



SGS RSPO PROGRAM
(Associated Document)

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Issue:

02

RSPO PRINCIPLES & CRITERIA CERTIFICATION REPORT

Public Summary Information

Job Number:	6151-ID		
Client:	PT Lahan Tani Sakti – Alur Dumai Palm Oil Mill	RSPO membership #	1-0008-04-000-00
Country:	Indonesia	RSPO Registered Parent Company name:	Sime Darby Plantations Sdn. Bhd
Scope:	Receiving and processing of RSPO certified Fresh Fruit Bunches (FFB) from its supply base, production and sales of RSPO certified Crude Palm Oil (CPO) and Palm Kernel (PK) under Module D (CPO Mill: Identity Preserved) of RSPO Supply Chain 2014 and Indonesian National Interpretation of RSPO P&C 2013 standards.		
Supply Chain Module:	Module D: CPO Mills-Identity Preserved		
Mill Capacity	15 tonne/hour	Number of Estate	1 (one) Estate
Certificate Number:	SGS-RSPO/PC17-00005	Date of Issue:	16 Jan 2017
		Date of Expiry:	15 Jan 2022
SGS Accreditation Code	RSPO-ACC-023	Date of accreditation:	05/07/2016
Contacts Job Description:	Head of PSQM Minamas Plantations-Sime Darby		
Name:	Mohamad Pirabakaran		
Address:	Physical address:	Postal address:	
	Street and number: Town/City State/Country Zip/Postal code Country	Village of Pondok Kresek, Sub-district of Pujud, District of Rokan Hilir, Province of Riau	The Plaza Office Tower, 36 th Floor, JL. MH Thamrin Kav. 28-30, Jakarta 10350
Tel:	+62-21-29926000		
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Fax:	+62-21-29922686		
Web Site Address:	www.simedarby.com		
Email:	mohamad.pirabakaran@simedarby.com		
Standard:	<ul style="list-style-type: none"> • Indonesian National Interpretation of RSPO P&C 2013 standard (30 September 2016) • RSPO Supply Chain Certification Standard (21 November 2014) 		
Date of last report update	12 April 2017		
Certified FFB Received by the Mill 2016	38,867 MT (January-November 2016)		
Annual CSPO Tonnage produced 2016	9,260 MT		
Annual CSPK Tonnage produced 2016	2,024,35 MT		
Annual CSPO Tonnage Sold 2016	0 MT		

SGS services are rendered in accordance with the applicable SGS General Conditions of Service accessible at <http://www.sgs.com/en/Terms-and-Conditions.aspx>

Annual CSPK Tonnage Sold 2016	2,021.92 MT
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End of Public Summary

BASIC EVALUATION INFORMATION

RE-CERTIFICATION			
Evaluation Dates:	14-17 December 2016; CAR Closure: 16 March 2017		
Team Leader/Team:	Zaenal Abidin (Lead Auditor)/Ahmad Bahruji/Heru Puryanto		
Affiliate Project Manager:		Date:	
Report approved by:	Aryo Gustomo	Date:	12-04-2017
Certification approved by:	Shashibhushan Jogani	Date:	13-04-2017
Database logged by:	Lisda Verawati	Date:	13-04-2017
SURVEILLANCE 1			
Evaluation Dates:			
Team Leader/Team:			
Affiliate Project Manager:		Date:	
Report reviewed & approved by:		Date:	
Certification approved by:		Date:	
Database logged by:		Date:	
SURVEILLANCE 2			
Evaluation Dates:			
Team Leader/Team:			
Affiliate Project Manager:		Date:	
Report reviewed & approved by:		Date:	
Certification approved by:		Date:	
Database logged by:		Date:	
SURVEILLANCE 3			
Evaluation Dates:			
Team Leader/Team:			
Affiliate Project Manager:		Date:	
Report reviewed & approved by:		Date:	
Certification approved by:		Date:	
Database logged by:		Date:	
SURVEILLANCE 4			
Evaluation Dates:			
Team Leader/Team:			
Affiliate Project Manager:		Date:	
Report reviewed & approved by:		Date:	
Certification approved by:		Date:	
Database logged by:		Date:	

