the results of soil analysis (20 July 2019 were completed analysis) informs about soil types, pH, C-organic content, elements of N-total, P, Ca-dd, Mg-dd, K-dd, and CEC.

Visual observation is a consideration in determining the fertilizer recommendations, deficiency of nutrients and analyze the potential of disease which is likely to become endemic of a particular disease.

**7.4.3**

The company has a strategy of recycling nutrients, such as the use of the frond (pruning) and EFB Mulching. The company shown a recording of the realization of EFB applications in 2019 on BTJE and HJYE. Based on field observations on the EFB application in block F66 Division 1 HJYE and block G30 Division 3 BJYE, it is known that EFB application has been implemented in the field.

**Status: Comply**



**7.5**
**Practices minimise and control erosion and degradation of soils.**
**7.5.1; 7.5.2 and 7.5.3**

The company has maps that identify marginal and fragile areas, topographic maps that explain land slopes and maps of peat areas. The map is used to identify areas that are inappropriate for planting. Based on general field observations, it is known that the area in PT LSM tends to be flat and bumpy. There is no steep area planted with palm oil. At the time of the audit activity, there were no new planting activities in the area of the company's 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; and 7.6.3**

The company has maps that identify marginal and fragile areas, topographic maps that explain land slopes and maps of peat areas. The map is used to identify areas that are inappropriate for planting. Based on general field observations, it is known that the area in PT LSM tends to be flat and bumpy. There is no steep area planted with palm oil. At the time of the audit activity, there were no new planting activities in the area of the company's management.

The company can show topographic maps and land surveys in the management of planting areas. This information has been used by the company in the development of oil palm plantations which are now underway such as the establishment of road, bridge, water gate, trench and other infrastructure.

**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**

The management area of PT LSM consists of peat and mineral areas. Peat area was peat below 3 meters deep. From the statement area data shown it is known that PT LSM oil palm plants was the first cycle. No new plantings were carried out on peatlands after 15 November 2018.

**7.7.2**

The company has reported the existing peat areas within the managed area to RSPO on 11 November 2019 via email with the aim of Devaladevi Sivaceyon (devaladevi@rspo.org). Screen capture evidence of sending the email is available. In the report, the peat area in PT LSM is reported to be 1,682.88 hectares.

**7.7.3**

The company has a subsidence monitoring standard of 4 compliance points with details: BTJE 3 compliance point and HJYE 1 compliance points. Monitoring of subsidized stakes is conducted every month. From the results of this monitoring, various results were obtained. The company shows the results of monitoring subsidized stakes, for example in block C11 BTJE from January 2018 to November 2019 there was a decrease in land surface of 4.2 cm. In general, the results of monitoring subsidence stakes concluded that there was no significant land subsidence.

The results of the field observations in the block F55 HJYE, it is known that the company has installed subsidence stakes and is in a well-maintained condition.

**7.7.4 and 7.7.6**

The company has guidelines and measurements for water levels issued by the Deputy Head of Oil Palm Research on 5 May 2018 which explains how to manufacture a water level meter and how to measure it (water level is maintained at 60-70 cm). The company also has a documented program for water management such as routine water level monitoring and piezometer.

PT LS can show water level monitoring documents and piezometer from January 2018 to November 2019. The average water level is 42-70 cm above the ground. Water level monitoring is carried out every 1 month. At the time of observation to block F55 HJYE, the water level on the piezometer is at 14 cm from the ground level and at the stake the water level is

at 20 cm from the ground level. The company also has maps depicting flood-prone positions, the position of the piezometer stake, water level and water gate.

Based on field observations in the peat areas of PT LSM in general, there are ground cover crops such as legumes and nephrolepis in the dead trees of each crop path.

#### 7.7.5

Based on the document review, PT LSM have no replanting plans in the next 5 years. The oldest planting year in PT LSM was the 2012 planting year (7 years old).

#### 7.7.7

Based on the hectares of PT LSM statements shown, from the entire area of the company's management, there are areas that are not planted with oil palm. The area consists of roads, buildings, factories, lake borders, reserved areas, occupations and conservation areas. Of the areas not planted with palm oil, there is a peat area that is a conservation area and the company has managed the area to become HCV. Based on field observations to the company's HCV area, it appears that the area is naturally protected and overgrown by its natural vegetation.

**Status: Comply**

### 7.8

#### Practices maintain the quality and availability of surface and groundwater

##### 7.8.1

The management unit has an SOP for high conservation value management program with document number BGA-SOP-CCS-1113 which was approved in 2012 by the director. This SOP contains procedures for the conservation of HCV areas including river boundaries and water sources, for example.

- Put up boundary marks in the field
- Involve the community in using water sources to manage water sources and prevent diversion of their functions
- Monitor periodically to determine water table, water quality and take corrective actions
- Buffer zone management
- Control of chemical applications
- Water management program

Based on environmental documents that are owned, it is known that management is to maintain the quality of surface water, among others.

- Monitoring of surface water quality every 6 months in the Pawan and Putih Rivers and their tributaries.
- Monitoring of WWTP outlets and monitoring wells is done once a month.

The company has guidelines and measurements for water levels issued by the Deputy Head of Oil Palm Research on May 5, 2018 which explains how to manufacture a water level measuring device and how to measure it (water level is maintained at 60-70 cm). The company also has a documented program for water management such as routine water level monitoring and piezometer.

PT LSM (BTJE and HJYE) was able to show water level monitoring documents and piezometer from January 2018 to November 2019. The average water level is 42-70 cm above the ground. Water level monitoring is carried out every 1 month. At the time of observation to block F55 HJYE, the water level on the piezometer is at 14 cm from the ground level and at the stake the water level is at 20 cm from the ground level.

##### 7.8.2

The management unit has identified water flows and wet areas and can show a map of the distribution of watercourses and wetlands contained in the HCV distribution map of PT Ladang Sawit Mas. Some of the wetlands in the company's area are peat areas, swamp areas are inundated. Meanwhile, rivers found in the PT LSM area include the Dukuh river, the Putih River, Peninjau River, the Semblangaan River, Penjataan River, Tanah Merah River and others.

The river area that is inside the company's permit is included in the company's HCV area, where one of the managements that is carried out is not carrying out management as far as 50 meters from the riverbank, based on the results of visits to

low areas in blocks D11C BTJE and F42C HJYE it is known that the watery area has been managed by management.

### 7.8.3

The company has an Approval for the Implementation of the Assessment of Wastewater Utilization by PT Ladang Sawit Mas on a 23.01 Ha plantation with an installed capacity of 35 tons of FFB / hour on 24 January 2018. The management unit can show documents on the results of field verification carried out by the Public Housing, Residential Areas and Living Environment Office on November 28, 2019 in accordance with the supervision letter Number: 660.1 / 3359 / PERKIMLH-C / 2019 dated November 21, 2019. Verification activities are carried out by 4 people, which consists of the Head of Planning and Environmental Impact Studies, Head of Complaints and Law Enforcement, and 2 Environmental Impact reviewers.

The purpose of field verification is in accordance with a request from PT LSM, namely a request for a change in the location of the Block and an increase in the area of the permit plan from 175.14 Ha (17 blocks) to 321.1 Ha (24 Blocks) in BTJE due to an increase in factory capacity. Companies are encouraged to ensure The progress of completing the Land Application study permit until the definite permit for the Land Application activity (**OFI**)

The company conducts waste quality testing every 1 month in a limited laboratory, based on the results of the BOD quality test during 2019 it is known that it does not exceed the applicable parameters.

### 7.8.4

The management unit can show water usage monitoring data for FFB processing activities. The average water use during the 2019 period is 2.0 M3 / FFB process. The management unit can determine local tax (surface water tax) for the period October 2018-March 2019, besides that the management unit has shown documentation of proof of payment via bank transfer made on 1 July 2019.

	<b>Status: Comply</b>	
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## 7.9

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

### 7.9.1

The company has plans to increase the efficiency of the use of renewable fuels available in the GHG mitigation document, where one of them explains the use of renewable fuels for fossil fuel substitution.

The company has reduced the use of fossil fuel by use of energy renewable, the record of efficiency use of fossil fuels for 2019, which inform:

- The actual Biodiesel used in 2019 amount 0.29 l/ton of FFB from budget 0.33 l/ton of FFB.
- The saving of Biodiesel of 2019 caused by the usage of fiber and shell amount of 94 %.

	<b>Status: Comply</b>	
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## 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

Yes, the management unit carried out new developments after 2014, new opening activities after 2014 had begun with NPP activities which were carried out on 17 September 2014. The company has not been able to show GHG monitoring documents through the Palm GHG Calculator. **Non-Conformity No. 2019.22 with Critical category**

### 7.10.3

CH has identified source of waste including emissions from plantation and activities, as indicated in the EIA document and Waste Identification document. In the mill, the major emission source is from POME and the use of diesel fuel for generators and vehicles. Some of the main sources of pollution in palm oil mills are as follows: liquid waste from processing, generator / engine emissions, boiler emission of combustion of renewable fuel, dust from road transportation, emission from CPO and FFB transportation. Greenhouse gas emissions source in plantation are mostly from the use of chemical fertilizers, fossil fuel for transportation, and N2O emission.

Fossil fuel reducing have been implemented by fiber and shell usage. Realization of renewable energy have been monitored on monthly report for fiber and shell usage. The monitoring every months and the last monitoring periods is November 2019.

Monitoring for emission and pollutants (air emission, air ambient, odor, noise, and vibration) from estate and mill was done periodically every 6 months, covered on RKL/RPL implementation report and reported to environmental agency periodically. 1st Semester 2019 testing result indicates all parameters related to emission are still comply with standard quality. Such as, CH conducts noise level testing according to decision of environment minister number 48 year 1996.

<b>7.10.1</b>	<b>Status: Non-Conformity No. 2019.22 with Critical category</b>
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#### **7.11**

**Fire is not used for preparing land and is prevented in the managed area.**

##### **7.11.1**

The no-burn policy is contained in the environmental and biodiversity policy approved by the Regional Head on 01<sup>st</sup> June 2016 which states that Certificate Holder in carrying out its business is committed to land clearing using a zero-burning system (without burning) in all plantation development and waste disposal activities.

The certificate holder has SOP No. BGA-AGRKS-PTKS-PLH was approved by the Director on 04<sup>th</sup> January 2011 concerning Land Preparation, where in the procedure explained that land clearing was carried out mechanically and without burning (Zero Burning).

Based on the results of field visits at the BTJE dan HJYE, it was found that there were no signs or evidence of land clearing carried out by burning, all land clearing was done mechanically by the certificate holder.

##### **7.11.2 & 7.11.3**

The management unit has a fire prevention and control plan which is carried out by means of routine patrols during the dry season, using host spot satellite data. Based on the results of a field visit to the fire fighter Warehouse area, it was found that the equipment for fire emergency preparedness was available and could function properly.

Based on the results of interviews with the people of Simpang Tiga Semblangaan Village, Tanah Merah sub-village and other villages around the company, informed that the company had conducted fire control training and assistance by forming a fire-care community and conducting regular outreach to the community every year.

<b>Status: Comply</b>
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#### **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 & 7.12.3**

Regarding land clearing without an HCV assessment, the certification unit started planting in 2012 and a new HCV study was carried out in 2014. Based on this, it is known that the company has conducted a LUCA analysis for PT LSM, the LUCA study conducted by the company has been reviewed by RSPO. From the calculation, it is known that several areas opened up are part of the secondary forest. "Related to this, it is discussed further in indicator 7.12.8 regarding RaCP"

PT LSM already has a HCV study document prepared by PT Sonokeling Accreditation Nusantara in 2014, while the field data collection was carried out on April 26 - May 8, 2013 and the final report was in December 2013. The assessment was carried out by RSPO accredited Assessor, Kresno Dwi Santosa. The appraisal study was carried out referring to the location permit held by PT Ladang Sawit Mas dated 11 November 2008 with an area of 8,300 Ha (Location Permit). Based on the results of the HCV study, it was found that an HCV area of 1,188.7 hectares consisted of riverbanks, scrub areas, forest areas, and peat areas. The types of HCV found in PT LSM are HCV 1.2, 1.3, 1.4, 2.3, 4.1. And HCV 5.

In the study of the HCV document, it is known that several types of flora and fauna were found with details of 154 types of flora, 6 of which are included in the RTE species such as *Valica oblongifolia*, *Shorea lepidota*, *Shorea smithiana*, *Shorea latyclados*, *Gonytilus bancanus*, *Shorea stenoptera*. Meanwhile, for animal species found 95 species of birds, 18 Mamlia, 6 types of reptiles, and 1 amphibian. Of all the types of fauna found, some of them are included in the RTE species such

as *Lutung Banggat, Lutung Simpai, Orang utan, Owa kalawat, Rusa Timor, Kura-kura, senyulong, Bekantan, Berang-berang, Bangau Storm, Bangau tongtong, Cucak rawa, Kuntul Kerbau, Punai Besar, dan Raja udang Kalung Biru*. The HCV report was reviewed by Kunkun Jaya Gurmaya in August 2013.

Referring to the scope of certification, which is the company's HGU (manageable area) area of 5,718.63 Ha, the HCV area contained in it is 315.60 Ha. for information PT LSM area is not included in High Forest Cover Landscape (HFCL) area

#### 7.12.4 & 7.12.7

PT LSM already has an HCV study document prepared by PT Sonokeling Accreditation Nusantara in 2014, while the field data collection was conducted on 26 April - 8 May 2013 and the final report was in December 2013. HCV areas and peat areas have been included in the HCV study.

The management unit can show the HCV management and monitoring plan for PT LSM 2019 and 2020, such as:

- Creation and installation of boundary markers.
- Signboard installation
- Rehabilitation and enrichment
- Outreach to the public and employees
- Regular monthly patrols.

The management unit has been monitoring the HCV area, peat area and RTE species in the PT LSM area. Some examples of the realization of HCV monitoring activities are as follows:

- PT LSM HCV area monitoring report on July 15-19 2019. From the results of direct monitoring or through camera traps, several species of animals were found including, *Presbytis rubicunda, Nasalis larvatus, Macaca fascicularis, Sus barbatus, Calloscirus notatus, Lanius schach, Pycnonotus eutilotus, Centopus sinensis and Varanus salvator*.
- Socialization of the SOP for the HCV Management program on 24 October 2019 which was attended by 20 employee and community representatives
- Socialization of RTE species and HCV area on 17 October 2019 to 23 BSS employees.
- Monitoring reports and patrol of the HCV area on 20 November 2019 in the Semblangaan River, Benipis River, Danau Pasir River, and Keramat graves. Found species of animals such as *bentet, tekukur dan biawak*. The HCV area is in good condition, no disturbance. The signboard is installed and the boundary or stake signs are visible. There were no hunting funds or indications of burning.
- Enriched woody plants in the river bank area of block G56 on 11 December 2019.

Companies are encouraged to conduct an Evaluation of the HCV management plan with actual conditions and effectiveness of HCV monitoring is in accordance with the existing management plan. **(OFI)**

#### 7.12.5

For HCV areas that were included in the HGU, there were no HCV set-asides areas, based on the results of interviews with community representatives and local village leaders, there were no HCV areas that were managed or entered into community areas.

#### 7.12.6

The company has shown that the company policy on the protection of high conservation values was passed on June 1, 2016 by Region 8, it is stated that in accordance with the principles of company sustainability, all employees are advised not to hunt, catch, kill and sell protected and rare animals and plants. report if any of these activities are found; maintain and not disturb areas designated as HCV areas; report any illegal acts. Employees who do not comply will be subject to sanctions in accordance with applicable laws and regulations.

One of the programs carried out to educate the community and employees is to conduct socialization. Some examples of socialization that have been carried out include:

- Socialization of the SOP for the HCV Management program on 24 October 2019 which was attended by 20 employee and community representatives

- Socialization of RTE species and HCV area on 17 October 2019 to 23 BSS employees.

#### 7.12.8

Based on the results of the document review, it is known that the following data:

- The management unit cleared land without a prior HCV assessment between 2012 - 2014, as the HCV assessment was only completed in 2014.
- The company shows the Final LUCA documents that have been approved by RSPO for PT LSM on 28 March 2015.
- From the final results of LUCA PT LSM, it is known that the area of land cleared is 3006 hectares, with the results of calculating a conservation liability of 1628 hectares.
- Based on an email from RSPO Wan Nur Aimy Nadiyah Wan Solah on November 12, 2019, it is stated that *"PT Ladang Sawit Mas is in the last stage of Compensation plan review, whereby they are in the clarification process of compensation plan review process. They may proceed with the audit, but no certificate can be issued until compensation plan approved"*

Based on the facts above, it is known that the company has not yet resolved the **Non-Conformity No. 2019.23 with Critical category**.

7.12.8	Status: Non-Conformity No. 2019.23 with Critical category	
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3.2 Conformity Checklist of Certificate and Trademark Use *(Only apply for Surveillance Assessment Report)*

1.	Evidence of permission or approval certificate and trademark from Certification Body which submitted by Client	X or√
IC	Will be verified on surveillance assessment	NA
	Status: NA	
2.	Implementation of certificate and trademark used by Client comply with size and type (shape) against Guideline of trademark Use	X or√
IC	Will be verified on surveillance assessment	NA
	Status: NA	
3.	Implementation of Certificate and Trademark is not used on product	X or√
IC	Will be verified on surveillance assessment	NA
	Status: NA	
4.	Controlling of Certificate and Trademark, including withdrawing inappropriate trademark.	X or√
IC	Will be verified on surveillance assessment	NA
	Status: NA	



### 3.3 Summary of RSPO Partial Certification.

Compliance of the uncertified management units of Bumitama Agri, Ltd 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.

Bumitama Agri, Ltd Time Bound Plan is explained in table 1.10. Bumitama Agri, Ltd has informed the Time Bound Plan progress, MUTU has considered that MP Bumitama Agri, Ltd is complied with the RSPO requirement for Time Bound Plan. The Time Bound Plan was revised and declared by Bumitama Agri, Ltd on November 2020.

MUTU has verified partial certification for un-certified unit's subsidiary of Bumitama Agri, Ltd based on their Time Bound Plan. There are nine (9) uncertified mills and thirty-two (32) uncertified estates management units of Bumitama Agri, Ltd. MUTU Auditor verified positive assurance against the company internal audit and supporting evidence as well as any information from others sources.

MUTU Auditor has verified company partial certification and concludes that:

- There are no significant land conflicts which have not been declared above
- The company has followed 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

<b>2.1 Un-Certified Units or Holdings</b>		
<b>Section</b>	<b>Requirement</b>	<b>Concerns to Discuss, if any</b>
2.1.1	Did the company conduct an internal audit? If so, has a positive assurance statement been produced?	Based on the document review, there is a company internal audit that was conducted on 2018 and the positive assurance is at this table that is also been verified.
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) <ul style="list-style-type: none"> <li>•</li> </ul>	<p><b>1. PT Ladang Sawit Mas</b></p> <ul style="list-style-type: none"> <li>- LUCA was sent on 16 July 2014 to RSPO</li> <li>- Documents RaCP Plan still review process from RSPO and waiting for approval</li> <li>- HCV was conducted on December 2013 by Sonokeling Akreditasi Nusantara</li> </ul> <p><b>2. PT Lestari Gemilang Intisawit</b></p> <ul style="list-style-type: none"> <li>- LUCA was sent on 7 November 2014 to RSPO</li> <li>- Documents RaCP Plan still review process from RSPO and waiting for approval</li> <li>- HCV was conducted on 2013 by Sonokeling Akreditasi Nusantara</li> </ul> <p><b>3. PT Agro Manunggal Sawitindo</b></p> <ul style="list-style-type: none"> <li>- LUCA was sent on 7 November 2014 to RSPO</li> <li>- HCV was conducted on July 2013 by Sonokeling Akreditasi Nusantara</li> <li>- Documents RaCP Plan still review process from RSPO and waiting for approval</li> </ul> <p><b>4. PT Karya Makmur Langgeng</b></p> <ul style="list-style-type: none"> <li>- LUCA was sent on January 2015 to RSPO</li> </ul>

		<ul style="list-style-type: none"> <li>- Documents RaCP Plan are wait for LUCA approved by RSPO</li> <li>- HCV was conducted on July 2013 by Sonokeling Akreditasi Nusantara</li> </ul> <p><b>5. PT Gemilang Makmur Subur</b></p> <ul style="list-style-type: none"> <li>- HCV was conducted on November 2016 by PT Gagas Dinamika Aksenta.</li> <li>- LUCA was sent on January 2015 to RSPO</li> <li>- LUCA still waiting Review in RSPO</li> </ul> <p><b>6. PT Nabati Agro Subur</b></p> <ul style="list-style-type: none"> <li>- LUCA was sent on 2018 to RSPO</li> <li>- LUCA still waiting Review in RSPO</li> <li>-</li> </ul> <p><b>7. PT Sejahtera Sawit Lestari</b></p> <ul style="list-style-type: none"> <li>- LUCA was sent on 2018 to RSPO</li> <li>- LUCA still waiting Review in RSPO</li> </ul> <p><b>8. PT Damai Agro Sejahtera</b></p> <ul style="list-style-type: none"> <li>- LUCA still calculated by internal BGA</li> <li>-</li> </ul> <p><b>9. PT Windu Nabatindo Sejahtera</b></p> <ul style="list-style-type: none"> <li>- LUCA was sent on 19 June 2018 to RSPO</li> <li>- HCV was conducted on March 2012 by Faculty of Forestry IPB</li> <li>- Documents RaCP Plan still review process from RSPO and waiting for approval</li> </ul> <p><b>10. PT Andalan Sukses Makmur</b></p> <ul style="list-style-type: none"> <li>- LUCA was sent on January 2015 to RSPO</li> <li>- Documents RaCP Plan are wait for LUCA approved by RSPO</li> <li>- HCV was conducted on October 2013 by Sonokeling Akreditasi Nusantara</li> </ul> <p><b>11. PT Investa Karya Bhakti</b></p> <ul style="list-style-type: none"> <li>- LUCA was sent on 13 June 2016 to RSPO</li> <li>- Documents RaCP Plan are wait for LUCA approved by RSPO</li> <li>- HCV was conducted on November 2015 by Sonokeling Akreditasi Nusantara</li> </ul> <p><b>12. PT Langgeng Makmur Sejahtera</b></p> <ul style="list-style-type: none"> <li>- LUCA sent to RSPO</li> <li>- RaCP Plan document are wait for LUCA documents to be submitted and approved by RSPO.</li> <li>- HCV conducted March 2012 by Forestry IPB.</li> </ul> <p><b>13. PT Tanah Tani Lestari</b></p> <ul style="list-style-type: none"> <li>- LUCA was sent on 14 April 2015 to RSPO</li> <li>- Documents RaCP Plan are wait for LUCA approved by RSPO</li> </ul>
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		<ul style="list-style-type: none"> <li>- RaCP Plan document has been submitted and waiting for approved by RSPO.</li> <li>- HCV was conducted on August 2014 by Sonokeling Akreditasi Nusantara</li> </ul> <p><b>14. PT Gunajaya Harapan Lestari</b></p> <ul style="list-style-type: none"> <li>- LUCA was sent on May 2017 to RSPO</li> <li>- Documents RaCP Plan are wait for LUCA approved by RSPO</li> <li>- RaCP Plan document has been submitted and waiting for approved by RSPO.</li> <li>- HCV was conducted on October 2012 by faculty of Forestry IPB</li> </ul> <p><i>Auditor verification</i> Based on internal audit results and evidence provided (communication to RSPO on liability disclosure) shows that all subsidiaries of Bumitama has been sent to RSPO and now on progress of LUCA review.</p>
2.1.3	Any new plantings since January 1 <sup>st</sup> 2010 must comply with the RSPO New Plantings Procedure.	<ol style="list-style-type: none"> <li><b>1. PT Ladang Sawit Mas</b>, NPP was completed publish on 08 October 2014</li> <li><b>2. PT Lestari Gemilang Intisawit</b>, NPP was completed publish on 03 July 2014</li> <li><b>3. PT Agro Manunggal Sawitindo</b>, NPP was completed publish on 03 July 2014</li> <li><b>4. PT Karya Makmur Langgeng</b>, NPP was completed publish on 18 December 2013</li> <li><b>5. PT Gemilang Makmur Subur</b>, NPP was completed publish on October 2014</li> <li><b>6. PT Nabati Agro Subur</b>, NPP on Process</li> <li><b>7. PT Sejahtera Sawit Lestari</b>, NPP on Process</li> <li><b>8. PT Damai Agro Sejahtera</b>, NPP on Process</li> <li><b>9. PT Andalan Sukses Makmur</b>, NPP was completed for areal 5,630 Ha and publish on 07<sup>th</sup> February 2014</li> <li><b>10. PT Investa Karya Bhakti</b>, NPP was completed for areal 5,700 Ha and publish on October 21<sup>th</sup> 2016.</li> <li><b>11. PT Langgeng Muara Makmur Sejahtera</b>, there is no new planting after January 1<sup>st</sup> 2010.</li> <li><b>12. PT Tanah Tani Lestari</b> NPP Conducted on 2015 but not finished due HCV Documents</li> <li><b>13. PT Gunajaya Harapan Lestari</b>, Sanction Mechanism will be applicable</li> </ol>
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>In early 2015 Bumitama rolled out new complaint process (Bumitama Complaint Flow Chart, <a href="https://bit.ly/2SQudkk">https://bit.ly/2SQudkk</a> which allocates clear organisational responsibility to ensure that all complaints are being reported and addressed at group-level.</p> <p>Documents verifications, internet checking, there is several land disputes in the company under Bumitama, for example:</p>

		<p><b>1. PT Windu Nabatindo Sejahtera</b></p> <p>The company has a SOP on land conflict management (ASM-PAD-SOP-0117.2-ROO) which aims as a provision for the management of the company and related parties in the process of resolving land conflicts that arise based on an agreement with the right holders or parties who have such interests. in the procedure it is stated that the conflict resolution stage begins with the identification of the area / potential land conflicts, the process of resolving land conflicts. In the procedure shows that every conflict is resolved by consultation with other parties agreed facilitation. The conflict resolution process has followed the principles in FPIC.</p> <p>There is land conflict in PT Windu Nabatindo Sejahtera as follows, <a href="https://bit.ly/2Wb6wFN">https://bit.ly/2Wb6wFN</a> the conflict has been resolved with involving all affected party</p> <p><b>2. PT Hati Prima Agro (a Subsidiary of BUMITAMA AGRI LTD.)</b></p> <p>Complaints from Sawit Watch</p> <p>Summary of the complaint: As a result of the revocation of the Forest Relinquishment Decree ("2008 Decree") on June 2012 over its area by the local government. PT Hati Prima Agro's Permit &amp; License validity and legality have been called into question Subsequently, the issuance of Wood Utilization License (IPK) to UD Karya Budi by the Kotawaringin Timur Forestry Agency in Antang Kalang Kotawaringin Timur District, Central Kalimantan was alleged not to be in accordance with national laws of Indonesia.</p> <p>Complaint Update</p> <table><tr><th>Date</th><th>Status / Update</th></tr><tr><td>13 December 2012</td><td>Warning letter to the Respondent  RSPO's response to PT HPA</td></tr><tr><td>07 January 2013</td><td><ul style="list-style-type: none"><li>• Response to RSPO Grievance Panel Preliminary Findings</li><li>• BGA's letter to RSPO - Response to Preliminary Findings.</li></ul></td></tr><tr><td>20 May 2013</td><td>The State Administrative High Court in a unanimous decision (Appeal Decision) in the favour of HPA which reaffirmed the Palangkaraya State Administrative Court Decision 12/G/2012/PTUN.PLK dated 4 December 2012. The Administrative High Court decided that the legal considerations of the Palangkaraya Administrative Court Decision were already appropriate and legally correct.</td></tr><tr><td>27 June 2013</td><td>Only one of the defendants, the Indonesian Ministry of Forestry submitted</td></tr></table>	Date	Status / Update	13 December 2012	Warning letter to the Respondent  RSPO's response to PT HPA	07 January 2013	<ul style="list-style-type: none"><li>• Response to RSPO Grievance Panel Preliminary Findings</li><li>• BGA's letter to RSPO - Response to Preliminary Findings.</li></ul>	20 May 2013	The State Administrative High Court in a unanimous decision (Appeal Decision) in the favour of HPA which reaffirmed the Palangkaraya State Administrative Court Decision 12/G/2012/PTUN.PLK dated 4 December 2012. The Administrative High Court decided that the legal considerations of the Palangkaraya Administrative Court Decision were already appropriate and legally correct.	27 June 2013	Only one of the defendants, the Indonesian Ministry of Forestry submitted
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			an appeal to the Supreme Court to challenge the decision of revocation of 2008 Decree of revocation, while the Head of Regency did not submit an appeal to challenge the Administrative Court Decision which ordered to revoke the Revocation of Location Permit. As of this letter the case is on the Supreme Court's docket waiting to be heard
	1 December 2013		<ul style="list-style-type: none"> <li>HPA received official notice of appeal from the Palangkaraya Administrative Court that the defendants, the Head of Regency and Ministry of Forestry to the legal proceedings (Appellants) lodged an appeal on the Administrative Court Decision to the State Administrative High Court.</li> <li>Sawit Watch and BGA had meeting during RT 12 in Kuala Lumpur, November 2014 they are planning to have field visit.</li> </ul>
	16 December 2013		Sawit Watch's response
	10 Apr 2014		Chronology of Complaint against BAL by Aid Environment
	07 Aug 2014		Bumitama - Announcement of Notice of Appeal
	19 Sep 2014		News release - Clarification on HPA
	16 Oct 2014		Supreme Court Decision - RI
	04 Nov 2014		RSPO letter to BGA on behalf of the Complaints Panel
	09 Jan 2015		BGA announced on SGX that they will be compensated the land new owner, PT Langgeng Makmur Sejahtera with amount IDR 400b for the asset and land
	19 Mar 2015		RSPO's letter to BGA on behalf of the Complaints Panel
	31 Mar 2015		Letter from BGA to RSPO - Ijin Lokasi.
	01 Apr 2015		BGA submitted formal letter, to reaffirm that the status of the conditional sales and purchase has been conducted between PT HPA and PT Langgeng Makmur Sejahtera, as the new owner of the location permit ( <i>Ijin Lokasi</i> ) and Plantation Business License ( <i>Ijin Usaha Perkebunan</i> ) of the HPA in accordance with the relevant Indonesian Laws and regulations
	21 Apr 2015		Base on Complaints Panel meeting on 15 April 2015, RSPO Complaints Panel agreed to close this complaint. The formal letter on case closure was sent to BGA on 21 April 2015 by the RSPO Secretariat.

		13 Oct 2017	Secretariat received a request for reopening of the previously closed case
		24 Oct 2017	Secretariat forwarded the documents related to the request to re-open the case of PT HPA to Bumitama.
		07 Nov 2017	Secretariat received a response letter from Bumitama
		21 Feb 2018	Secretariat to follow up with the Complainants.
		21 Mar 2018	Secretariat has a meeting with the company to discuss the chronology of the legality Permit for PT. HPA. Secretariat requested the company to provide the copy of the permit for PT. HPA.
		28 Mar 2018	Follow up with the company to provide the copy of the permit for PT. HPA. Secretariat to review the documents from the company
		25 Apr 2018	To follow up with the Company on the copy of the documents and proceed to review the document
		25 May 2018	To commission a legal expert to do a complete review of the documents.
		18 Jun 2018	Follow up action to be discussed further.
		25 Jul 2018	Continue to proceed with the legal review
		23 Aug 2018	Company to be informed of the decision related to cost for the legal review
		26 Sep 2018	The CP's cost directive issued to the respondent and to follow up with the Respondent and the independent legal expert.
		24 Oct 2018	The Respondent agreed on the CP's cost directive. The Secretariat to follow up on the legal review report from the legal consultant
		27 Nov 2018	The Respondent has submitted the necessary documents and it has been forwarded to the legal consultant for review. The Secretariat to follow up on the legal review report from the legal consultant
		19 Dec 2018	The first draft of the legal review has been received from the legal consultant. The Secretariat to circulate it to the CP for review
<b>PT Bumitama Gunajaya Abadi</b> Complaints from: Sawit Watch Summary of the Complaint: Allegations (1) Dispute on plasma scheme mechanism; (2) Cooperative issues; (3) Claims from 15 members of communities (14 villagers from Kinjil Village and 1 Villager of Sukajaya Village).			



<b>Complaint Update</b>	
<b>Date</b>	<b>Status / Update</b>
26 Oct 2016	A stakeholders meeting held between Sawit Watch and Bumitama facilitated by Secretariat. Both parties agreed to focus on the land claim from 15 villagers and conduct a joint field visit
18 Nov 2016	A meeting between held in Shangri-La Hotel Bangkok. It is agreed that the field visit will be held in early December 2016.
01 Dec 2016	A stakeholders meeting held in Pangkalan Bun, Central Kalimantan. 15 villagers, Sawit Watch, Walhi, PT BGB, RSPO have attended the meeting, facilitated by an independent party - Madyasta Dispute Resolution. All parties have signed an agreement to ensure the safety of the community from intimidation during the conflict resolution process.
02 Dec 2016	A field visit has conducted to check the location alleged by 15 members of communities, followed by a meeting between PT BGB, Sawit Watch and Tim Desa (a Team consists of Head of Villages) to verify the documentation and allegations of the communities. All parties agreed to conduct participatory mapping and document checking on 10 January 2017.
10 Jan 2017	As agreed at the previous stakeholders meeting, a participatory mapping has conducted for 2 days in Kotawaringin Lama. All parties have attended the process, including 15 members of community, Tim Desa, and Sawit Watch, observed by an independent facilitator. A follow-up site visit is scheduled to be conducted in late February 2017
28 Feb 2017	The meeting between parties was held in Kotawaringin Lama, facilitated by an independent facilitator and observed by RSPO
18 Apr 2017	The report of stakeholders meeting has been shared with both parties for their reviews.
31 May 2017	Secretariat continues to communicate between both parties and monitor the progress of the case.
10 Jul 2017	Complainant has submitted an update from the community.
26 Sep 2017	Secretariat will set up a meeting with the complainant.
06 Oct 2017	Secretariat had a discussion with the

			Complainant.
		21 Feb 2018	To write a final letter to Sawit Watch to respond
		28 Mar 2018	To proceed with the meeting with the Complainants on 1 May 2018.
		25 May 2018	To follow up with both parties on the bipartite meeting.
		23 Aug 2018	There was a meeting with the Company and facilitator. The next meeting to include an invitation to the head of the village as they are also a stakeholder to the complaint.
		26 Sep 2018	To provide briefing notes to the CP summarising the status of the case.
		24 Oct 2018	Secretariat to provide the briefing note to the CP.
		27 Nov 2018	The Secretariat to provide the briefing note to the CP to support the deliberation
		19 Dec 2018	The Secretariat is to set a meeting with the Respondent to seek for clarification. The Secretariat is to finalised the briefing note and circulate it to the CP.
		<p><b>Moreover, there is publication from Publication from Greenpeace (10 September 2018 <a href="https://bit.ly/2VJo1g3">https://bit.ly/2VJo1g3</a> )</b>  Link on A Greenpeace International investigation reveals an apparent laundering scheme by the group designed to conceal its connection to numerous concessions during their development without permits or in breach of RSPO rules.</p> <p>The scheme involved passing nominal control to one or more of a handful of 'third parties' supposedly unconnected to Bumitama. At least 18 plantation companies – one-third of Bumitama's total – passed through the hands of one or more of the 'third parties' before being formally acquired or reacquired by Bumitama, often for a trivial sum.</p> <p>Greenpeace mapping analysis shows that since 2005, 11,100 ha of forest were cleared within the 'laundered' concessions in the three case study areas – nearly 2,300 ha of this clearance from 2014 onward.  Under RSPO rules, this should result in Bumitama's expulsion from the RSPO.</p> <p><b>About that's issue Bumitama has clarify on 15 November 2018</b>  Bumitama Agri Ltd. And its Group ("Bumitama") would like to assure all stakeholders that the allegations contained in the Greenpeace report named "Dying for a cookie" have already been addressed in our sustainability and annual reports, announcements and earlier news releases. The acquisition of companies from third parties has not been designed to conceal developments without permits or to breach the RSPO</p>	

		<p>rules. Given that process of licensing in Indonesia be very long and tedious, Bumitama has at certain occasions preferred acquiring companies furnished with permits for planting. Bumitama does acknowledge that there was a period of time when adherence with the RSPO P&amp;Cs displayed a gap and resulted in complaints, but through the conception of our Sustainability policy and by working together with RSPO, appropriate measures and actions were taken to raise our compliance. Ever since, Bumitama have closely observed the NPP, HCV Assessments to HCV RN review and subscribing to the HCS Approach. Bumitama pursue the complaints procedure for resolution of any outstanding complaints for resolution of any outstanding complaints, which can be tracked through the RSPO Website.</p>
2.1.5	<p>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&amp;C 2018).</p>	<p>Bumitama has put in place a whistle-blowing policy (<a href="https://bit.ly/2H7Dtzl">https://bit.ly/2H7Dtzl</a>), whereby employees or any other persons such as customers, suppliers, contractors or local community may, in good faith and confidence, without fear of reprisals raise concerns about possible improprieties in financial reporting, unethical practices or other matters. Anonymous disclosures will also be accepted and anonymity honoured. The whistle-blowing policy and the procedures put in place to implement such a policy, has been reviewed and approved by our Audit Committee. Whistle blowing can be initiated via text/call to mobile number +6281286419700 or email to <a href="mailto:audit.pengaduan@bumitama.com">audit.pengaduan@bumitama.com</a></p> <p>The Group provides another hotline channel for employees to convey their complaints, which are primarily HR-related concerns.</p>
2.1.6	<p>Legal non-compliance, if any, is being addressed through measures consistent with the requirements of RSPO P&amp;C criterion 2.1 (it has changed be Criterion 4.2 in P&amp;C 2018).</p>	<p>The company has had legal documents as follows</p> <ol style="list-style-type: none"> <li><b>PT Sentosa Prima Agro</b> <ul style="list-style-type: none"> <li>- Land Use Title Documents No 2-year of 1999 covering 3,087 Ha</li> <li>- Plantation Permit No 522/DISBUN-D/2016 from Head of Ketapang Regency</li> </ul> </li> <li><b>PT Raya Sawit Manunggal</b> <ul style="list-style-type: none"> <li>- Land Use Title Documents No 6-year of 1995 covering 4,034 Ha</li> <li>- Plantation Permit No 521/Disbun-D/2016 from Head of Ketapang Regency</li> </ul> </li> <li><b>PT Wahana Hijau Indah</b> <ul style="list-style-type: none"> <li>- Land Use Title Documents No 7-year of 1995 covering 4,391,68 Ha</li> <li>- Plantation Permit No 520/Disbun-D/2016 from Head of Ketapang regency</li> </ul> </li> <li><b>PT Sejahtera Sawit Lestari</b> <ul style="list-style-type: none"> <li>- Location Permit No 267-year of 2007 dated 28 June 2007 from Head of Ketapang Regency</li> </ul> </li> </ol>