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LIST OF ABBREVIATION

Short Form	Meanings
AMDAL	<i>Analisis Mengenai Dampak Lingkungan</i> (Environmental Impact Assessment-EIA)
ASEAN	Association of South East Asia Nations
B3	<i>Bahan Berbahaya dan Beracun</i> (hazardous material)
BOD	Biological Oxygen Demand
CAR	Corrective Action Request
CPO	Crude Palm Oil
CBD	Convention on Biodiversity
EFB	Empty Fruit Bunches
EMS	Environmental Management System
FFA	Free Fatty Acids
FFB	Fresh Fruit Bunches
Ha	Hectare
HCV	High Conservation Value
HGU	<i>Hak Guna Usaha</i> (Land Use Title)
IPM	Integrated Pest Management
INANI	Indonesian National Interpretation
ISO	International Organisation for Standardisation
IUCN	International Union for Conservation of Nature and Natural Resources
IUP	<i>Izin Usaha Perkebunan</i> (Plantation Operation Licence)
K3	<i>Kesehatan dan Keselamatan Kerja</i> (Occupational Health and Safety)
kW	Kilowatt
LC	Land Clearing
M	Meter
Mg	Magnesium
Mm	Millimeter
MT	Metric ton
N	Nitrogen
NGO	Non Governmental Organisation
OER	Oil Extraction Rate
OSH	Occupational Safety & Health
P	Phosphate
P & C	Principles and Criteria
PK	Palm Kernel
POM	Palm Oil Mill
POME	Palm Oil Mill Effluent
PPE	Personal Protective Equipment
RKL/RPL	<i>Rencana Kelola Lingkungan/Rencana Pemantauan Lingkungan</i> (Environmental Management Plan/Environmental Monitoring Plan)
SOP	Standard Operating Procedure
UKL/UPL	<i>Upaya Kelola Lingkungan/Upaya Pemantauan Lingkungan</i> (Environmental Management Efforts/Environmental Monitoring Efforts)
WHO	World Health Organisation
Yr	Year

1. SCOPE OF CERTIFICATION ASSESSMENT

1.1 National Interpretation Used

The operations of the mill and their supply based of FFB were assessed against the **Roundtable on Sustainable Palm Oil (RSPO), Indonesia National Interpretation of RSPO Principles and Criteria for Sustainable Palm Oil Production 2013 (endorsed by the RSPO dated on 30 September 2016)**.

1.2 Certification Scope

The scope of certification includes the production of Alur Dumai Palm Oil Mill and its supply base Alur Dumai estate according to the RSPO standard requirement of **Roundtable on Sustainable Palm Oil (RSPO), Indonesia National 2013 (dated on 30 September 2016)** and **RSPO Supply Chain Certification Standard dated 21 November 2014**

1.3 Location and Maps

PT Lahan Tani Sakti – Alur Dumai Palm Oil Mill is located in Village of Pondok Kresek, Sub-district of Pujud, District of Rokan Hilir, Province of Riau, Indonesia (**Figure 1**). More detailed information on the estate location and layout shown in **Figures 2**. The GPS locations of the mills are shown in Table 1.

Table 1: Mill and Supply Base GPS Location

Mill/Supply Base (Estate/Smallholder)	Longitude	Latitude
Alur Dumai Factory	100° 32' 30" E	1° 33' 40" N
Alur Dumai Estate	100° 28' 2" - 100° 34' 39" E	1° 28' 38" - 1° 36' 31" N