		<ul style="list-style-type: none"> <li>- Location Permit No 680-year of 2013 dated 31 December 2013 from Head of Ketapang Regency</li> <li>- Environmental Permit No 450/KLH-N/2014 dated 09 January 2014</li> <li>- Plantation Permit No 239/Disbun-D/2014 dated 25 March 2015</li> </ul> <p><b>5. PT Karya Makmur Langgeng</b></p> <ul style="list-style-type: none"> <li>- Location Permit No 293-year of 2006 dated 04 September 2006 from Head of Ketapang Regency</li> <li>- Extension Location Permit No 24-year of 2010 dated 13 January 2010 from Head of Ketapang Regency</li> <li>- Forest release decree No SK.689/Menhut-II/2011 08 December 2011</li> <li>- Plantation Permit No 510/DISBUN-D/2013 dated 16 October 2013</li> </ul> <p><b>6. PT Lestari Gemilang Inti Sawit</b></p> <ul style="list-style-type: none"> <li>- Location Permit No 459-year of 2011 dated 07 November 2011 from Head of Ketapang Regency</li> <li>- Plantation Permit No 307/Disbun-D/2013 dated 17 June 2013</li> <li>- Environmental Permit No 284 /2009 dated 20 May 2009</li> </ul> <p><b>7. PT Agro Manunggal Sawitindo</b></p> <ul style="list-style-type: none"> <li>- Location Permit No 458-year of 2011 dated 04 September from Head of Ketapang Regency</li> <li>- Extension Location Permit No 449-year of 2015 dated 29 June 2015</li> <li>- Plantation Permit No 3080/DISBUN-D/2013 dated 17 June 2017</li> </ul> <p><b>8. PT Ladang Sawit Mas</b></p> <ul style="list-style-type: none"> <li>- Principle permit No 525/504/IV-Bapedalpemnda dated 27 October 2015</li> <li>- Location Permit No 172-year of 2006 dated 14 June 2006 from Head of Ketapang Regency</li> <li>- Extension Location Permit No 415-year of 2009 dated 09 November 2009</li> <li>- Plantation Permit No 420-year of 2010 dated 28 July 2010</li> <li>- Environmental Permit 49/BLHD/2010 dated 27 January 2010</li> </ul> <p><b>9. PT Gemilang Makmur Subur</b></p> <ul style="list-style-type: none"> <li>- Principle permit No 525/263/DPU-E dated 27 March 2014</li> <li>- Location Permit No 272-year of 2015 dated 02 April 2015 from Head of Ketapang Regency</li> <li>- Plantation Permit No 773/DISBUN-D/2015 dated 27 November 2015</li> <li>- Environmental Permit 743/KLH-B/2015 dated 3 November 2015</li> </ul>
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		<p><b>10. PT Nabati Agro Subur</b></p> <ul style="list-style-type: none"> <li>- Principle permit No 525/96/DPU-E dated 05 February 2014</li> <li>- Location Permit No 456-year of 2014 dated 18 March 2014 from Head of Ketapang Regency</li> <li>- Plantation Permit No 238/DISBUN-D/2015 dated 25 March 2015</li> <li>- Environmental Permit 47/KLH-B/2015 dated 12 January 2015</li> </ul> <p><b>11. PT Damai Agro Subur</b></p> <ul style="list-style-type: none"> <li>- Principle permit No 525/704/DPU-E dated 05 February 2014</li> <li>- Location Permit No 27-year of 2014 dated 08 January 2016 from Head of Ketapang Regency</li> <li>- Plantation Permit No 576/DISBUN-D/2016 dated 25 August 2016</li> </ul> <p><b>12. PT Windu Nabatindo Sejahtera</b></p> <ul style="list-style-type: none"> <li>- Principle Permit about location No. 02.04.28/525.26/463/XI/EkBang/03, 8th November 2003 for areal 7,000 Ha.</li> <li>- Location Permit SK District Kotawaringin Timur No. 165.460.42, 26 February 2004 for 5,370 Ha</li> <li>- IUP No. 525.26/152/V/EkBang/2004, 17 May 2004 for 5,370 Ha</li> <li>- Permit Location No. 374.460.42, December 13 2006 for 5,000 Ha (Revision)</li> <li>- IUP No. 525.26/386/V/EkBang/2007, May 30th 2007 for areal 5,000 Ha (Revision)</li> <li>- Kadastral Map No. 355-15.05-2007, July 6th 2007 for areal 4,998.76 Ha</li> <li>- Land Title application letter NO 003/WNS-Dir/VII/2007, July 11th 2007 for areal 5,000 Ha.</li> <li>- Minutes of Committee B (Risalah Panitia B) No 23/HGU.RPD/IX/42/2007 dated 25 September 2007 with covering 4,998.76 Ha.</li> </ul> <p><b>13. PT Andalan Sukses Makmur</b></p> <ul style="list-style-type: none"> <li>- Principle Permit about location, decree from head of District Kotawaringin Barat No.590/105/Pem-XI/2012, November 21 2012 for areal 9,000 Ha.</li> <li>- Location Permit SK District Kotawaringin Barat No.525/68/XII/2012, December 18th 2012 for 9,275 Ha</li> <li>- IUP No. 525/45/ek, 06 February 2013</li> <li>- HGU on process.</li> </ul> <p><b>14. PT Investa Karya Bhakti</b></p> <ul style="list-style-type: none"> <li>- Principle Permit about location No. 590/09.Pem-II/2014, 3rd February 2014 for areal 14,500 Ha.</li> <li>- Location Permit SK District Kotawaringin Barat No. 525/62/IX/2014, 1st September 2014, 11,746.74 Ha</li> </ul>
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		<ul style="list-style-type: none"> <li>- IUP No. 525/014/EK, April 21 2015, 5,700 Ha</li> <li>- Land Tittle application letter NO 003/WNS-Dir/VII/2007, July 11th 2007 for areal 5,000 Ha.</li> </ul> <p><b>15. PT Langgeng Makmur Sejahtera</b></p> <ul style="list-style-type: none"> <li>- Principle Permit about location No. 525.21/660/Ek.SDA/IX/2014 dated 12 September 2014 5,325 Ha</li> <li>- Location Permit SK Dictrect Kotawaringin Timur No. 188.45/330/Huk-BPN/2014, 23 September 2014 5,370 Ha</li> <li>- Environment Permit No. 660/2140/BLH-Ek.SDA/2015, 19 October 2015 for 5,325 Ha</li> <li>- IUP No. 188.45/490/Huk-Ek.SDA/2014, 19 December 2014 4,810.72 Ha</li> <li>- SK HGU No. 5/HGU/KEM-ATR/BPN/2017, January 10th 2017.</li> </ul> <p><b>16. PT Tanah Tani Lestari</b></p> <ul style="list-style-type: none"> <li>- Principle Permit about location No. 525.21/439/VII/EK.SDA/2012 dated 03 September 2012</li> <li>- Forest Release permit 4/1PKH/PMA/2017 dated 30 January 2017</li> <li>- Plantation Permit No. 188.45/490/Huk-Ek.SDA/2013, 31 January 2013</li> <li>- Land Use Tittle Degree No 59/HGU/BPN dated 27 September 2016</li> </ul> <p><b>17. PT Gunajaya Harapan Lestari</b></p> <ul style="list-style-type: none"> <li>- Principle Permit about location No. 525/426/Bappeda-D year of 2007, 08 May 2007 for areal 3,000 Ha.</li> <li>- Location Permit SK District Kendawangan No. 265 year of 2007, 28 June 2007 for 3,000 Ha</li> <li>- Revision Location Permit No. 370 year of 2008, 07 October 2008 for 3,000 Ha</li> <li>- Extension Location Permit No. 415 year of 2010, 27 July 2010 for 3,000 Ha</li> <li>- IUP No. 365/DISBUN-D/2012, August 23rd 2012 for 1,750 Ha</li> <li>- HGU No. 62/HGU/KEM-ATR/BPN/2016, 1,973.45 Ha</li> </ul> <p><b>Auditor verification</b> Land legal process is still going on and there is a detail update progress documented by the company for each year.</p>
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### 3.4 Identification of Findings, Corrective Action, Observations, Opportunity for Improvement and Noteworthy Positive Components.

#### 3.4.1. Identification of Findings, Corrective Actions and Observations at Initial Certification

<b>NCR No.</b>	<b>:</b>	<b>2019.1</b>	<b>Issued by</b>	<b>:</b>	<b>Asystasha Aishah Silalahi</b>
<b>Date Issued</b>	<b>:</b>	<b>13 December 2019</b>	<b>Time Limit</b>	<b>:</b>	<b>12 December 2020</b>
<b>NC Grade</b>	<b>:</b>	<b>Critical</b>	<b>Date of Closing</b>	<b>:</b>	<b>12 March 2020</b>
<b>Standard Ref. &amp; Requirement</b>	<b>:</b>	<b>1.1.3 Records of requests for information and responses are maintained</b>			
<b>Evidence observed (filled by auditor):</b> -					
<b>Non-Conformance Description (filled by auditor):</b> The company has not been able to show evidence that the records of requests for information from stakeholders and their responses have been well managed					
<b>Root Cause Analysis (filled by organization audited) :</b> The PIC has not been established for the control of request records, responses & file system information / complaints for the LSM Management Unit as a whole by the Regional Head.					
<b>Correction (filled by organization audited) :</b> <ul style="list-style-type: none"><li>At the corrective action meeting of the RSPO NCR findings PT LSM on 13-12-2019 at the meeting room of PT. LSM, it has been assigned a CSR Coordinator for West Kalimantan Region which controls requests for information from stakeholders.</li><li>Provide records of requests for information from stakeholders to the Auditor, in the form of an External Communication Log (complete with supporting evidence) according to Communication SOP</li><li>PIC for information reception &amp; response in the BGA Management Unit as a whole, specified in the Guidance (Information Receiving Mechanism Diagram), attached.</li><li>The Regional Head has also appointed a CSR Coordinator for West Kalimantan Region to control information from external parties at PT LSM (see minutes of meeting of the RSPO Team of PT. LSM).</li></ul>					
<b>Corrective Action (filled by organization audited) :</b> Conducting internal audits & management reviews regularly					
<b>Assessor Evaluation and Conclusion (filled by auditor):</b> <b>Verification January 3, 2020</b> The company shows evidence of improvement in the form of: Recapitulation of PT LSM CSR incoming letters in 2019 which explains the date of receipt of the letter, sender, address, letter number, subject, and date of response of the letter. For example: <ul style="list-style-type: none"><li>Letter from Betenung Village dated March 30, 2019 regarding the request for funds for Easter activity. The company responded to the letter on May 16, 2019 by providing cash.</li><li>Letter from Sungai Kelik Village dated August 30, 2019 regarding assistance for poor people in Sungai Kelik Village. The company responded to the letter on September 9, 2019 by providing cash assistance.</li></ul> <b>Verification 11 March 2020</b> The company has shown correction evidence in the form of a flow chart of the information delivery mechanism in the BGA Management unit which explains that the PIC to receive information from the external is PAD or CSR and PIC					

to receive information from internally is part of the Sustainability, HRD, and CSR.

Based on the explanation above, the NC No. 2019. 1 has been Closed

**Verified by** : **Asystasha Aishah Silalahi**

<b>NCR No.</b>	: <b>2019.2</b>	<b>Issued by</b>	: <b>Leonada</b>
<b>Date Issued</b>	: <b>13 December 2019</b>	<b>Time Limit</b>	: <b>ASA-1</b>
<b>NC Grade</b>	: <b>Non Critical</b>	<b>Date of Closing</b>	: <b>28 August 2020</b>
<b>Standard Ref. &amp; Requirement</b>	: <b>2.1.2</b> <b>documented system for ensuring legal compliance is in place. This system has a means to track changes to the law and also includes listing and evidence of legal due diligence of all contracted third parties, recruitment agencies, service providers and labour contractors</b>		
<b>Evidence observed</b> (filled by auditor): -			
<b>Non-Conformance Description</b> (filled by auditor): The company cannot show the evidence of audit result for regulation compliance evaluating included for third party (contractor)			
<b>Root Cause Analysis</b> (filled by organization audited): Lack of understanding from regional sustainability officer related the requirement			
<b>Correction</b> (filled by organization audited): 1. Conducting training to all regional sustainability officer 2. Evaluated the relevant regulation compliance in company operation included for contractors.			
<b>Corrective Action</b> (filled by organization audited): Internal audit and management review			
<b>Assessor Evaluation and Conclusion</b> (filled by auditor): <b>Verification on 28 August 2020</b> The company show the evidences: <ul style="list-style-type: none"> <li>- List and environment regulation compliance evaluating result on 2 August 2020.</li> <li>- List and safety regulation compliance evaluating result on 2 August 2020</li> <li>- List and worker welfare regulation compliance evaluating result on 2 August 2020</li> <li>- List and plantation regulation compliance evaluating result on 2 August 2020</li> <li>- RSPO PnC 2018 training on 16 December 2019.</li> <li>- Contractor evaluation on 6 January 2020</li> </ul> <p>Based on those corrective evidence, included the root cause analysis and corrective action provided can be concluded that the NC is closed.</p>			
<b>Verified by</b>	: <b>Leonada</b>		

NCR No.	:	2019.3	Issued by	:	Asystasha Aishah Silalahi
Date Issued	:	13 December 2019	Time Limit	:	ASA 1
NC Grade	:	Non Critical	Date of Closing	:	18 May 2020
Standard Ref. & Requirement	:	2.2.1 Maintained a list of contracted parties			
<b>Evidence observed (filled by auditor):</b> The company shows a list of stakeholders with document number LSM-PAD-SH-01 which was validated on January 1, 2019 by Area Controller 8A. The document records contracted parties, including 4 local contractors, but does not include a list of external FFB suppliers.					
<b>Non-Conformance Description (filled by auditor):</b> In this regard, the company has not been able to show evidence that a list of all contracted parties has been maintained					
<b>Root Cause Analysis (filled by organization audited):</b> Lack of coordination between the BTJM Unit and the Regional Commercial to update the List of Contractors at PT. LSM.					
<b>Correction (filled by organization audited):</b> Updated contractor list of PT. LSM					
<b>Corrective Action (filled by organization audited):</b> Conducting internal audits & management reviews regularly					
<b>Assessor Evaluation and Conclusion (filled by auditor):</b> <b>Verification 18 May 2020</b> The company shows a list of contracted parties in PT LSM Local Contractors List document that was signed by Sustainability 8A and Nanga Tayap Regional Head of Administration on May 8, 2020. Based on the list, it is known that the parties contracted by the company include building contractors, transportation , logistics, and suppliers of third party FFB.  Based on the explanation above, the discrepancy No. 2019. 5 is declared fulfilled					
Verified by	:	Asystasya Aishah Silalahi			

NCR No.	: 2019.4	Issued by	: Asystasha Aishah Silalahi
Date Issued	: 13 December 2019	Time Limit	: ASA 1
NC Grade	: Non Critical	Date of Closing	: 27 May 2020
Standard Ref. & Requirement	: 2.2.2 All contracts have separate clauses regarding the fulfillment of applicable legal obligations, and are indicated by the third party concerned		
Evidence observed (filled by auditor): The company shows work agreements with third parties, for example: Local FFB purchase agreement 001 / SPKL / BTJM-TBS / IV / 2019 dated April 9, 2019 between PT Ladang Sawit Mas and Koperasi Sejahtera Mandiri. The agreement contains several articles, including the scope of the agreement, quality requirements and acceptance of oil palm FFB, price of oil palm FFB, agreement period, method of payment, guarantee, termination of agreement, force majeure, dispute resolution, and other articles. However, the contract does not yet have its own clause regarding			

the fulfillment of applicable legal obligations.

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

Based on the above evidence, the company has not been able to show evidence of the contract of buying and selling FFB already has its own clauses regarding the fulfillment of applicable legal obligations, for example but not limited to the implementation of OHS, employment, legality etc.

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

Lack of understanding from the Management Unit regarding the compliance mechanism as outlined in the RSPO P&C, indicator 2.2.2, version 2018.

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

Review of agreement with third parties (Contractors) to fulfill the requirements of the RSPO P & C indicator, indicator 2.2.2 (2018) and subsequent revisions to the contract, with the addition of clauses in each contract, including:

- Fulfillment of applicable laws and regulations relevant to the operations of PT. LSM.
- Fulfillment of OHS requirements (use of PPE, availability of a first aid kit, understanding of the Company's General OHS Code of Conduct)
- Fulfillment of applicable Indonesian Manpower regulations (minimum age for workers to be 18 years, minimum salary for employees, availability of health insurance and no forced labor) for employees.
- Human rights policy (prohibits practices involving child labor, forced labor, workers from human trafficking)

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

Conducting internal audits & management reviews regularly

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

**Verification 23 April 2020**

The company has provided correction evidence in the form of a work agreement with the contractor, with the following details.

- Letter of agreement No. 001 / SPKL / BTJM-TBS / I / 2020 between PT Ladang Sawit Mas and CV Garuda Mas Jaya dated 17 March 2020.
- Letter of agreement No. 003 / SPKL / BTJM-TBS / I / 2020 between PT Ladang Sawit Mas and CV Welly Jaya Sumber Priangan Jaya dated 17 March 2020
- Letter of agreement No. 002 / SPKL / BTJM-TBS / I / 2020 between PT Ladang Sawit Mas and Koperasi Sejahtera Mandiri Jaya dated 17 March 2020
- Letter of agreement No. 001 / SPKL / BTJM-TBS / I / 2020 between PT Ladang Sawit Mas and CV Mora Jaya dated 17 March 2020

The agreement letter includes several points relating to the laws and regulations listed in article 7 Guarantee paragraph 6 which reads "If required by applicable laws / regulations, the contractor guarantees and is responsible for its workers to be included and recorded in health insurance such as BPJS Kesehatan / BPJS Ketenagakerjaan (JKK and JKM), and receives wages in accordance with the provisions of the UMK or UMP and does not employ workers under age (under 18 years), there is no forced labor practice and does not employ workers originating from human trafficking as regulated in the prevailing laws and regulations.

**Verification 18 May 2020.**

The company shows additional documents, namely the list of external FFB suppliers of the BTJM unit.

**Verification 27 May 2020**

The company shows an example of a work agreement letter with a local contractor, including the following.

- Work agreement No. 016-BGN / GMRL-CMJE / CVL-LKL / 02/2020 between PT Ladang Sawit Mas and a contractor on behalf of Feky Resky for the construction of a drinking water depot which was published on 17 February 2020
- Work agreement No. 026-BGN / LSML-MBTR / CVL-LKL / 02/2020 between PT Ladang Sawit Mas and a contractor on behalf of Muhammad Rijal for ATM building activities.

The work agreement letter includes several clauses related to laws and regulations that must be obeyed, including:

- Contractor is responsible for worker OHS
- Contractor provides personal protective equipment for workers
- The contractor guarantees workers and includes them in health insurance or work accidents, provides workers wages in accordance with the provisions of the minimum wage, does not employ workers under 18 years of age, does not practice forced labor, and does not employ workers originating from human trafficking.
- Contractor is available to be accessed by certification body for audit purposes.

Based on this explanation, the discrepancy No. 2019. 6 is declared fulfilled.

**Verified by** : **Asystasha Aishah Silalahi**

<b>NCR No.</b>	<b>:</b>	<b>2019.5</b>	<b>Issued by</b>	<b>:</b>	<b>Asystasha Aishah Silalahi</b>
<b>Date Issued</b>	<b>:</b>	<b>13 December 2019</b>	<b>Time Limit</b>	<b>:</b>	<b>ASA 1</b>
<b>NC Grade</b>	<b>:</b>	<b>Non Critical</b>	<b>Date of Closing</b>	<b>:</b>	<b>27 May 2020</b>
<b>Standard Ref. &amp; Requirement</b>	<b>:</b>	<b>2.2.3</b> <b>All contracts, including those for the supply of FFB, have their own clauses that prohibit practices involving child labor, forced labor and workers from trafficking in persons. If there are young workers, the contract includes a clause to protect them</b>			
<b>Evidence observed (filled by auditor):</b> The company shows a work agreement with a FFB supplier, for example: Local FFB sales agreement. 001 / SPKL / BTJM-TBS / IV / 2019 dated April 9, 2019 between PT Ladang Sawit Mas and Koperasi Sejahtera Mandiri. The agreement contains several articles, including the scope of the agreement, quality requirements and acceptance of oil palm FFB, price of oil palm FFB, agreement period, method of payment, guarantee, termination of agreement, force majeure, dispute resolution, and other articles. However, the contract does not yet have its own clause that prohibits practices involving child labor, forced labor, and workers from trafficking in persons					
<b>Non-Conformance Description (filled by auditor):</b> The company has not been able to show evidence that the contract has its own clause that prohibits practices involving child labor, forced labor, and workers from human trafficking. If there are young workers, the contract includes a clause to protect them.					
<b>Root Cause Analysis (filled by organization audited):</b> Lack of understanding from the Management Unit regarding the compliance mechanism as outlined in the RSPO P&C, indicator 2.2.2, version 2018.					
<b>Correction (filled by organization audited):</b> Review of agreement with third parties (Contractors) to fulfill the requirements of the RSPO P & C indicator, indicator 2..2.2 (2018) and subsequent revisions to the contract, with the addition of clauses in each contract, including: <ul style="list-style-type: none"><li>• Fulfillment of applicable laws and regulations relevant to the operations of PT. LSM.</li></ul>					

- Fulfillment of OHS requirements (use of PPE, availability of a first aid kit, understanding of the Company's General OHS Code of Conduct)
- Fulfillment of applicable Indonesian Manpower regulations (minimum age for workers to be 18 years, minimum salary for employees, availability of health insurance and no forced labor) for employees.
- Human rights policy (prohibits practices involving child labor, forced labor, workers from human trafficking)

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

Conducting internal audits & management reviews regularly

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

**Verification 23 April 2020**

The company has provided correction evidence in the form of a work agreement with the contractor, with the following details.

- Letter of agreement No. 001 / SPKL / BTJM-TBS / I / 2020 between PT Ladang Sawit Mas and CV Garuda Mas Jaya dated 17 March 2020.
- Letter of agreement No. 003 / SPKL / BTJM-TBS / I / 2020 between PT Ladang Sawit Mas and CV Welly Jaya Sumber Priangan Jaya dated 17 March 2020
- Letter of agreement No. 002 / SPKL / BTJM-TBS / I / 2020 between PT Ladang Sawit Mas and Koperasi Sejahtera Mandiri Jaya dated 17 March 2020
- Letter of agreement No. 001 / SPKL / BTJM-TBS / I / 2020 between PT Ladang Sawit Mas and CV Mora Jaya dated 17 March 2020

The agreement letter includes several points relating to the laws and regulations listed in article 7 Guarantee paragraph 6 which reads "If required by applicable laws / regulations, the contractor guarantees and is responsible for its workers to be included and recorded in health insurance such as BPJS Kesehatan / BPJS Ketenagakerjaan (JKK and JKM), and receives wages in accordance with the provisions of the UMK or UMP and does not employ workers under age (under 18 years), there is no forced labor practice and does not employ workers originating from human trafficking as regulated in the prevailing laws and regulations.

**Verification 27 May 2020**

The company shows an example of a work agreement letter with a local contractor, including the following.

- Work agreement No. 016-BGN / GMRL-CMJE / CVL-LKL / 02/2020 between PT Ladang Sawit Mas and a contractor on behalf of Feky Resky for the construction of a drinking water depot which was published on 17 February 2020
- Work agreement No. 026-BGN / LSML-MBTR / CVL-LKL / 02/2020 between PT Ladang Sawit Mas and a contractor on behalf of Muhammad Rijal for ATM building activities.

The work agreement letter includes several clauses related to laws and regulations that must be obeyed, including:

- Contractor is responsible for worker OHS
- Contractor provides personal protective equipment for workers
- The contractor guarantees workers and includes them in health insurance or work accidents, provides workers wages in accordance with the provisions of the minimum wage, does not employ workers under 18 years of age, does not practice forced labor, and does not employ workers originating from human trafficking.
- Contractor is available to be accessed by certification body for audit purposes.

Based on this explanation, the discrepancy No. 2019. 7 is declared fulfilled.

**Verified by** : **Asystasha Aishah Silalahi**



<b>NCR No.</b>	<b>:</b>	<b>2019.6</b>	<b>Issued by</b>	<b>:</b>	<b>Bayu Yogatama</b>
<b>Date Issued</b>	<b>:</b>	<b>13 December 2019</b>	<b>Time Limit</b>	<b>:</b>	<b>12 December 2020</b>
<b>NC Grade</b>	<b>:</b>	<b>Critical</b>	<b>Date of Closing</b>	<b>:</b>	<b>6 April 2020</b>
<b>Standard Ref. &amp; Requirement</b>	<b>:</b>	<b>2.3.1</b> <b>For all directly sourced FFB, the mill requires:</b> <ul style="list-style-type: none"> <li>• Information on geo-location of FFB origins</li> <li>• Proof of the ownership status or the right/claim to the land by the grower/smallholder</li> <li>• Where applicable, valid planting/operating/trading license, or is part of a cooperative which allows the buying and selling of FFB.</li> </ul>			
<b>Evidence observed (filled by auditor):</b> Based on the results of document review and interviews with management, the following facts are known: <ul style="list-style-type: none"> <li>• Bukit Tunggal Jaya Mill received FFB from a 3rd party (based on the results of interviews with the mill manager, it was found that there were &gt; 100 suppliers)</li> <li>• The company shows several examples of SPK for buying and selling FFB with third parties, such as:</li> <li>• FFB sale and purchase agreement with CV Garuda Mas Jaya (not equipped with geolocation data, land rights, planting permits and trading permits)</li> <li>• Agreement with CV Mora Jaya (not yet completed, land rights, planting permits and trade permits)</li> <li>• Agreement with CV Welly Jaya Sumber Priangan (Not equipped with land rights and planting permits)</li> <li>• Agreement with Koperasi Sejahtera Mandiri (not equipped with geolocation data, land rights, planting permits and trade permits)</li> <li>• The company has not been able to show all 3rd party supplier data, along with 3rd party classification (direct sources or collectors)</li> </ul>					
<b>Non-Conformance Description (filled by auditor):</b> The company has not been able to show all the information related to the receipt of FFB that was obtained directly from the source, which is equipped with geolocation information, proof of ownership of land rights, and valid supporting permits for the purchase and sale of FFB.					
<b>Root Cause Analysis (filled by organization audited):</b> Lack of understanding from the BTJM Management Unit regarding SOP Third Party FFB, this is because the PIC for FFB Traceability is handled by the Sustainability Specialist at HO.					
<b>Correction (filled by organization audited):</b> Providing data & maps for completeness from the sources of PT. LSM (BTJM Unit) as required in the RSPO P&C, indicator 2.3.1, in the form of: <ul style="list-style-type: none"> <li>- BTJM Unit Farmer Data Base.</li> <li>- Map of External Suppliers for BTJM Unit</li> <li>- Complete Geolocation coordinates for Koperasi Sejahtera Mandiri.</li> <li>- Provide legality documents from third parties registered in the BTJM Unit, including: <ul style="list-style-type: none"> <li>• CV Garuda Mas Jaya</li> <li>• CV Mora Jaya</li> <li>• CV Welly Jaya</li> <li>• Cooperative Sejahtera Mandiri.</li> </ul> </li> </ul>					
<b>Corrective Action (filled by organization audited):</b> Implementing the SOP Third Party FFB					
<b>Assessor Evaluation and Conclusion (filled by auditor):</b>					

**Verification 18 February 2020**

The company shows proof of improvement in the form of third party Plantation Data / FFB Supplier form which is sent to BTJM directly without going through intermediaries, while several suppliers such as CV Garuda Mas Jaya, CV Mora Jaya, CV Welly Jaya, cooperative Sejahtera Mandiri. The FFB supplier document contains some data including the name of the manager, the location of the plantation, the distance to the BTJM, the area planted, the type of planted seeds, the area of land per individual. In addition, the management showed the location of the distribution of 3rd party source maps and their coordinates for CV Mora Jaya & CV Welly Jaya.

Based on the evidence of improvement shown, there are several documents that have not been able to be shown to the auditor, such as:

- Coordinate for Geolocation of Koperasi Sejahtera Mandiri
- The legality of the suppliers (land rights, planting permits and trade permits) for all suppliers.

Based on these evidences, it is stated that **the discrepancies have not been fulfilled.**

**Verification April 6, 2020**

The company shows evidence of improvement in the form of:

- Distribution map of suppliers (3rd party that has included Koperasi Sejahtera Mandiri and its geolocation)
- Legality of CV Welly Jaya: Company Registration Certificate (1405341 000395) from the Office of Investment and One Stop Services of Ketapang Regency. Trading Business License (SIUP) number: 503 / 103.SIUP / Small / 2017, NPWP, and SKT of land used for plantation areas.
- Legality of CV Garuda Mas Jaya: Business Identification Number (NIB) 8120000931304 dated 10 September 2018. SHM list for the management area of CV Garuda Mas Jaya. Example of SHM for an area used as a plantation area.
- Legality of Koperasi Sejahtera Mandiri: Permit for Business Place number: 503/481 / SITU / KOP / 2014. Trading Business License number: 503/585 / SIUP / Small / 2014, Registration Certificate of Cooperative Companies number 140520100250 dated September 16, 2019. Deed of Cooperative Establishment, Ratification of Deed of Establishment of Independent Plantation Cooperative, Examples of SHM for areas used as plantation areas.

Based on the root cause analysis, corrections, corrective actions and evidence of improvements that show. **non-conformity is declared fulfilled.**

*Verified by* : **Bayu Yogatama**

<i>NCR No.</i>	:	2019.7	<i>Issued by</i>	:	Bayu Yogatama
<i>Date Issued</i>	:	13 December 2019	<i>Time Limit</i>	:	ASA-1
<i>NC Grade</i>	:	Non Critical	<i>Date of Closing</i>	:	6 April 2020
<i>Standard Ref. &amp; Requirement</i>	:	2.3.2 For all indirectly sourced FFB, the unit of certification obtains from the collection centres, agents or other intermediaries, the evidence as listed in Indicator 2.3.1.			
Evidence observed (filled by auditor): -					
Non-Conformance Description (filled by auditor): The company has not been able to show all the information related to the receipt of FFB that was obtained indirectly from the source, which is equipped with geolocation information, proof of ownership of land rights, and valid supporting permits for the purchase and sale of FFB at the location.					

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

Lack of understanding from the BTJM Management Unit regarding SOP Third Party FFB, this is because the PIC for FFB Traceability is handled by the Sustainability Specialist at HO.

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

Providing data & maps for completeness from the sources of PT. LSM (BTJM Unit) as required in the RSPO P&C, indicator 2.3.1, in the form of:

- BTJM Unit Farmer Data Base.
- Map of External Suppliers for BTJM Unit
- Complete Geolocation coordinates for Koperasi Sejahtera Mandiri.
- Provide legality documents from third parties registered in the BTJM Unit, including:
  - CV Garuda Mas Jaya
  - CV Mora Jaya
  - CV Welly Jaya
  - Cooperative Sejahtera Mandiri.

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

Application of the FFB Third Party SOP.

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

**Verification 18 February 2020**

The company shows proof of improvement in the form of third party Plantation Data / FFB Supplier form which is sent to BTJM directly without going through intermediaries, while several suppliers such as CV Garuda Mas Jaya, CV Mora Jaya, CV Welly Jaya, cooperative Sejahtera Mandiri. The FFB supplier document contains some data including the name of the manager, the location of the plantation, the distance to the BTJM, the area planted, the type of planted seeds, the area of land per individual. In addition, the management showed the location of the distribution of 3rd party source maps and their coordinates for CV Mora Jaya & CV Welly Jaya.

Based on the evidence of improvement shown, there are several documents that have not been able to be shown to the auditor, such as:

- Coordinate for Geolocation of Koperasi Sejahtera Mandiri
- The legality of the suppliers (land rights, planting permits and trade permits) for all suppliers.

Based on these evidences, it is stated that **the discrepancies have not been fulfilled.**

**Verification April 6, 2020**

The company shows evidence of improvement in the form of:

1. Distribution map of suppliers (3rd party that has included Koperasi Sejahtera Mandiri and its geolocation)
2. Legality of CV Welly Jaya: Company Registration Certificate (1405341 000395) from the Office of Investment and One Stop Services of Ketapang Regency. Trading Business License (SIUP) number: 503 / 103.SIUP / Small / 2017, NPWP, and SKT of land used for plantation areas.
3. Legality of CV Garuda Mas Jaya: Business Identification Number (NIB) 8120000931304 dated 10 September 2018. SHM list for the management area of CV Garuda Mas Jaya. Example of SHM for an area used as a plantation area.
4. Legality of Koperasi Sejahtera Mandiri: Permit for Business Place number: 503/481 / SITU / KOP / 2014. Trading Business License number: 503/585 / SIUP / Small / 2014, Registration Certificate of Cooperative Companies number 140520100250 dated September 16, 2019. Deed of Cooperative Establishment, Ratification of Deed of Establishment of Independent Plantation Cooperative, Examples of SHM for areas used as plantation areas.
5. The 2018 PNC RSPO Guidelines for new certification, compliance related to suppliers through intermediaries enforced after 3 years since certification began.

Based on the root cause analysis, corrections, corrective actions and evidence of improvements that show non-conformities are declared fulfilled.

**Verified by** : Bayu Yogatama

<b>NCR No.</b>	: 2019.8	<b>Issued by</b>	: Bayu Yogatama
<b>Date Issued</b>	: 13 December 2019	<b>Time Limit</b>	: ASA-1
<b>NC Grade</b>	: Non Critical	<b>Date of Closing</b>	: 15 January 2020
<b>Standard Ref. &amp; Requirement</b>	<b>3.2.2</b> As part of the monitoring and continuous improvement process, annual reports are submitted to the RSPO Secretariat using the RSPO metrics template.		
<b>Evidence observed (filled by auditor):</b> -			
<b>Non-Conformance Description (filled by auditor):</b> The company has not been able to present the annual report submitted to the RSPO Secretariat for continuous monitoring and improvement using the RSPO matrix template.			
<b>Root Cause Analysis (filled by organization audited):</b> Lack of understanding of the Management Unit regarding compliance with the requirements of the 2018 RSPO P&C,			
<b>Correction (filled by organization audited):</b> 1. Provide proof of ACOP documents to the Lead Auditor of MAL. 2. Clarification of the NCR is like the points above.			
<b>Corrective Action (filled by organization audited):</b> Implementation of Internal Audit & Management Review Regularly			
<b>Assessor Evaluation and Conclusion (filled by auditor):</b> <b>January 15, 2020 verification</b> The company has conducted root cause analysis, corrections and determined corrective actions, besides that the company shows corrective documents in the form of RSPO ACOP 2018 which were reported in 2019. based on the evidence that the <b>non-conformity is declared fulfilled</b>			
<b>Verified by</b>	: Bayu Yogatama		

<b>NCR No.</b>	: 2019.9	<b>Issued by</b>	: Bayu Yogatama
<b>Date Issued</b>	: 13 December 2019	<b>Time Limit</b>	: 12 December 2020
<b>NC Grade</b>	: Critical	<b>Date of Closing</b>	: 2 June 2020
<b>Standard Ref. &amp; Requirement</b>	<b>3.4.3</b> The social and environmental management and monitoring plan is implemented, reviewed and updated regularly in a participatory way.		
<b>Evidence observed (filled by auditor):</b>			

Based on the results of the document review, the following facts are known:

- The company shows a report on the implementation of RKL-RPL Semester 1 of 2019 for PT LSM. Meanwhile, the report document on the implementation of RKL-RPL Semester 1 of PT LSM does not include related monitoring
  - Decrease in Surface Water Quality
  - Decreased Air Quality
  - Noise enhancement
  - The emergence of disease patterns
  - Decreasing the Diversity of Water Biota
  - The management unit has not been able to show evidence of management review of the results of managing social and environmental monitoring it has. As well as not reporting RKL-RPL in accordance with the format of KepMenLH 45 of 2005 regarding the procedure for writing an RKL-RPL report (*laboratory test results and other monitoring evidence have not been attached to the report*) and has not been able to show evidence that all management plans and reviews are implemented, reviewed together and updated regularly.

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

The company has not been able to show evidence that all management plans and reviews are implemented, reviewed together and updated regularly.

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

Lack of environmental quality monitoring & measurement control in accordance with SOP for Monitoring & Measurement by Sustainability Region.