Figure 1: Location Map for PT Lahan Tani Sakti – Alur Dumai Palm Oil Mill

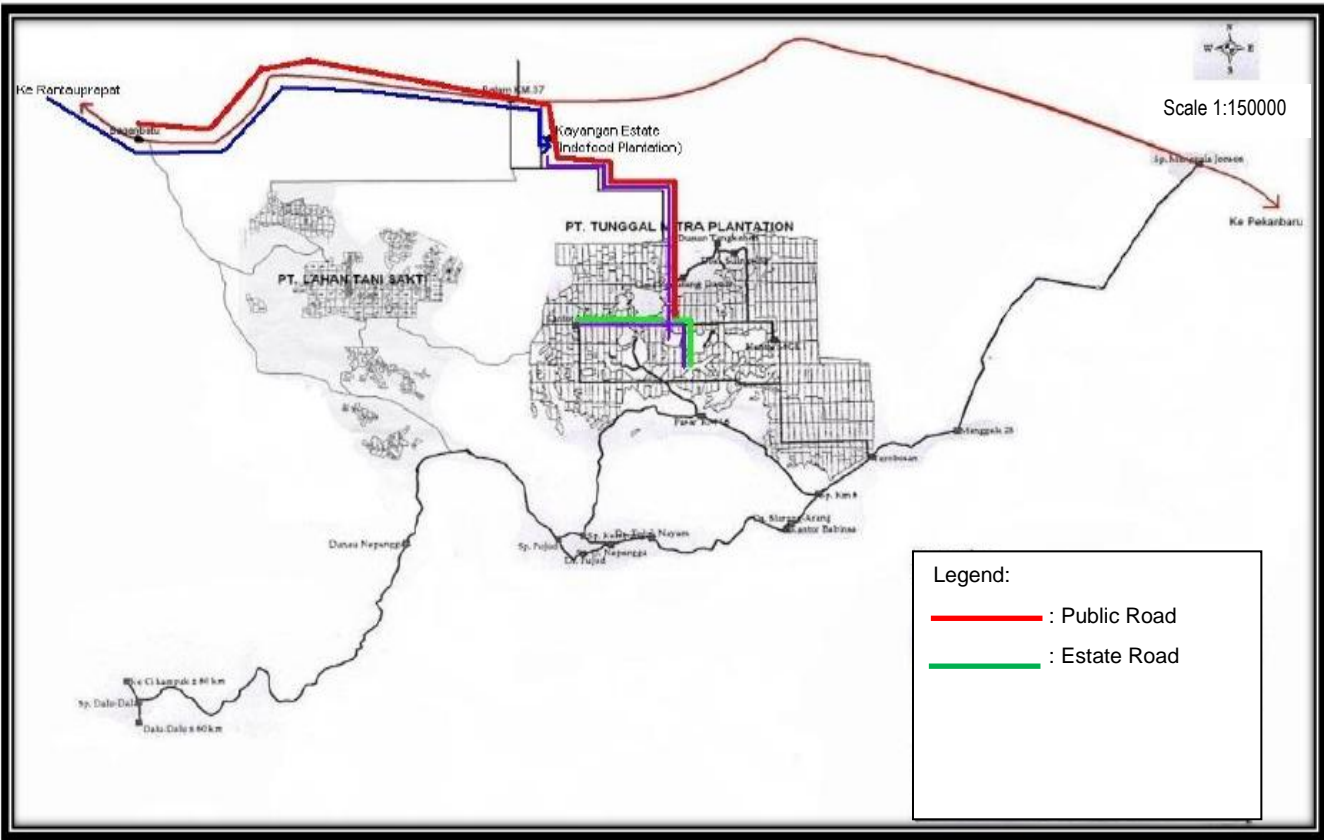
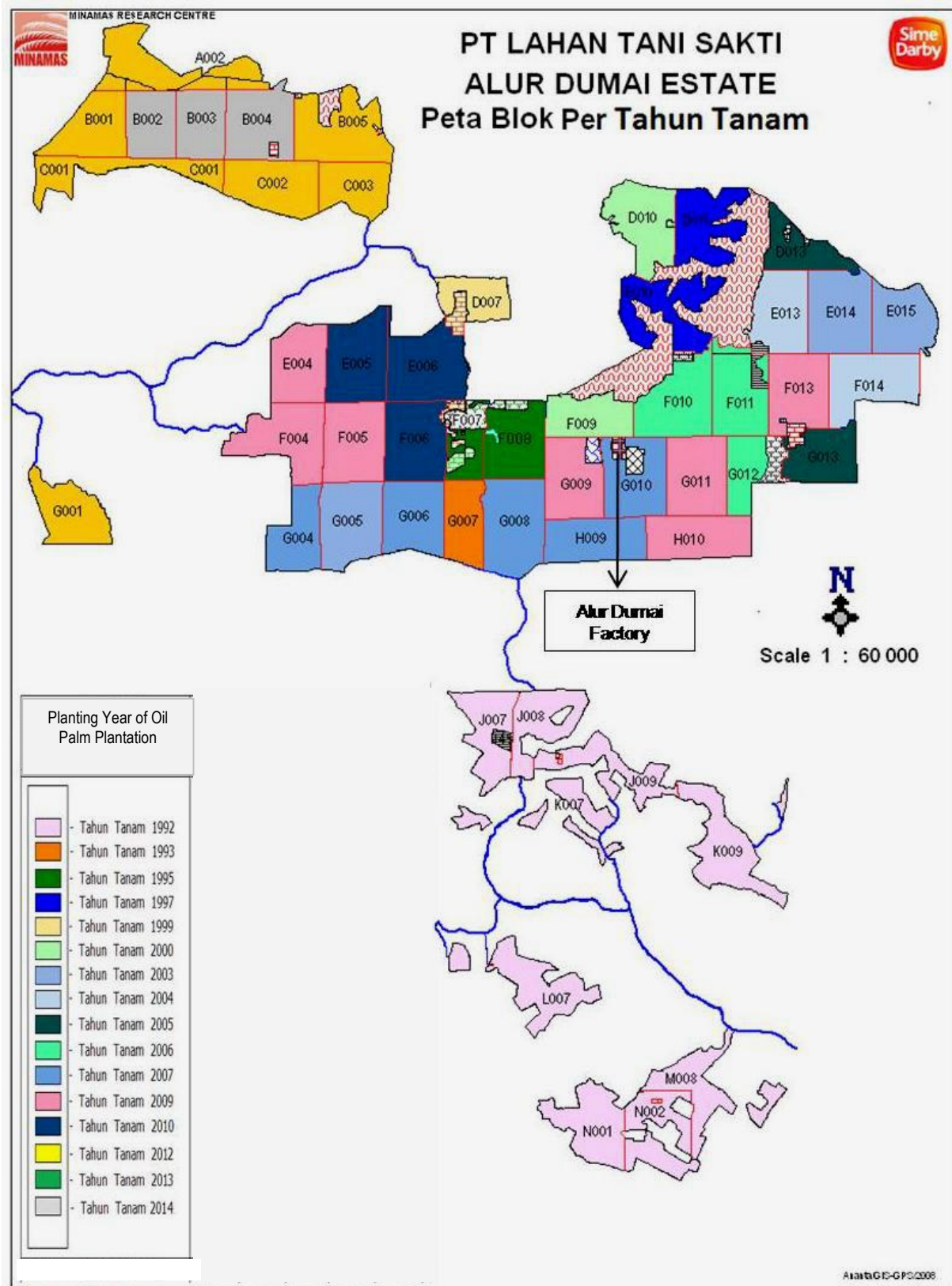