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

1. Sustainability Coordination Meeting by CSC Dept. Head as an implementation control mechanism Best Practices, OHS & Environment throughout the BGA Management Unit. Provide minutes of meeting reviews on the effectiveness of monitoring & measuring environmental quality LSM Management Unit, LGI & NAS.
2. Provide:  
Semester I & II RKL - RPL reports of PT. LSM along with records of test results & proof of receipt of RKL & RPL from BLH

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

- Internal audits & management reviews regularly.
- Implementation of the Annual Sustainability Coordination Meeting by CSC Dept. Head

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

**Verification 2 June 2020**

The company shows evidence of improvement in the form of:

Report on the implementation of RKL-RPL Semester 2 PT LSM reports have been completed with attachments of all monitoring data including certificates of test results and other monitoring documentation and have carried out related monitoring:

- Decrease in Surface Water Quality
- Decreased Air Quality
- Noise enhancement
- The emergence of disease patterns
- Decreasing the Diversity of Water Biota

The RKL-RPL Semester 2 2019 report contains Trend Evaluation, Critical Level Evaluation and Compliance

Evaluation and the writing of the report has referred to KepmenLH 45 of 2005, besides that the report has been sent to the Ketapang Regency Environmental Agency on May 28, 2020

Minutes and reports of the BGA Environmental Quality Monitoring and Measurement Effectiveness Review, (Area Management Unit 8 (PT LSM, PT LGI & PT NAS) on 18 December 2019. The review activity was attended by 29 participants. The results of the management reviews include:

- Environmental Quality Monitoring & Testing Schedule for PT LSM
- Environmental non-conformity with the results of environmental quality testing which value is above the Environmental Quality Standard
- Report on RKL-RPL for Semester 2 of 2019
- Management of hazardous waste of PT LSM

Based on the evidences of improvement shown, root cause analysis, correction and corrective action of non-conformity management are declared fulfilled and will be further verified in the next surveillance activity.

**Verified by** : Bayu Yogatama

<i>NCR No.</i>	: 2019.10	<i>Issued by</i>	: Leonada
<i>Date Issued</i>	: 13 December 2019	<i>Time Limit</i>	: 12 December 2020
<i>NC Grade</i>	: Critical	<i>Date of Closing</i>	: 1 October 2020
<i>Standard Ref. &amp; Requirement</i>	: 4.4.1 Documents showing legal ownership or lease, or authorised use of customary land authorised by customary landowners through a Free, Prior and Informed Consent (FPIC) process. Documents related to the history of land tenure and the actual legal or customary use of the land are available.		
Evidence observed (filled by auditor): -			
Non-Conformance Description (filled by auditor): The Company cannot show the land title for Bukit Tunggal Jaya Mill Area of 22.17 Ha			
Root Cause Analysis (filled by organization audited): Lack of coordinating between PT LSM and other department in inventorying and evaluating the legal compliance.			
Correction (filled by organization audited): 1. Certification & Compliance Specialist to follow up the HGB process 2. Provided the HGU for Mill			
Corrective Action (filled by organization audited): Internal Audit & management review regularly			
Assessor Evaluation and Conclusion (filled by auditor): Verification on 28 February 2020 The company show the HGB progress through the letter No. 001/D&L-LSM-DIR.KSS/IX/2019 on 17 September 2019 to the land agency of Kalimantan Barat Province. Based on this evidence, the NC is still open.			

**Verification 28 August 2020**

The company show HGB decree by head of Kalimantan Barat land agency No. 23/HGB/BPN.61/2020 dated 18 Agustus 2020 to PT Ladang Sawit Mas for 13.38 Ha. But not all area covered by this HGB decree, so the NC is still open

**Verification 1 October 2020**

The company show HGB decree by head of Kalimantan Barat land agency No. 24/HGB/BPN.61/2020 dated 18 Agustus 2020 to PT Ladang Sawit Mas for 8.79 Ha. So the company has show all HGB which covered all area of Mill. Based on this evidence, it concluded that NC is closed.

*Verified by* : **Leonada**

<i>NCR No.</i>	:	2019.11	<i>Issued by</i>	:	Leonada
<i>Date Issued</i>	:	13 December 2019	<i>Time Limit</i>	:	ASA-1
<i>NC Grade</i>	:	Non Critical	<i>Date of Closing</i>	:	18 March 2020
<i>Standard Ref. &amp; Requirement</i>	:	4.4.6 There is evidence that implementation of agreements negotiated through FPIC is annually reviewed in consultation with affected parties			
<b>Evidence observed</b> (filled by auditor): The company can show the evidence of land acquisition evaluation, as example on 10 January 2017. But the review is not conducted by consultation with affected parties.					
<b>Non-Conformance Description</b> (filled by auditor): The company cannot show the evidence of land acquisition reviewed by consultation with affected parties.					
<b>Root Cause Analysis</b> (filled by organization audited): Lack of understanding from company officer related the requirements					
<b>Correction</b> (filled by organization audited): Provided the evidence of management review					
<b>Corrective Action</b> (filled by organization audited): Internal audit and management review regularly					
<b>Assessor Evaluation and Conclusion</b> (filled by auditor): <b>Verification 18 March 2020</b> The company show the minutes of FPIC management review on 3 January 2020. The management review consulting with affected parties show in attendance list, such as: head of Village Kayung Utara, Kaying Tuhe, Nanga Tayap, Betenang. State on the minutes that the land acquisition accepted by affected parties. Based on this evidence, it can be conluded that the <b>NC is closed</b> .					
<i>Verified by</i>	:	Leonada			

<i>NCR No.</i>	: <b>2019.12</b>	<i>Issued by</i>	: <b>Bayu Yogatama</b>
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<i>Date Issued</i>	:	<b>13 December 2019</b>	<i>Time Limit</i>	:	<b>ASA-1</b>
<i>NC Grade</i>	:	<b>Non Critical</b>	<i>Date of Closing</i>	:	<b>25 September 2020</b>
<i>Standard Ref. &amp; Requirement</i>	:	<b>5.1.8</b> <b>The unit of certification supports Independent Smallholders with certification, where applicable, ensuring mutual agreements between the unit of certification and the smallholders on who runs the internal control system (ICS), who holds the certificates, and who holds and sells the certified material.</b>			
<b>Evidence observed (filled by auditor):</b> Based on the document review, the following facts are known: The company has FFB buying and selling cooperation for example Letter of agreement between Sumber Usaha Sejahtera cooperative and BTJM (SPK No. 002 / SPK-LSM / II / 2019).					
<b>Non-Conformance Description (filled by auditor):</b> The company has not been able to show documentation of support for independent smallholders related to the certification program, if it can be done, which ensures mutual agreement between the certification unit and the farmer concerned regarding the party implementing the Internal Control System (ICS), the party holding the certificate, and the party who owns and sells certified material.					
<b>Root Cause Analysis (filled by organization audited):</b> Lack of coordination between the Management of PT. LSM (BTJM Unit) with Smallholders Specialists in the Head Office regarding the provision of recorded evidence of socialization/ consultation with Cooperative Administrators (Independent Farmers) as FFB suppliers at BTJM.					
<b>Correction (filled by organization audited):</b> <ol style="list-style-type: none"><li>Providing a work agreement for External FFB Suppliers, where the clause in the work agreement stipulates the requirements that are indicated in:<ul style="list-style-type: none"><li>RSPO Certification Systems for Principles &amp; Criteria, June 2017, element 4.4.6.</li><li>RSPO P&amp;C 2018, indicator 5.2.2</li><li>Aspects of Labor Law &amp; HSE requirements.</li></ul></li><li>Provide proof of recording: Farmers Development Program for West Kalimantan Dissemination of FFB Traceability requirements to External FFB Suppliers of BTJM Unit (contained in the work agreement in Article 7, points 5, 6, 7, 8 &amp; 9) as well as socialization of FFB traceability, BGA Sustainability, Company Code of Conduct through door to door to External FFB Suppliers.</li></ol>					
<b>Corrective Action (filled by organization audited):</b> Internal audit and management review regularly					
<b>Assessor Evaluation and Conclusion (filled by auditor):</b> <b>Verification 25 September 2020</b> The company shows evidence of improvement in the form of: <ul style="list-style-type: none"><li>Letter of agreement No. 001 / SPKL / BTJM-TBS / I / 2020 between PT Ladang Sawit Mas and CV Garuda Mas Jaya dated March 17, 2020. The agreement letter includes several points relating to the laws and regulations listed in article 7 of the Guarantee paragraph 6 which reads "If required by applicable laws/ regulations, the contractor guarantees and is responsible for its workers to be included and recorded in health insurance such as <i>BPJS Kesehatan</i> / <i>BPJS Ketenagakerjaan</i> (JKK and JKM), and receives wages in accordance with the provisions of the UMK or UMP and does not employ workers under age (under 18 years),</li></ul>					

no forced labor practices and does not employ workers originating from human trafficking as regulated in the prevailing laws and regulations.

- Letter of agreement No. 003 / SPKL / BTJM-TBS / I / 2020 between PT Ladang Sawit Mas and CV Welly Jaya Sumber Priangan Jaya dated 17 March 2020. The agreement letter includes several points relating to the laws and regulations listed in article 7 of Guarantee paragraph 6 which reads " If required by applicable laws / regulations, the contractor guarantees and is responsible for its workers to be included and recorded in health insurance such as *BPJS Kesehatan / BPJS Ketenagakerjaan* (JKK and JKM), and receive wages in accordance with the provisions of the UMK or UMP and do not employ workers are under age (under 18 years), do not practice forced labor and do not employ workers originating from human trafficking as regulated in the prevailing laws and regulations.
- Letter of agreement No. 002 / SPKL / BTJM-TBS / I / 2020 between PT Ladang Sawit Mas and Koperasi Sejahtera Mandiri Jaya dated 17 March 2020. The agreement letter includes several points relating to the laws and regulations listed in article 7 of the Guarantee paragraph 6 which reads "If required by applicable laws / regulations, the contractor guarantees and is responsible for its workers to be included and recorded in health insurance such as *BPJS Kesehatan / BPJS Ketenagakerjaan* (JKK and JKM), and receives wages in accordance with the provisions of the UMK or UMP and does not employ workers under age (under 18 years), no forced labor practices and does not employ workers originating from human trafficking as regulated in the prevailing laws and regulations.
- Letter of agreement No. 001 / SPKL / BTJM-TBS / I / 2020 between PT Ladang Sawit Mas and CV Mora Jaya dated 17 March 2020. The agreement letter includes several points relating to the laws and regulations listed in article 7 Guarantee paragraph 6 which reads "If required by Applicable laws / regulations, the contractor guarantees and is responsible for its workers to be included and registered in health insurance such as *BPJS Kesehatan / BPJS Ketenagakerjaan* (JKK and JKM), and receives wages in accordance with the provisions of the UMK or UMP and does not employ underage workers (under 18 years of age), there is no forced labor practice and does not employ workers originating from human trafficking as regulated in the prevailing laws and regulations.
- Minutes of socialization of traceability, sustainability police and the Company's Code of Conduct to Mandiri farmers on July 11, 2020 attended by 6 participant representatives, some of the materials presented such as land legality, environmental management and others (attendance list, socialization material and photos of activities attached)
- Supplier distribution map (3rd party that has included Koperasi Sejahtera Mandiri points and their geolocation)
- Legality of CV Welly Jaya: Company Registration Certificate (1405341 000395) from the Office of Investment and One Stop Services of Ketapang Regency. Trading Business License (SIUP) number: 503 / 103.SIUP / Small / 2017, NPWP, and SKT of land used for plantation areas.
- Legality of CV Garuda Mas Jaya: Business Identification Number (NIB) 8120000931304 dated 10 September 2018. SHM list for the management area of CV Garuda Mas Jaya. Example of SHM for an area used as a plantation area.
- Legality of Koperasi Sejahtera Mandiri: Permit for Business Place number: 503/481 / SITU / KOP / 2014. Trading Business License number: 503/585 / SIUP / Small / 2014, Registration Certificate of Cooperative Companies number 140520100250 dated September 16, 2019. Deed of Cooperative Establishment, Ratification of Deed of Establishment of Independent Plantation Cooperative, Examples of SHM for areas used as plantation areas.
- Minutes of training for assisted farmer groups held on 11-16 December 2019 with materials covering pest management, fruit traceability, plant diseases, handling of weeds and pests, and assistance to farmer groups to fulfill the documents required in implementing RSPO.

Based on the root cause analysis, corrections, corrective actions and evidence of corrections which show that the non-conformity is declared fulfilled, the records will be re-verified during the surveillance activities.

**Verified by** : **Bayu Yogatama**

<b>NCR No.</b>	: <b>2019.13</b>	<b>Issued by</b>	: <b>Bayu Yogatama</b>
<b>Date Issued</b>	: <b>13 December 2019</b>	<b>Time Limit</b>	: <b>ASA-1</b>
<b>NC Grade</b>	: <b>Non Critical</b>	<b>Date of Closing</b>	: <b>25 September 2020</b>
<b>Standard Ref. &amp; Requirement</b>	<b>5.2.1</b> <b>The unit of certification consults with interested smallholders (irrespective of type) including women or other partners in their supply base to assess their needs for support to improve their livelihoods and their interest in RSPO certification.</b>		
<b>Evidence observed (filled by auditor):</b> Based on the document review, the following facts are known: The company has FFB buying and selling cooperation for example Letter of agreement between Sumber Usaha Sejahtera cooperative and BTJM (SPK No. 002 / SPK-LSM / II / 2019).			
<b>Non-Conformance Description (filled by auditor):</b> The company has not been able to produce documentation of consultation activities with interested farmers (regardless of farmer type), including women, or other partners in its supply base to assess their need for support to improve their livelihoods and their interest in pursuing RSPO certification.			
<b>Root Cause Analysis (filled by organization audited):</b> Lack of coordination between the Management of PT. LSM (BTJM Unit) with Smallholders Specialists in the Head Office regarding the provision of recorded evidence of socialization / consultation with Cooperative Administrators (Independent Farmers) as FFB suppliers at BTJM.			
<b>Correction (filled by organization audited):</b> <ol style="list-style-type: none"> <li>Providing a work agreement for External FFB Suppliers, where the clause in the work agreement stipulates the requirements that are indicated in:             <ul style="list-style-type: none"> <li>RSPO Certification Systems for Principles &amp; Criteria, June 2017, element 4.4.6.</li> <li>RSPO P&amp;C 2018, indicator 5.2.2</li> <li>Aspects of Labor Law &amp; HSE requirements.</li> </ul> </li> <li>Provide proof of recording:              Farmers Development Program for West Kalimantan Dissemination of FFB Traceability requirements to External FFB Suppliers of BTJM Unit (contained in the work agreement in Article 7, points 5, 6, 7, 8 &amp; 9) as well as socialization of FFB traceability, BGA Sustainability, Company Code of Conduct through door to door to External FFB Suppliers.           </li> </ol>			
<b>Corrective Action (filled by organization audited):</b> Internal audit and management review regularly			
<b>Assessor Evaluation and Conclusion (filled by auditor):</b> <b>Verification 25 September 2020</b> The company shows evidence of improvement in the form of: <ul style="list-style-type: none"> <li>Letter of agreement No. 001 / SPKL / BTJM-TBS / I / 2020 between PT Ladang Sawit Mas and CV Garuda Mas Jaya dated March 17, 2020. The agreement letter includes several points relating to the laws and</li> </ul>			

regulations listed in article 7 of the Guarantee paragraph 6 which reads "If required by applicable laws / regulations, the contractor guarantees and is responsible for its workers to be included and recorded in health insurance such as *BPJS Kesehatan / BPJS Ketenagakerjaan* (JKK and JKM), and receives wages in accordance with the provisions of the UMK or UMP and does not employ workers under age (under 18 years), no forced labor practices and does not employ workers originating from human trafficking as regulated in the prevailing laws and regulations.

- Letter of agreement No. 003 / SPKL / BTJM-TBS / I / 2020 between PT Ladang Sawit Mas and CV Welly Jaya Sumber Priangan Jaya dated 17 March 2020. The agreement letter includes several points relating to the laws and regulations listed in article 7 of Guarantee paragraph 6 which reads " If required by applicable laws / regulations, the contractor guarantees and is responsible for its workers to be included and recorded in health insurance such as *BPJS Kesehatan / BPJS Ketenagakerjaan* (JKK and JKM), and receive wages in accordance with the provisions of the UMK or UMP and do not employ workers are under age (under 18 years), do not practice forced labor and do not employ workers originating from human trafficking as regulated in the prevailing laws and regulations.
- Letter of agreement No. 002 / SPKL / BTJM-TBS / I / 2020 between PT Ladang Sawit Mas and Koperasi Sejahtera Mandiri Jaya dated 17 March 2020. The agreement letter includes several points relating to the laws and regulations listed in article 7 of the Guarantee paragraph 6 which reads "If required by applicable laws / regulations, the contractor guarantees and is responsible for its workers to be included and recorded in health insurance such as *BPJS Kesehatan / BPJS Ketenagakerjaan* (JKK and JKM), and receives wages in accordance with the provisions of the UMK or UMP and does not employ workers under age (under 18 years), no forced labor practices and does not employ workers originating from human trafficking as regulated in the prevailing laws and regulations.
- Letter of agreement No. 001 / SPKL / BTJM-TBS / I / 2020 between PT Ladang Sawit Mas and CV Mora Jaya dated 17 March 2020. The agreement letter includes several points relating to the laws and regulations listed in article 7 Guarantee paragraph 6 which reads "If required by Applicable laws / regulations, the contractor guarantees and is responsible for its workers to be included and registered in health insurance such as *BPJS Kesehatan / BPJS Ketenagakerjaan* (JKK and JKM), and receives wages in accordance with the provisions of the UMK or UMP and does not employ underage workers (under 18 years of age), there is no forced labor practice and does not employ workers originating from human trafficking as regulated in the prevailing laws and regulations.
- Minutes of socialization of traceability, sustainability police and the Company's Code of Conduct to Mandiri farmers on July 11, 2020 attended by 6 participant representatives, some of the materials presented such as land legality, environmental management and others (attendance list, socialization material and photos of activities attached)
- Supplier distribution map (3rd party that has included Koperasi Sejahtera Mandiri points and their geolocation)
- Legality of CV Welly Jaya: Company Registration Certificate (1405341 000395) from the Office of Investment and One Stop Services of Ketapang Regency. Trading Business License (SIUP) number: 503 / 103.SIUP / Small / 2017, NPWP, and SKT of land used for plantation areas.
- Legality of CV Garuda Mas Jaya: Business Identification Number (NIB) 8120000931304 dated 10 September 2018. SHM list for the management area of CV Garuda Mas Jaya. Example of SHM for an area used as a plantation area.
- Legality of Koperasi Sejahtera Mandiri: Permit for Business Place number: 503/481 / SITU / KOP / 2014. Trading Business License number: 503/585 / SIUP / Small / 2014, Registration Certificate of Cooperative Companies number 140520100250 dated September 16, 2019. Deed of Cooperative Establishment, Ratification of Deed of Establishment of Independent Plantation Cooperative, Examples of SHM for areas used as plantation areas.

- Minutes of training for assisted farmer groups held on 11-16 December 2019 with materials covering pest management, fruit traceability, plant diseases, handling of weeds and pests, and assistance to farmer groups to fulfill the documents required in implementing RSPO.

Based on the root cause analysis, corrections, corrective actions and evidence of corrections which show that the non-conformity is declared fulfilled, the records will be re-verified during the surveillance activities.

Verified by :

<b>NCR No.</b>	<b>: 2019.14</b>	<b>Issued by</b>	<b>: Bayu Yogatama</b>
<b>Date Issued</b>	<b>: 13 December 2019</b>	<b>Time Limit</b>	<b>: ASA-1</b>
<b>NC Grade</b>	<b>: Non Critical</b>	<b>Date of Closing</b>	<b>: 25 September 2020</b>
<b>Standard Ref. &amp; Requirement</b>	<b>5.2.2</b> <b>The unit of certification develops and implements livelihood improvement programmes, including at least capacity building to enhance productivity, quality, organisational and managerial competencies, and specific elements of RSPO certification (including the RSPO Standard for Independent Smallholder).</b>		
<b>Evidence observed (filled by auditor):</b> Based on the document review, the following facts are known: The company has FFB buying and selling cooperation for example Letter of agreement between Sumber Usaha Sejahtera cooperative and BTJM (SPK No. 002 / SPK-LSM / II / 2019)			
<b>Non-Conformance Description (filled by auditor):</b> The company has not been able to show documentation of the implementation of programs to improve livelihood standards, including at least increased capacity to increase productivity, quality, organizational and managerial skills, and certain elements of RSPO certification (including the RSPO Standard for Independent Smallholders).			
<b>Root Cause Analysis (filled by organization audited):</b> Lack of coordination between the Management of PT. LSM (BTJM Unit) with Smallholders Specialists in the Head Office regarding the provision of recorded evidence of socialization / consultation with Cooperative Administrators (Independent Farmers) as FFB suppliers at BTJM.			
<b>Correction (filled by organization audited):</b> <ol style="list-style-type: none"> <li>Providing a work agreement for External FFB Suppliers, where the clause in the work agreement stipulates the requirements that are indicated in:             <ul style="list-style-type: none"> <li>RSPO Certification Systems for Principles &amp; Criteria, June 2017, element 4.4.6.</li> <li>RSPO P&amp;C 2018, indicator 5.2.2</li> <li>Aspects of Labor Law &amp; HSE requirements.</li> </ul> </li> <li>Provide proof of recording:              Farmers Development Program for West Kalimantan Dissemination of FFB Traceability requirements to External FFB Suppliers of BTJM Unit (contained in the work agreement in Article 7, points 5, 6, 7, 8 &amp; 9) as well as socialization of FFB traceability, BGA Sustainability, Company Code of Conduct through door to door to External FFB Suppliers.           </li> </ol>			
<b>Corrective Action (filled by organization audited):</b> Internal audit and management review regularly			



**Assessor Evaluation and Conclusion** *(filled by auditor):***Verification 25 September 2020**

The company shows evidence of improvement in the form of:

- Letter of agreement No. 001 / SPKL / BTJM-TBS / I / 2020 between PT Ladang Sawit Mas and CV Garuda Mas Jaya dated March 17, 2020. The agreement letter includes several points relating to the laws and regulations listed in article 7 of the Guarantee paragraph 6 which reads "If required by applicable laws / regulations, the contractor guarantees and is responsible for its workers to be included and recorded in health insurance such as *BPJS Kesehatan / BPJS Ketenagakerjaan* (JKK and JKM), and receives wages in accordance with the provisions of the UMK or UMP and does not employ workers under age (under 18 years), no forced labor practices and does not employ workers originating from human trafficking as regulated in the prevailing laws and regulations.
- Letter of agreement No. 003 / SPKL / BTJM-TBS / I / 2020 between PT Ladang Sawit Mas and CV Welly Jaya Sumber Priangan Jaya dated 17 March 2020. The agreement letter includes several points relating to the laws and regulations listed in article 7 of Guarantee paragraph 6 which reads " If required by applicable laws / regulations, the contractor guarantees and is responsible for its workers to be included and recorded in health insurance such as *BPJS Kesehatan / BPJS Ketenagakerjaan* (JKK and JKM), and receive wages in accordance with the provisions of the UMK or UMP and do not employ workers are under age (under 18 years), do not practice forced labor and do not employ workers originating from human trafficking as regulated in the prevailing laws and regulations.
- Letter of agreement No. 002 / SPKL / BTJM-TBS / I / 2020 between PT Ladang Sawit Mas and Koperasi Sejahtera Mandiri Jaya dated 17 March 2020. The agreement letter includes several points relating to the laws and regulations listed in article 7 of the Guarantee paragraph 6 which reads "If required by applicable laws / regulations, the contractor guarantees and is responsible for its workers to be included and recorded in health insurance such as *BPJS Kesehatan / BPJS Ketenagakerjaan* (JKK and JKM), and receives wages in accordance with the provisions of the UMK or UMP and does not employ workers under age (under 18 years), no forced labor practices and does not employ workers originating from human trafficking as regulated in the prevailing laws and regulations.
- Letter of agreement No. 001 / SPKL / BTJM-TBS / I / 2020 between PT Ladang Sawit Mas and CV Mora Jaya dated 17 March 2020. The agreement letter includes several points relating to the laws and regulations listed in article 7 Guarantee paragraph 6 which reads "If required by Applicable laws / regulations, the contractor guarantees and is responsible for its workers to be included and registered in health insurance such as *BPJS Kesehatan / BPJS Ketenagakerjaan* (JKK and JKM), and receives wages in accordance with the provisions of the UMK or UMP and does not employ underage workers (under 18 years of age), there is no forced labor practice and does not employ workers originating from human trafficking as regulated in the prevailing laws and regulations.
- Minutes of socialization of traceability, sustainability police and the Company's Code of Conduct to Mandiri farmers on July 11, 2020 attended by 6 participant representatives, some of the materials presented such as land legality, environmental management and others (attendance list, socialization material and photos of activities attached)
- Supplier distribution map (3rd party that has included Koperasi Sejahtera Mandiri points and their geolocation)
- Legality of CV Welly Jaya: Company Registration Certificate (1405341 000395) from the Office of Investment and One Stop Services of Ketapang Regency. Trading Business License (SIUP) number: 503 / 103.SIUP / Small / 2017, NPWP, and SKT of land used for plantation areas.
- Legality of CV Garuda Mas Jaya: Business Identification Number (NIB) 8120000931304 dated 10 September 2018. SHM list for the management area of CV Garuda Mas Jaya. Example of SHM for an area used as a plantation area.

- Legality of Koperasi Sejahtera Mandiri: Permit for Business Place number: 503/481 / SITU / KOP / 2014. Trading Business License number: 503/585 / SIUP / Small / 2014, Registration Certificate of Cooperative Companies number 140520100250 dated September 16, 2019. Deed of Cooperative Establishment, Ratification of Deed of Establishment of Independent Plantation Cooperative, Examples of SHM for areas used as plantation areas.
- Minutes of training for assisted farmer groups held on 11-16 December 2019 with materials covering pest management, fruit traceability, plant diseases, handling of weeds and pests, and assistance to farmer groups to fulfill the documents required in implementing RSPO.

Based on the root cause analysis, corrections, corrective actions and evidence of corrections which show that the non-conformity is declared fulfilled, the records will be re-verified during the surveillance activities.

**Verified by** : **Bayu Yogatama**

<i>NCR No.</i>	:	<b>2019.15</b>	<i>Issued by</i>	:	<b>Bayu Yogatama</b>
<i>Date Issued</i>	:	<b>13 December 2019</b>	<i>Time Limit</i>	:	<b>ASA-1</b>
<i>NC Grade</i>	:	<b>Non Critical</b>	<i>Date of Closing</i>	:	<b>24 September 2020</b>
<i>Standard Ref. &amp; Requirement</i>	:	<b>5.2.3 Where applicable, the unit of certification provides support to smallholders to promote legality of FFB production.</b>			
<b>Evidence observed</b> (filled by auditor): Based on the document review, the following facts are known: The company has FFB buying and selling cooperation for example Letter of agreement between Sumber Usaha Sejahtera cooperative and BTJM (SPK No. 002 / SPK-LSM / II / 2019)					
<b>Non-Conformance Description</b> (filled by auditor): The company has not been able to show documentation of the efforts made by the certification unit to farmers to support the legality of FFB production.					
<b>Root Cause Analysis</b> (filled by organization audited): Lack of coordination between the Management of PT. LSM (BTJM Unit) with Smallholders Specialists in the Head Office regarding the provision of recorded evidence of socialization / consultation with Cooperative Administrators (Independent Farmers) as FFB suppliers at BTJM.					
<b>Correction</b> (filled by organization audited): Providing documents / records as support for BTJM Unit External FFB Suppliers related to legality and compliance with the requirements of the RSPO Certification Systems for Principles & Criteria, June 2017, element 4.4.6 (Legal compliance), with documents / records in the form of: <ul style="list-style-type: none"><li>• External FFB Supplier work agreement in accordance with the requirements set forth in the 2018 RSPO P&amp;C, indicator 5.2.3</li><li>• Data base for BTJM Unit Farmers &amp; Map of External Suppliers for BTJM Unit</li><li>• Report on West Kalimantan Region Farmer Development Program.</li></ul>					
<b>Corrective Action</b> (filled by organization audited): Application of the SOP for FFB Third Party					



**Assessor Evaluation and Conclusion** *(filled by auditor):*
**Verification 24 September 2020**

The company shows evidence of improvement in the form of:

- Minutes of socialization of traceability, sustainability police and the Company's Code of Conduct to Mandiri farmers on July 11, 2020 attended by 6 participant representatives, some of the materials presented such as land legality, environmental management and others (attendance list, socialization materials and photos of activities attached)
- Map of distribution of suppliers (3rd party that has included the Koperasi Sejahtera Mandiri points and their geolocation)
- Legality of CV Welly Jaya: Company Registration Certificate (1405341 000395) from the Office of Investment and One Stop Services of Ketapang Regency. Trading Business License (SIUP) number: 503 / 103.SIUP / Small / 2017, NPWP, and SKT of land used for plantation areas.
- Legality of CV Garuda Mas Jaya: Business Identification Number (NIB) 8120000931304 dated 10 September 2018. SHM list for the management area of CV Garuda Mas Jaya. Example of SHM for an area used as a plantation area.
- Legality of Koperasi Sejahtera Mandiri: Permit for Business Place number: 503/481 / SITU / KOP / 2014. Trading Business License number: 503/585 / SIUP / Small / 2014, Registration Certificate of Cooperative Companies number 140520100250 dated September 16, 2019. Deed of Cooperative Establishment, Ratification of Deed of Establishment of Independent Plantation Cooperative, Examples of SHM for areas used as plantation areas.
- Minutes of training for assisted farmer groups held on 11-16 December 2019 with materials covering pest management, fruit tracing, plant diseases, handling of weeds and pests, as well as assistance to farmer groups to fulfill the documents required in implementing RSPO.

Based on the root cause analysis, corrections, corrective actions and evidence of corrections shown that non-conformities are declared fulfilled provided that records will be re-verified during the surveillance activities.

**Verified by** : **Bayu Yogatama**

<b>NCR No.</b>	<b>: 2019.16</b>	<b>Issued by</b>	<b>: Bayu Yogatama</b>
<b>Date Issued</b>	<b>: 13 December 2019</b>	<b>Time Limit</b>	<b>: ASA-1</b>
<b>NC Grade</b>	<b>: Non Critical</b>	<b>Date of Closing</b>	<b>: 28 July 2020</b>
<b>Standard Ref. &amp; Requirement</b>	<b>5.2.5</b> <b>The unit of certification regularly reviews and publicly reports on the progress of the smallholder support programme.</b>		

**Evidence observed** *(filled by auditor):*

Based on the document review, the following facts are known: The company has FFB buying and selling cooperation for example Letter of agreement between Sumber Usaha Sejahtera cooperative and BTJM (SPK No. 002 / SPK-LSM / II / 2019)

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

The company has not been able to show evidence of having reviewed and publicly reported the progress of the farmer support program on a regular basis

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

Lack of coordination between the Management of PT. LSM (BTJM Unit) with Corporate Communication Dept. &

Partnership Dept. in the Head Office regarding the provision of documentary evidence / recording progress reports on support for Farmers in the BGA Management Unit as a whole.

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

The Certification & Compliance Specialist coordinates with the Corporate Communication Specialist to provide evidence of the progress of the BGA Management Unit farmers as a whole.

- BGA Corporate Management has collaborated with Infosawit & Agrofarm to publish related BGA Management Unit support for Farmers and plans & Results of activities published by Infosawit & Agrofarm are available to the public.
- Provision of evidence of records of Management Unit activities for Farmers.
- Provision of document review evidence for the Plasma Certification program at the BGA Management Unit

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

Internal Audit & Management Review regularly

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

**Verification 28 July 2020**

The company shows some evidence of improvement among them:

- An electronic news collection containing the company's commitment to support plasma farmers in various aspects such as (assistance to settle land legality, assistance with seeds, assistance and others.
- An example of a company annual presentation / annual report that shows the company's support for farmers to increase productivity and quality, one of which is by inviting and fostering farmers to participate in the RSPO certification program.

Based on the evidences of improvement shown, root cause analysis, and corrective action planned for non-conformities are declared fulfilled.

**Verified by** : **Bayu Yogatama**

NCR No.	: 2019.17	Issued by	: Asystasha Aishah Silalahi
Date Issued	: 13 December 2019	Time Limit	: 12 December 2020
NC Grade	: Critical	Date of Closing	: 11 March 2020
Standard Ref. & Requirement	6.2.3 There is evidence of legal compliance for regular working hours, deductions, overtime, sick leave, right to get holidays, maternity leave, reasons for termination, notification period before termination of work, and other labor provisions regulated by applicable law.		
Evidence observed (filled by auditor): However, based on the document verification and interview with stakeholder, found the following evidence: <ul style="list-style-type: none"><li>- Based on the results of interviews with stakeholders, it is known that there is information related to termination of employees without notification in accordance with applicable labor provisions.</li><li>- The company shows the list of workers who have left the company starting in August 2019. Based on the review of the document, the names of former employees obtained from the interviews, written in the list of employees who have left the company.</li><li>- The company has not been able to show all evidence of employee termination documents from the sample set by the auditor.</li></ul>			

- The company shows examples of employees who have left the company for being absent for 12 days based on absences for the period September 26, 2019 - October 25, 2019. But the company has not been able to show evidence of the employee's summons in writing after being absent 5 days (based on Company Rules and Law No. 13 of 2003).

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

Based on this evidence, the company has not shown evidence that employee termination are in accordance with applicable labor regulations.

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

- Control of records of employee dismissal processes in Units as a whole by HRD Officer is being ineffective.
- The ineffective HRD Officer in controlling employee dismissal records, due to PIC as HRD Officer (new staff) does not understand the employee dismissal process in accordance with Law no. 13 of 2003: Employment.
- Then the HRD Officer asks the Industrial Relations Specialist (HO) for advice regarding the employee dismissal procedure in order to comply with the applicable regulations.

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

- Inventory of employees who have left in each Work Unit by the related HRD Officer & Unit Manager.
- Provide recorded evidence in the process of dismissing employees in accordance with the provisions stipulated in Law no. 13 of 2003: Employment.
- Basically, the dismissal of worker Mr. S & Mrs A because they both have been absent for more than 5 consecutive and the Management Unit qualifies them both to resign unilaterally and this refers to Article 168, Law no. 13 of 2003: Employment.
- The dates of warning letter I, II, III are the same, this is only for the fulfillment of the provisions stipulated in Article 168, paragraphs (1) & (2), Law no. 13 of 2003: Employment.

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

Conducting internal audits & management reviews regularly

**Assessor Evaluation and Conclusion (filled by auditor):**
**Verification January 9, 2020**

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

- Monthly attendance reports for the period 26 June - 25 July 2019 for employees of Bukit Tunggal Jaya Estate with NIK 17043085. These employees do not come to work during the attendance period.
- Warning letter I for employees with NIK Number 002 / LSM-BTJE / SP-1 / VI / 2019 issued on July 26, 2019, Warning letter II Number 04 / LSM / SP-II / BTJE / VII / 2019 issued on July 26 2019, and Warning Letter III No. 010 / LSM / SP-III / BTJE / VII / 2019 issued on 26 July 2019.
- Monthly attendance reports for the period 26 October - 25 November 2019 for employees of Bukit Tunggal Jaya Estate with NIK 16043527. These employees do not come to work for 15 days.
- Warning letter I for employees with NIK Number 001 / LSM-BTJE / SP / 1 / X / 2019 issued on October 26, 2019, warning letter II Number 04 / LSM / SP-II / BTJE / XI / 2019 issued on November 26, 2019, and warning letter III Number 003 / LSM / SP-III / XI / 2019 issued November 26, 2019.

**Auditor verification March 11, 2020**

The company has provided an explanation of the auditor's question. Based on the explanation given by the company, this discrepancy is fulfilled and will be observed if a similar case occurs in the next assessment.

**Verified by** : **Asystasha Aishah Silalahi**

NCR No.	: 2019.18	Issued by	: Asystasha Aishah Silalahi
Date Issued	: 13 December 2019	Time Limit	: ASA 1
NC Grade	: Non Critical	Date of Closing	: 7 April 2020
Standard Ref. & Requirement	: 6.2.6 DLW is given to all workers, including workers who work on a piece / quota basis whose wages are calculated based on the quota that can be reached during regular working hours.		
<b>Evidence observed (filled by auditor):</b> Based on the document "Statement from the RSPO Standards Committee Regarding Indicator 6.2.6 on Decent Living Wage" endorsed by the RSPO BoG 7 November 2019, it states that: For countries where no living wage standard is set, until a benchmark time is adopted by the RSPO for that country to exist, national minimum wages must be paid to all workers. In addition to payment of the minimum wage, the certification unit must conduct an assessment of the applicable wage and benefits in the form of goods provided to workers in the certification unit that are in line with RSPO guidelines for implementing a living wage (DWL).  Based on the auditor verification, the company has currently implemented a minimum wage, but the company has not been able to show the results of the calculation of the applicable wages and benefits in the form of goods given to workers.			
<b>Non-Conformance Description (filled by auditor):</b> The company has not been able to show the results of the calculation of applicable wages and benefits in the form of goods given to workers that are in line with RSPO guidelines for implementing a decent living wage (DWL). For example, housing allowances, water, electricity, health facilities, children's education, food			
<b>Root Cause Analysis (filled by organization audited):</b> Lack of understanding of the Management Unit regarding the components of a Living Wage			
<b>Correction (filled by organization audited):</b> Provide evidence of corrections related to the calculation applicable wages and allowances in kind of benefit to workers in accordance with RSPO guidelines for implementing a decent living wage (DLW) according to the facilities & services available at LSM			
<b>Corrective Action (filled by organization audited):</b> Conducting internal audits & management reviews regularly			
<b>Assessor Evaluation and Conclusion (filled by auditor):</b> <b>Verification January 31, 2020.</b> The company has analyzed the root causes and shows evidence of improvement in the form of: <ul style="list-style-type: none"><li>• PT LSM fulfillment of living wage checklist</li><li>• IOM No. 001 / IOM-A / HC-BGA / I / 2020 concerning the determination of the wages of monthly and daily permanent worker employees in 2020.</li></ul> <b>Verification 10 March 2020</b> The company has demonstrated the implementation of a living wage that has been set by the RSPO for West Kalimantan Province in the Gap Analysis document for a Decent Life in the Management Unit of PT LSM.			
<b>Verifikasi 7 April 2020</b> Explanation from the auditee:			

- Figure 11.25 is the monthly consumption (kg) for rice items set for the North Sumatra and West Kalimantan regions in the Food Basket published in the RSPO Guidance for implementing a decent living wage (1 June 2019).