Figure 2: Estate and Mill Location Map



1.4 Description of Supply Base and Mill Processing Capacity

The FFB is sourced from 1 (one) estate which is directly managed by PT Lahan Tani Sakti. The actual OER rate is 23.8%. The budgeted crop yields from each estate are listed in Table 2 below.

Table 2: Actual and Projected FFB from Supply Base (2016/2017)

Estates/Smallholders	FFBs (Tonnage)		
	Estimation (2016)	Actual (2016)	Projection (2017)
Alur Dumai Estate	61,164	38,866.70	51,933.97
Subtotal (own RSPO certified supply base) – Claimed for Certification	61,164	38,866.70	51,933.97
Certified FFB received from other RSPO certification scope within adjacent estates	0	0	0
Subtotal (other RSPO certified supply base)	0	0	0
Total	61,164	38,866.70	51,933.97

Note: Actual FFB is lower than budget because replanting programme is in progress

Table 3: Actual and Projected Mill Processing Data

Mill Name	Mill Production Figures (MT) – Claimed for Certification					
	Estimation (2016)		Actual (2016)		Projection (2017)	
	CPO	PK	CPO	PK	CPO	PK
Alur Dumai POM	14,679	3,058	9,260.38	2,024.35	12,471	2,626
Extraction Rate	OER: 24%	KER: 5%	OER: 23.8%	KER: 5.2%	OER: 24%	KER: 5%

Note: Actual FFB is lower than budget because replanting progress is in progress.