### Food Basket

#### Example of a Model Diet Per Person Per Day for Rural North Sumatra and West Kalimantan

				North Sumatra	West Kalimantan
Food Items	Grams per day	Energy (kcal)	Monthly consumption (kg)	Total cost (IDR/pp/month)	Total cost (IDR/month)
Rice	375	1,350	11.25	123,750	112,500
Meat	32	59	0.96	24,960	43,200
Oils	23	197	0.69	7,590	8,280
Sugar	36	127	1.08	12,420	12,960
Milk	31	15	0.93	30,000	30,000
Vegetables	70	24	2.1	16,800	16,800
Potatoes	9	6	0.27	2,700	3,780
Egg	10	15	0.3	7,200	6,600
Fish products	59	44	1.77	61,950	70,800
Nuts	27	93	0.81	4,050	4,050
Cassava	118	118	3.54	21,240	24,780
Fruits	52	32	1.56	18,720	11,700
Soya beans	2	8	0.06	300	300
Onions	23	9	0.69	14,490	20,700
Tea	1	0	0.03	1,380	3,000
<b>Total</b>	<b>868</b>	<b>2,100</b>	<b>26.04</b>	<b>347,550</b>	<b>369,450</b>

- Rice allowance for single employees as follows:

✓ 0.5 kg per day

✓ 0.5 kg / day X 25 days = 12.5 kg per month

The rice allowance conversion value for single employees:

$(12.5 / 11.25) \times \text{Rp. } 112,500 = \text{Rp. } 125,000$ , -

Information:

Basically, rice allowances for single employees has met the Food Basket for item rice issued by the RSPO of 11.25 kg per month (you can see at above table)

Reference: RSPO Guidance for Implementing a decent Living Wage, 1 June 2019.

The company has demonstrated that PT LSM has provided wages to employees in accordance with the Decent Living Needs for West Kalimantan province. The wages received by employees include the basic wage which refers to the 2020 Ketapang Regency Minimum Wage plus the employee rice allowance, which is IDR 2,990,500 and the RSPO version of the proper living needs is IDR 2,951,213. Based on the evidence provided, the discrepancy No. 2019.21 has been fulfilled.

**Verified by** : **Asystasha Aishah Silalahi**

<b>NCR No.</b>	<b>: 2019.19</b>	<b>Issued by</b>	<b>: Hasiholan Sihombing</b>
<b>Date Issued</b>	<b>: 13 Desember 2019</b>	<b>Time Limit</b>	<b>: 12 December 2020</b>

NC Grade	:	Critical	Date of Closing	:	6 February 2020
Standard Ref. & Requirement	:	<b>6.7.3</b> <b>Workers use appropriate personal protective equipment (PPE) which is provided free of charge to all workers in the workplace, to cover all potentially hazardous operations, such as pesticides application, machine operations, land preparation, and harvesting. Sanitation facilities for those applying pesticides are available, so that workers can change out of PPE, wash and put on their personal clothing.</b>			
<b>Evidence observed (filled by auditor):</b> <b>Use of PPE</b> The company has a PPE Control Procedure (LSM-SUST-SOP-20, January 1, 2019), in section 6.3 it explains that every employee is required to wear PPE properly while working and in areas where PPE is required. From the identification of the use of PPE owned by the company, it is explained that the PPE used by harvest workers is a helmet and shoes; FFB loading workers, namely helmets and shoes; Land Application operators namely shoes, helmets and masks; kernel station operators, namely helmets, shoes, masks and earmuffs; press station operators, namely helmets, shoes, masks and earplugs. From the results of the auditor's verification, the following evidences are found: <ul style="list-style-type: none"><li>- Based on field observations and interviews with 2 harvest workers in block E16 BTJE, it is known that the 2 workers did not wear helmeted PPE while working.</li><li>- Based on field observations and interviews with Land Application operators, it is known that these operators do not wear masks while working.</li><li>- Based on field observations and interviews with 2 press station operators, it is known that 1 out of 2 operators do not use earplugs when working.</li><li>- Based on field observations and interviews with kernel station operators, it is known that these operators do not use earmuffs when working.</li><li>- Based on field observations in block E46 NJYE, it is known that 1 worker loading FFB does not use PPE at all while working.</li></ul> <b>PPE Replacement</b> The company has a PPE Control Procedure (LSM-SUST-SOP-20, January 1, 2019), in section 6.8 it explains that if the employee's PPE is damaged, the employee has the right to get a new PPE by submitting the damaged PPE and filling out the handover proof form. From the results of the auditor's verification, the following evidences are found: <ul style="list-style-type: none"><li>- Based on field observations and interviews with 5 spray workers in block E13 BTJE, it is known that 1 in 5 of these workers wear damaged PPE shoes.</li><li>- Based on field observations and interviews with operators at BTJM (sorting stations, sterilizer stations, press stations, clarification stations, engine room stations, kernel stations and boiler stations), it was found that 6 out of 11 operators interviewed used PPE shoes that were bought themselves because the shoes were given the company is out of order.</li><li>- Based on field observations and interviews with 3 harvest workers in block F49 NJYE, it is known that 2 out of 3 workers use PPE for shoes that they bought themselves because the shoes given by the company were damaged.</li></ul> <b>Non-Conformance Description (filled by auditor):</b> Based on the evidence above, it is concluded that there are the following discrepancies: <ol style="list-style-type: none"><li>1. The company has not been effective in ensuring that PPE is used by workers in the field in accordance with existing procedures.</li><li>2. The company has not been effective in implementing the procedure for replacing the damaged PPE of workers in accordance with existing procedures.</li></ol> <b>Root Cause Analysis (filled by organization audited):</b> Lack awareness of the employees as a whole in the use of PPE in the workplace due to ineffective controls from the Foreman & Assistant and the lack of understanding of the employees regarding the SOP for PPE Control.					



<b>Correction (filled by organization audited):</b> Replacement of damaged or missing PPE refers to point 6.9 of the PPE Control SOP.	
<b>Corrective Action (filled by organization audited):</b> 1. Awareness Socialization on the use of PPE in the workplace to all employees by each HSE Officer in the Work Unit they lead. 2. Patrol the use of PPE by the relevant HSE Officer.	
<b>Assessor Evaluation and Conclusion (filled by auditor):</b> <b>Auditor Verification, February 6, 2020</b> The company sends proof of repair as follows: <ul style="list-style-type: none"> <li>- News of PPE socialization at BTJM</li> <li>- News of PPE socialization events at NJYE</li> <li>- News of PPE socialization at BTJE division 3</li> <li>- Minutes of PPE inspection at BTJE</li> <li>- Records of PPE replacement for 5 sorting employees and 21 processing employees at BTJM</li> <li>- Records of PPE replacement for 1 BTJE spray employee</li> <li>- Records of PPE replacement for 2 NJYE harvest employees</li> </ul> <p>The company has also explained the root cause analysis and corrective action against non-conformities. Nonconformity has been closed and will be verified in the next ASA.</p>	
<b>Verified by</b>	<b>: Hasiholan Sihombing</b>

<b>NCR No.</b>	<b>: 2019.20</b>	<b>Issued by</b>	<b>: Hasiholan Sihombing</b>
<b>Date Issued</b>	<b>: 13 December 2019</b>	<b>Time Limit</b>	<b>: 12 December 2020</b>
<b>NC Grade</b>	<b>: Critical</b>	<b>Date of Closing</b>	<b>: 27 March 2020</b>
<b>Standard Ref. &amp; Requirement</b>	<b>: 7.2.6</b> <b>Pesticides are only handled, used or applied by persons who have completed the necessary training and are always applied in accordance with the product label. All precautions attached to the products are properly observed, applied, and understood by workers (see Criterion 3.6). Personnel applying pesticides must show evidence of regular updates on the knowledge about the activity they conduct.</b>		
<b>Evidence observed (filled by auditor):</b> From the results of the auditor's verification, the following evidences are found based on observations on spraying activities in block E13 BTJE, it is known that pesticide spills directly into the soil body during the process of filling the pesticide into the spray equipment.			
<b>Non-Conformance Description (filled by auditor):</b> Based on this evidence, there is no handling of pesticides by methods that can minimize risks and negative impacts.			
<b>Root Cause Analysis (filled by organization audited):</b> Lack of control from the foreman / assistant in the management of chemicals & hazardous waste in the work unit with the scope of his responsibility.			
<b>Correction (filled by organization audited):</b> 1. Modify the Team Car spray unit by completing the Spill Kit			



2. Socialization of filling spray solution from tank to Cap to Spray employees
3. Socialization of hazardous waste management to Spray employees
<b>Corrective Action</b> (filled by organization audited): Chemical handling control (the process of moving chemicals from the tank to the cap) by the Foreman & Assistant.
<b>Assessor Evaluation and Conclusion</b> (filled by auditor): <b>Auditor Verification, March 27, 2020</b> The company has explained the root cause analysis and also explained the corrective action against the non-conformity that occurred. The company also sends proof of improvement as follows: <ul style="list-style-type: none"> <li>- Minutes of car modification for the BTJE unit's Spray Unit and documentation of the modification of the spray car which shows that the car has been equipped with a reservoir if the spray Kep filling process is spilled.</li> <li>- Minutes of dissemination of procedures for filling toxins from the spray car tank to the spray tank so that they do not spill on the ground which has the potential to cause contamination in the soil to BTJE's spray garden employees on January 7, 2020, totaling 33 employees (signature of attendance list)</li> <li>- News of the transfer of the spray equipment from the BJYE fuel tank to the storage warehouse and the socialization of hazardous waste management on March 18, 2020 to the warehouse foreman, warehouse workers and BJYE warehouse admin by the sustainability assistant.</li> </ul> <p>Based on the explanation of the root cause analysis, evidence of improvement sent as well as an explanation of the corrective action, the nonconformity on this indicator is declared to have been closed and will be re-observed at the next audit.</p>
<b>Verified by</b> : <b>Hasiholan Sihombing</b>

<b>NCR No.</b>	<b>:</b>	<b>2019.21</b>	<b>Issued by</b>	<b>:</b>	<b>Bayu Yogatama</b>
<b>Date Issued</b>	<b>:</b>	<b>13 December 2019</b>	<b>Time Limit</b>	<b>:</b>	<b>ASA-1</b>
<b>NC Grade</b>	<b>:</b>	<b>Non Critical</b>	<b>Date of Closing</b>	<b>:</b>	<b>24 September 2020</b>
<b>Standard Ref. &amp; Requirement</b>	<b>:</b>	<b>7.3.2</b> <b>Proper disposal of waste material, according to procedures that are fully understood by workers and managers, is demonstrated</b>			
<b>Evidence observed</b> (filled by auditor): <p>Based on the results of the document review, it is known that PT LGI / NAS has not shown the permit for Hazardous Waste Temporary Storage, Hazardous Waste Records / Logbook, Hazardous Waste Balance, Hazardous Waste Management Agreement, Hazardous Waste Manifest to licensed carriers and evidence of Hazardous Waste balance sheet reporting to relevant agencies.</p> <p>Based on the results of the field visit, the following facts are known:</p> <ul style="list-style-type: none"> <li>- Found 2 used round up pesticide packages in landfill area of BTJE Block E27 area</li> <li>- Found empty pesticide packaging stored in the BSS HJYE area</li> <li>- There is no water trap for the used flow of washing spray work equipment and fertilizers in the BSS and BMS HJYE areas, the water used for washing directly flows into the ditch.</li> </ul> <p><b>Non-Conformance Description</b> (filled by auditor):  The company has not been able to show proof of waste disposal in accordance with applicable procedures and regulations.</p>					
<b>Root Cause Analysis</b> (filled by organization audited):					

Lack of knowledge from the Assistant / HSE Officer related to waste management that has an impact on health, sanitation & environmental pollution by all related employees (including employees' families in employee housing) in the BKJE Unit & HJYE Unit.

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

1. Control: used round up pesticide packaging in the landfill area of BTJE Block E27 area, packaging empty pesticide stored in HJYE public warehouse area, used oil filter in Genset house area BKJE, and Sacks of fertilizer in Blok H42 Division 2 BKJE to available hazardous waste warehouse.
2. Repair & completeness of infrastructure for: BSS & BMS home / area in HJYE.  
Complete drainage (ditch) for oil & Hazardous waste flow in the generator house of BKJE employee housing.

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

1. Socialization of hazardous waste management SOP to related employees.
2. Hazardous waste management according to the SOP.

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

**Verification 24 September 2020.**

The company shows evidence of improvement in the form of:

- News of the cleaning and collection of sacks scattered on block H24 on December 23, 2020 which were collected back to the fertilizer sack locker area. (accompanied by documentation of activities)
- Minutes of the submission of Hazardous waste from the BSS warehouse to the Hazardous waste warehouse on January 3, 2020 with details of the Hazardous waste submitted, including 21 pieces of used hood, 10 pcs of used starlon, and 3 pieces of used pesticide jerry cans.
- News of the delivery of Hazardous waste to Mill on February 18, 2020 from the Hamparan Jaya Estate garden with details of 2 PCS of Knapsack Sprayer and 8 Derigen used for pesticides.
- Socialization of LB3 management to warehouse employees and BSS foremen on 18 February 2020 attended by 5 employees (list of attendees and photos of activities attached)
- Minutes of BSS & BMS home repairs at HJYE (water trap construction) on December 12, 2019 (photos before and after repairs are attached).
- Minutes of outreach to 46 BSS and BMS employees regarding the use of BSS / BMS houses, PPE washing houses and their storage on February 18, 2020 (attendance list and photo activities are attached).

Based on the root cause analysis, corrections, corrective actions and evidence of corrections shown that non-conformities are declared fulfilled provided that records will be re-verified during the surveillance activities.

**Verified by** : Bayu Yogatama

<i>NCR No.</i>	:	2019.22	<i>Issued by</i>	:	Bayu Yogatama
<i>Date Issued</i>	:	13 December 2019	<i>Time Limit</i>	:	12 December 2020
<i>NC Grade</i>	:	Critical	<i>Date of Closing</i>	:	15 June 2020
<i>Standard Ref. &amp; Requirement</i>	:	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 calculator and publicly reported.			
Evidence observed (filled by auditor): -					

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

The company has not been able to show GHG monitoring documents through the Palm GHG Calculator.

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

Ineffective control of GHG monitoring documents through the Palm GHG Calculator is due to a lack of coordination between Certification & Compliance Specialists and GHG Specialists and Area Management Units 8a & 8b u / provision of GHG monitoring documents.

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

Provide GHG monitoring documents for PT. LSM - BTJM using Palm GHG Calculator to Auditor.

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

Review Corporate Sustainability regularly.

**Assessor Evaluation and Conclusion (filled by auditor):**
**Verification 15 June 2020**

The company shows the GHG calculation data document version 4 through the application along with the calculation data source on June 3, 2020, as for the results of the calculations as follows:

**Summary of Net GHG Emissions**

Emission per product	tCO2e/ tProduct
CPO	2.94
PK	2.94

Production	t/yr
FFB processed	279,157.61
CPO produced	61,694
PK produced	14,434

Extraction	%
OER	22.1
KER	4.81

Description	unit	value
Oil Palm Planted on mineral soil	Ha	18093.48
Oil Palm planted area on peat	Ha	1688.45
Total oil palm planted area	Ha	19781.93
Conservation area (forested)	Ha	26.17
Conservation area (non Forested)	Ha	1243.14
FFB Production per hectare	t/Ha	14.11
OER	%	22.10
KER	%	4.81

**Summary of field emission and Sinks**

Description	Own crop	Group	3rd	Total
Emissions Sources	tCO2e	tCO2e/ tFFB	tCO2e	tCO2e
Land conversion	53435.92	1.00	123264.71	1.05
			28950.29	205650.92

CO2 emissions from fertilizer	3247.40	0.06	12007.57	0.10	4869.50	20124.47
NO2 emissions from peat	12596.51	0.24	42.82	0.00	0.00	12639.33
N2O from Fertilizer	2341.17	0.04	6748.14	0.06	3019.54	12108.85
Fuel consumption	181.56	0.00	1171.49	0.01	1247.43	2600.48
Peat oxidation	91877.05	1.73	312.32	0.00	0.00	92189.37
Sinks						
Crop sequestration	-46292.74	-0.87	-106455.47	-0.90	-32444.96	-185193.17
Sequestration in Conservation area	-84.55	-0.00	-155.43	-0.00	0.00	-239.98
<b>Total</b>	<b>117302.34</b>	<b>2.20</b>	<b>36936.14</b>	<b>0.31</b>	<b>11656.93</b>	<b>165895.41</b>

Summary Oil Mill Emissions and Credits

Remarks	tCO2e	tCO2e/t FFB
Emissions sources		
POME	54719.62	0.00
Fuel consumption	603.07	0.00
Grid electricity	0.00	0.00
Credits		
Export of grid electricity	-8.17	0.00
Sales of PKS	0.00	0.00
Sales of EFB	0.00	0.00
<b>Total</b>	<b>55314.52</b>	<b>0.20</b>

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

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

**POME Divert to Anaerobic Digestion**

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

Based on the evidence of improvement shown, the non-conformities are declared fulfilled.

**Verified by** : Bayu Yogatama

<i>NCR No.</i>	:	2019.23	<i>Issued by</i>	:	Bayu Yogatama
<i>Date Issued</i>	:	13 December 2019	<i>Time Limit</i>	:	12 December 2020
<i>NC Grade</i>	:	Critical	<i>Date of Closing</i>	:	10 November 2020
<i>Standard Ref. &amp; Requirement</i>	:	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.			
<b>Evidence observed (filled by auditor):</b> Based on the results of the document review, it is known that the following data:					

- The management unit cleared land without a prior HCV assessment between 2012 - 2014, as the HCV assessment was only completed in 2014.
- The company shows the Final LUCA documents that have been approved by RSPO for PT LSM on 28 March 2015.
- From the final results of LUCA PT LSM, it is known that the area of land cleared is 3006 hectares, with the results of calculating a conservation liability of 1628 hectares.
- Based on an email from RSPO Wan Nur Aimy Nadiyah Wan Solah on November 12, 2019, it is stated that *"PT Ladang Sawit Mas is in the last stage of Compensation plan review, whereby they are in the clarification process of compensation plan review process. They may proceed with the audit, but no certificate can be issued until compensation plan approved"*

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

Based on the facts above, it is known that the company has not completed the RaCP process

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

The length of the review & response process from the RSPO Secretariat on the Remediation & Compensation Plan document that has been submitted by the BGA (Corporate Sustainability Specialist)

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

Sustainability Corporate Specialist will follow-up the approval of PT.LSM's Remediation & Compensation Plan, to the RSPO Secretariat.

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

Sustainability Corporate Specialist (Mr. Martin Mach) communicated intensely with the RSPO Secretariat regarding the RaCP Approval process of BGA Group so that in the near future it will be obtained for others unit.