1.5 Area of Plantation

The areas of supplying estates for this operating unit are listed in Table 4. Details of planted area (mature/immature), total land area, conservation, HCV and others are also listed.

PT LTS has started to plant oil palm plantation since 1992. At that time, some areas were still rubber plantation. Then PT LTS converted rubber plantation to oil palm plantation since 2003 to 2010 covering of 1,725.77 ha. Replanting oil palm to oil palm was conducted since 2011 to 2016, so that PT LTS has immature plant (planted between 2013-2016) covering of 1,101.12 ha. There is no new development area.

Table 4: Area Statement of the Supplying Estates

Name of Estates	Planted Area		Conservation Area (Ha)	HCV Area (Ha)	Others use	Total Land Lease Area (Ha)
	Immature Area (Ha)	Mature Area (Ha)				
Alur Dumai Estate	1,101.12	2,265.95	0	43.80	348.16	3,759.01
Total	1,101.12	2,265.95	0	43.80	348.16	3,759.01

Note: immature area is Replanting programme from oil palm to oil palm crops

1.6 Date of Planting and Cycle

The PT Lahan Tani Sakti own estates were planted between 1992 and 2016. The palms were considered matured when approaching four years after planting and productive until the age of 25 years. A replanting program for all estates involved are available and being projected for the next five (5) financial years (2016 to 2020). PT LTS has conducted replanting since 2011, so that PT LTS has immature plant. There is no new development area, only conversion from rubber plantation to oil palm plantation since 2003 to 2010. The summary of age profiles for all the estates are simplified in Table 5 below.

Table 5: Planting Age Profiles for all Supply Base Estates

Name of supplying estate	Planting Age (Ha)			
	Immature (2013 – 2016)	>4 - 14 years (2012 – 2002)	>14 - 25 years (2001 – 1991)	>25 years (> 1991)
Alur Dumai Estate	1,101.12	1,725.78	540.17	0
Total	1,101.12	1,725.78	540.17	0

1.7 Other Certification Held

PT LTS has gained ISPO certificate (mandatory scheme).

1.8 Organizational Information and Contact Person

The company contact person details are as follows:

Name:	Mohamad Pirabaharan
Designation:	Head of PSQM Minamas Plantations-Sime Darby
Address:	The Plaza Office Tower, 36 th Floor, JL. MH Thamrin Kav. 28-30, Jakarta 10350
Contact No.:	+62-21-29926000
Email address:	mohamad.pirabaharan@simedarby.com

1.9 Time-bound Plan for Other Management Units

Sime Darby Plantation Sdn. Bhd is a member of RSPO and has been involved in the certification since 7 September 2004; the membership number with RSPO is 1-0008-04-000-00.

Sime Darby Plantation Sdn. Bhd owns and operates **70** mills and **250** oil palms estates, together with **59** operating unit covering approximately **1,000,000** ha Malaysia, Indonesia, Liberia, PNG and Solomon Islands. **Sime Darby Plantation Sdn. Bhd** has developed a time-bound plan (**Appendix C**) for the phased implementation of the RSPO P&C, commencing with mills and estates.

Sime Darby Plantation Sdn. Bhd will use the experience gained from achieving certification of the first few mills and estates to implement the RSPO P&C in parallel with the remainder of its operations. The PT SGS assessment team considers that **Sime Darby Plantation Sdn. Bhd** is on the right track which is reasonable and challenging, given the widespread geographic locations of its properties, the resources required and the numbers of smallholders involved.