**Assessor Evaluation and Conclusion (filled by auditor):**
**Verification 10 November 2020**

The company shows improvements consisting of root cause analysis, corrections and corrective actions, as for the evidence of improvement shown by the following: Email from RSPO on 16 July 2020 to BGA with main discussion related to "Conditional Approval: Compensation Plan 1). The complete contents of the email are as follows:

*Dear Martin,*

*Apologies for the long silence regarding Bumitama Compensation Plan evaluation. We hope this email is able to provide a clear understanding on what's happening on our end and the way to move forward.*

*As explained by Suli in your tele-conservation, there have been extreme delays in the Compensation Plan evaluation from the evaluator's side. The delay by the evaluator has now run to more than 3 weeks without any responses to the Secretariat emails to the compensation plan evaluation feedback.*

*In turn, this has caused some frustration on all parties, as we understand Bumitama has been graciously working alongside the RSPO Secretariat since July 2014 to complete their RaCP. The urgency of this matter is acknowledged, as Bumitama would be required to complete their RaCP before they are able to attain certification, which is currently set for September 2020.*

*The RSPO Secretariat has raised this matter to the compensation panel and discussed at length to develop a solution for Bumitama to move forward with their RaCP. It was agreed upon that the compensation plan evaluation would be re-assigned to another evaluator with a good track record of timeliness. This portion of the solution is already in motion, as the compensation plan was recently shared to the new evaluator.*

*We are aware that this reassignment would incur an additional 2 - 3 weeks delay. Due to the tight timeline and Bumitama's commitment to the RaCP, the compensation panel has graciously agreed to grant a conditional approval*

*with the condition that the Compensation Plan must be reviewed as Satisfactory by the next Surveillance audit. The decision on this conditional approval is applicable for the following management units:*

No.	Management Units	Total Area of Management Unit (Ha)
1	PT Agro Sejahtera Manunggal (ASM)	5,630
2	PT Karya Bakti Agro Sejahtera (KBAS)	5,879
3	PT Agro Manunggal Sawitindo (AMS)	10,400
4	PT Ladang Sawit Mas (LSM)	6,450
5	PT Gunajaya Karya Gemilang (GKG)	7,261.89
6	PT Gunajaya Ketapang Sentosa (GKS)	7,666.00
7	PT Karya Makmur Bahagia (KMB)	15,056.00
8	PT Tanah Tani Lestari (TTL)	6,771.00
9	PT Windu Nabatindo Lestari (WNL)	11,550.00
10	PT Windu Nabatindo Sejahtera (WNS)	4,999.00
11	PT Windu Nabatindo Abadi (WNA)	8,753.00
12	PT Nabatindo Karya Utama (NKU)	9,307.34
13	PT Masuba Citra Mandiri (MCM)	4,000.00
14	PT Gemilang Makmur Subur (GMS)	5,190.00

Based on the email sent by the RSPO RaCP process to PT LSM can be received conditionally, the conditions given are that the compensation plan must be re-verified during ASA-1 and get an assessment with the status of Deciding. Based on the explanation above, the non-conformity status has been closed.

**Verified by :** Bayu Yogatama

#### 3.4.2. Opportunity for Improvement

No	Ref. Std.	Description
1	4.2.3	Documenting every incoming complaint and its resolution
2	6.5.3	Identify the whereabouts of young mothers and make an assessment of the needs of young mothers if it is known that there are young mothers in the certification unit
3	7.2.10	Implementation of health checks for pesticide operators according to a predetermined schedule
4	7.7.4	Water level monitoring mechanism at the water gate in the realization of water management
5	7.8.3	The progress of completing the Land Application study permit until the definite permit for the Land Application activity
6	7.12.4	Evaluation of the HCV management plan with actual conditions
7	7.12.7	The effectiveness of HCV monitoring is in accordance with the existing management plan.

#### 3.4.3. Noteworthy Positive Components

No	Description
1	The company's commitment to implementing sustainable standards for oil palm plantations.
2	Had a partnership in the development of community Plantations.
3	Not using Paraquat

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

Public Issues (Institution/ NGO/Community)	Auditor Verification
<b>Agriculture, Husbandry and Plantation Agency of Ketapang District.</b> <ul style="list-style-type: none"> <li>The Company has a Plantation Business License (IUP).</li> <li>Report on plantation business activities (LKUP) are routinely reported.</li> <li>Fire Extinguisher Equipment of company is sufficient and one year behind there is no issue of land fires that occurred in the area of PT LSM.</li> <li>Communication between the company and the agency is also well established, and if the office requested data, the company quickly responded.</li> <li>There is an issue regarding river pollution in 2017 and the case was sued by a community group called the <i>Nelayan Group</i> and has entered the court. However, the case was won by the company.</li> </ul>	<p>There are no negative issues that need further verification. What was conveyed by the department was verified during the audit. negative issue that need further verification. Based on document review and field observations, the certification unit has demonstrated legal compliance related environmental, and no indications of environmental pollution.</p>
<b>Manpower and Transmigration Agency of Ketapang District</b> <ul style="list-style-type: none"> <li>The wages of all workers have been paid in accordance with the provisions of the government (minimum wage of West Kalimantan Province).</li> <li>The company has provided housing facilities, facilities of worship, clean water, education and electricity for workers.</li> <li>The company has Company Regulation (<i>Peraturan Perusahaan</i>)</li> <li>No issue of child labor and discrimination</li> <li>The company has Bipartite Cooperation with the employees.</li> <li>P2K3 report are also routinely conducted by the company.</li> <li>The company has registered "BPJS" Employment and "BPJS" Health to all its employees.</li> <li>Mandatory reporting has been done routinely such as workforce report (<i>wajib lapor tenaga kerja</i>)</li> </ul>	<p>There are no negative issues that need further verification. what was conveyed by the department was verified during the audit</p>
<b>Environmental Agency of Ketapang District.</b> <ul style="list-style-type: none"> <li>The company already has Land Application and Temporary Storage for Hazardous and Toxic Waste Permit.</li> <li>The company has reported reports of Hazardous and Toxic Waste, Liquid Waste and management and monitoring plan Report regularly.</li> <li>Fire reports are also routinely conducted by the company.</li> <li>There is no issue about land fire in PT LSM</li> <li>In general, in environmental aspects, the company has complied with applicable regulations.</li> <li>There is an issue regarding river pollution in 2017 and the case was sued by a community group called the <i>Nelayan</i></li> </ul>	<p>There is no negative issue that need further verification. Based on document review and field observations, the certification unit has demonstrated legal compliance related environmental, and no indications of environmental pollution.</p>



<b>Public Issues (Institution/ NGO/Community)</b>	<b>Auditor Verification</b>
<i>Group and has entered the court. However, the case was won by the company.</i>	
<b>Land Agency of Ketapang District.</b>  <i>There is no people could be met because the authorized officer was having other activities.</i>	No comment
<b>Gender Committee of PT LSM</b> <ul style="list-style-type: none"> <li>• Company gives maternity leaves and menstrual leaves for women worker. Maternity leaves are about 1.5 months before and after giving birth. Menstrual leaves are given to worker after checked by company's midwife.</li> <li>• Women spraying worker is prohibited to spraying in breastfeeding time. They will be transferred to manual upkeep.</li> <li>• Certificate holder gives special time to breastfeeding for women worker.</li> <li>• There is no complaint about sexual harassment and discrimination among workers</li> </ul>	Auditor has verified the compliance towards reproductive rights aspect on indicator 6.1.5 and criteria 6.5
<b>Bipartite cooperation of PT LSM</b> <ul style="list-style-type: none"> <li>• Minimum wage for daily worker is in accordance with Sectoral Minimum Wage for Ketapang Regency of 2019. Also, overtime payment has been paid in accordance with applicable regulation.</li> <li>• There is no contract worker or temporary worker. New worker is categorized as worker with probation time.</li> <li>• Company provided worker with PPE. Broken PPE can be replaced by company for free.</li> <li>• Minimum age for worker is 18 years old. Also, worker is prohibited bring along their family for helping their work at site.</li> <li>• There is no complaint against company from worker</li> <li>• Company does not intervene all bipartite activity</li> </ul>	Auditor has verified the compliance towards union aspect and worker welfare aspect on criteria 3.5, 6.1, 6.2, 6.3, 6.4, 6.5, and 6.6
<b>FFB supplier (Sejahtera Mandiri Cooperative)</b> <ul style="list-style-type: none"> <li>• There is a work agreement between FFB supplier and PT LSM</li> <li>• The selling price of FFB for smallholder cooperatives is based on the FFB price determined by plantation agency, while the selling price of FFB for third parties refers to the price agreed by both parties. Usually following the market price, it can be higher than the plantation agency price or lower than the plantation agency price</li> <li>• Payment for third party is made on time</li> </ul>	Auditor has verified the compliance related to smallholder on criteria.

Public Issues (Institution/ NGO/Community)	Auditor Verification
<p><b>Local contractor of PT LSM (mechanical and FFB transporter)</b></p> <ul style="list-style-type: none"> <li>Contractor worker already know and understand about company's policy such as OHS and code of conduct.</li> <li>Payment is made on time.</li> <li>PPE, social insurance, and work accident insurance is provided by contractor.</li> <li>Wage for contractor worker is in accordance with applicable regulation.</li> </ul>	<p>Auditor has verified the compliance regarding agreement with local business.</p>
<p><b>Village Around the company (included 16 Previous Land Owner)</b>  <b>Sungai Kelik Village, Simpang Tiga Semblangaan Village, Kayung Utara Village, Betonging Village, Tanah Merah Sub Village, Sei Gagap Sub Village, Tegor Sub Village, Sungai Durian Sub Village, Nangatayap Sub Village.</b></p> <ul style="list-style-type: none"> <li>The presence of a company has a positive impact on labor absorption, opens road access, and improves economy.</li> <li>So far, the existence of the company has not had a significant negative impact.</li> <li>Fires have occurred, but they are not large and can be controlled.</li> <li>The company's CSR has been running, starting from education, assistance to religious, social and cultural activities, as well as assistance from Freshwater Fish Cultivation, Coffee plantation assistance,</li> <li>Land compensation is carried out based on the agreement of the two parties, joint measurements are made for each plot, if the negotiations have not been successful, do not be forced to be compensated.</li> </ul>	<p>There was no negative issue that need further verification. Based on document review and field observations, there was no disputes related land legality, environmental, and social, as well as has shown land compensation documentary evidence carried out referring to the concept of FPIC.</p>

4.0	CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY
4.1	<p><b>Formal Sign-off of Assessment Findings</b></p> <p>Hereunder sign by management representative from inspected company to acknowledge a field assessment and agree for all content explained in this assessment report, included of non-compliance findings.</p> <p>Signed on behalf of:</p> <div style="display: flex; justify-content: space-around; align-items: flex-end;"> <div style="text-align: center;"> <p>PT Ladang Sawit Mas Management Representative</p>  <p><b><u>Nandang Mulyana</u></b> 10 November 2020</p> </div> <div style="text-align: center;"> <p>Mutuagung Lestari Lead Auditor</p>  <p><b><u>Leonada</u></b> 10 November 2020</p> </div> </div>

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

No	Institution/ NGO/ Community	Address	Phone/ Email	Form of Communication	Date of Contact	Response	
						Yes	No
1.	Agriculture, Husbandry and Plantation Agency	Ketapang District, West Kalimantan Province	-	Direct Interview	10 December 2019	✓	
2.	Manpower and Transmigration Agency	Ketapang District, West Kalimantan Province	-	Direct Interview	10 December 2019	✓	
3.	Environmental Agency	Ketapang District, West Kalimantan Province	-	Direct Interview	10 December 2019	✓	
4.	Land Agency	Ketapang District, West Kalimantan Province	-	Direct Interview	10 December 2019		✓
5.	Gender Committee	PT LSM Ketapang District	-	Direct Interview	10 December 2019	✓	
6.	Bipartite cooperation	PT LSM Ketapang District	-	Direct Interview	10 December 2019	✓	
7.	FFB supplier	PT LSM Ketapang District	-	Direct Interview	10 December 2019	✓	
8.	Local contractor	PT LSM Ketapang District	-	Direct Interview	10 December 2019	✓	
9.	Surrounding Village and 16 Previous Land Owner Sungai Kelik Village, Simpang Tiga Semblangaan Village, • Kayung Utara Village, • Betonging Village, • Tanah Merah Sub Village, • Sei Gagap Sub Village, • Tegor Sub Village, • Sungai Durian Sub Village, • Nangatayap Sub Village.	PT LSM Ketapang District	-	Direct Interview	10 December 2019	✓	
10.	Sawit watch	Bogor, Indonesia	<a href="mailto:info@awitwatch.or.id">info@awitwatch.or.id</a>	Email	5 December 2019		✓
11.	WWF	Jakarta, Indonesia	<a href="mailto:wwf-indonesia@wwf.or.id">wwf-indonesia@wwf.or.id</a>	Email	5 December 2019		✓
12.	WALHI	Jakarta, Indonesia	<a href="mailto:info@walhi.or.id">info@walhi.or.id</a>	Email	5 December 2019		✓

13.	AMAN	Jakarta, Indonesia	<u>rumaha</u> <u>man@c</u> <u>bn.net.i</u> <u>d</u>	Email	5 December 2019		✓
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**Appendix 2. Assessment Program**

DATE	9 – 14 December 2019	
PLANNED TIME	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
<b>Monday, 9 December 2019</b>		
08.25 – 12.55	<b>Jakarta – Pontianak – Ketapang</b>	<b>All Auditor</b>
12.55 – 15.00	<b>Ketapang – SITE</b>	<b>LEO/BYG/AAS</b>
12.55 - .....	Stakeholders consultation to related agencies in Ketapang Regency	<b>HSS</b>
15.00 – 16.00	<b>Break</b>	<b>All Auditor</b>
16.00 – 16.30	<b>Opening meeting</b>	<b>All Auditor</b>
	<ul style="list-style-type: none"> <li>Auditee Speech (Introduction of PIC, Profile of Certified Management Unit)</li> <li>Auditor Team Speech (Introduction, Audit Objective, Audit Scope, Audit Plan Discussion, Determine of Audit Sample, Transparency and Confidentiality Clarification)</li> </ul>	
16.30 – 17.00	<b>Documents Review</b>	<b>All Auditor</b>
	<ul style="list-style-type: none"> <li><b>Verification of Basic Information Mill and Estate</b></li> <li><b>Confirmation of Time Bound Plan</b></li> <li><b>Review of Partial Certification</b></li> </ul>	
<b>Tuesday, 10 December 2019</b>		
08.00 – 12.00	<b>Field Observation to Bukit Tunggal Jaya Estate</b> Aspect to be verified: <ul style="list-style-type: none"> <li>Implementation of Legal Aspect (Land Ownership, Legal Boundaries), HCV</li> <li>Implementation of Agronomy Aspect (Harvesting &amp; Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application), Implementation of Occupational Health &amp; Safety Aspect, Implementation of Employment Procedure and Mechanism Aspect</li> <li>Implementation of Environmental, and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management)</li> <li>Observation of Workers Facilities (Housing, School, Worship Place, water resource, landfill).</li> </ul>	<b>LEO</b>  <b>HSS</b>  <b>BYG</b>  <b>BYG</b>
	<b>Interview with Gender Committee, Worker's Union, smallholders, Worker's Cooperative (if any), Local Contractor (for Mill and Estate), Third Party Supplier</b>	<b>AAS</b>
12.00 – 14.00	<b>Break</b>	<b>All Auditor</b>
14.00 – 17.00	<b>Field observation to Bukit Tunggal Jaya POM :</b> <ul style="list-style-type: none"> <li>Supply Chain verification (FFB Receiving, Weighbridge),</li> <li>Implementation of Occupational Health &amp; Safety Aspect, Implementation of Employment Procedure and Mechanism Aspect, security post, FFB Sorting, Processing Activity, Despatch CPO)</li> <li>Implementation of Environmental aspect, Inspection to Chemical Storage, Hazardous Waste Storage, Fire Control Simulation, POME Pond &amp; land application</li> </ul>	<b>LEO</b>  <b>HSS/AAS</b>  <b>BYG</b>
<b>Wednesday, 11 December 2019</b>		
08.00 – 12.00	<b>Field Observation to Hamparan Jaya Estate</b> Aspect to be verified : <ul style="list-style-type: none"> <li>Implementation of Legal Aspect (Land Ownership, Legal Boundaries), HCV;</li> <li>implementation of Agronomy Aspect (Harvesting &amp; Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application), Implementation of Occupational Health &amp; Safety Aspect,</li> </ul>	<b>LEO</b>  <b>HSS</b>

DATE	9 – 14 December 2019	
PLANNED TIME	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
	Implementation of Employment Procedure and Mechanism Aspect <ul style="list-style-type: none"> <li>Implementation of Environmental, and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management)</li> <li>Observation of Workers Facilities (Housing, School, Worship Place, water resource, landfill).</li> </ul>	<b>AAS</b>  <b>AAS</b>
12.00 – 14.00	<b>Stakeholder consultation to affected communities surrounding the plantations, indigenous peoples, local communities and previous land owners.</b>	<b>BYG</b>
14.00 – 17.00	<b>Break</b> <ul style="list-style-type: none"> <li>Field Observation and field observation clarification</li> <li>Verification of field visit and completing checklist</li> </ul>	<b>All Auditor</b>  <b>All Auditor</b>
<b>Thursday, 12 December 2019</b>		
08.00 – 12.00	<b>Field Observation to Natai Jaya Estate</b> Aspect to be verified: <ul style="list-style-type: none"> <li>Implementation of Legal Aspect (Land Ownership, Legal Boundaries), HCV;</li> <li>Implementation of Environmental, and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management)</li> <li>Observation of Workers Facilities (Housing, School, Worship Place).</li> </ul>	<b>LEO</b>  <b>BYG</b>
	<b>Field Observation to Bengkirai Jaya Estate</b> Aspect to be verified: <ul style="list-style-type: none"> <li>Implementation of Legal Aspect (Land Ownership, Legal Boundaries), HCV;</li> <li>Implementation of Agronomy Aspect (Harvesting &amp; Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application), Implementation of Occupational Health &amp; Safety Aspect, Implementation of Employment Procedure and Mechanism Aspect</li> <li>Implementation of Environmental, and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management)</li> <li>Observation of Workers Facilities (Housing, School, Worship Place).</li> </ul>	<b>HSS</b>  <b>AAS</b>
12.00 – 14.00	<b>Break</b>	<b>All Auditor</b>
14.00 – 17.00	<ul style="list-style-type: none"> <li>Continue Field Observation and field observation clarification</li> <li>Verification of field visit and completing checklist</li> </ul>	<b>All Auditor</b>
<b>Friday, 13 December 2019</b>		
08.00 – 10.00	<ul style="list-style-type: none"> <li>Continue Field Observation and field observation clarification</li> <li>Verification of field visit and completing checklist</li> </ul>	<b>All Auditor</b>
10.00 – 12.00	<ul style="list-style-type: none"> <li>Auditor Internal Discussion</li> <li>(Closing meeting preparation)</li> </ul>	<b>All Auditor</b>
12.00 – 14.00	<b>Break</b>	<b>All Auditor</b>
15.00 – 17.00	<b>Closing meeting</b>	<b>All Auditor</b>
17.00 – 19.00	<b>Site – Ketapang</b>	<b>All Auditor</b>
<b>Saturday, 14 December 2019</b>		
07.30 – 12.20	<b>Ketapang – Pontianak - Jakarta</b>	<b>All Auditor</b>