Auditor Finding on the Time Bound Plan and Partial Certification

Time Bound Plan		
Requirement	Findings and any action required	Compliance
Does the plan include all subsidiaries, estates and mills?	<p>Yes , it includes all the estates and the mills in Indonesia and Malaysia</p> <p>In Malaysia there are 34 SOUs.</p> <p>The mills of Sg Samak and Jeleta Bumi, Yong Peng, Sepang, Mostyn and Segaliud has closed down.</p> <p>In Indonesia- Effectively 24 SOU within the TBP</p> <p>For Liberia operations, a new mill is being set up and commissioned. Preparation to undergo the RSPO Certification process is in progress and SDP targets to undergo RSPO Certification by end 2017.</p>	Yes
<p>Is the time bound plan challenging?</p> <ul style="list-style-type: none"> • Age of plantations. • Location. • POM development • Infrastructure. • Compliance with applicable law. 	<p>Based on the initial Sime Darby Plantation's time bound plan for certification within 2008 – 2011, SDP has had all its SOUs (Malaysian & Indonesian) completing the RSPO Main Assessment by end Dec 2011 (with the exception of 2 new oil mills commissioned to replace the current oil mills after the initial timebound plan targets).</p> <p>The 2 new mills have been RSPO Certified in Jan and Feb 2014.</p>	Yes

	<p>For Indonesian operations, PT MAS has undergone RSPO MA and is delayed due to some social disputes. The target date of certification by 2017 subject to the progress of the matter being resolved.</p> <p>Smallholders – as of Dec 2016 total of 29,914 ha (58%) of the total Ha (51,715 ha) of associated SH certified in Indonesia has been certified. Certification process for the remaining associated SH areas is ongoing. SDP expect to achieve 100% RSPO certification of associated SH and out-growers by end 2020.</p> <p>Liberia – Preparation to undergo RSPO certification process in progress and SDP target RSPO certification end 2017. RSPO NPP process has been completed in 2011</p>	
<p>Have there been any changes since the last audit? Are they justified?</p>	<p>97% of Sime Darby Plantation's upstream operations is RSPO certified, one SOU - PT MAS pending certification in Indonesia due to some social disputes . SDP will process with the next step of certification until satisfactory resolution of the matter. A new oil mill in Liberia has been commissioned .</p> <p>SDP's time bound plan has been revised to take into consideration the social challenges encountered in Indonesia for the remaining SOU (PT MAS) yet to be certified.</p> <p>Sime Darby Plantation will proceed with the next steps of certification upon satisfactory resolution of the matter.</p> <p>In March 2015, SDP completed acquisition of RSPO-certified NBPOL. NBPOL is managed under separate entity and the TBP will be under NBPOL management.</p>	<p>Yes</p>
<p>If there have been changes, what circumstances have occurred?</p>	<p>Indonesia- PT MAS has undergone RSPO Main Assessment in July 2011. The certification body for PT MAS has considered that Sime Darby Plantation still meets the requirements of the RSPO for Partial Certification and the report has been submitted for EB review. A verification audit was conducted by the Certification Body in early 2013 and Sime Darby Plantation</p>	<p>Yes</p>

	<p>will proceed with the next steps of certification upon satisfactory resolution of the matter. Ongoing and regular (bi-monthly) discussions are ongoing between Sime Darby Plantation and the project affected communities. Reports on the progress update are submitted to RSPO on a regular basis since November 2012. The latest progress report submitted to RPSO dated 30th June 2016.</p> <p>Smallholders – as of Dec 2016 total of 29,914 ha (58%) of the total Ha (51,715 ha) of associated SH certified in Indonesia has been certified. Certification process for the remaining associated SH areas is ongoing. SDP expect to achieve 100% RSPO certification of associated SH and out-growers by end 2020.</p> <p>Liberia – Preparation to undergo RSPO certification process in progress and SDP target RSPO certification end 2017. RSPO NPP process has been completed in 2011</p>	
<p>Have there been any stakeholder comments?</p>	<p>Up to date, there is no comment.</p> <p>SDP continues to engage all affected parties through regular discussions and progress reporting is being made to the RSPO Secretariat.</p>	<p>Yes</p>
<p>Have there been any newly acquired subsidiaries?</p>	<p>In March 2015, Sime Darby Plantation completed the acquisition of New Britain Palm Oil Limited (NBPOL). NBPOL is managed under a separate entity and the reporting of timebound plan will be under NBPOL's management. NBPOL is considered as a different entity/member under the RSPO and NBPOL is 100% RSPO Certified.</p> <p>For Liberia operations, a new mill is being set up and commissioned. Preparation to undergo the RSPO Certification process is in progress and SDP targets to undergo RSPO Certification by end 2017.</p> <p>*RSPO NPP process has been completed in 2011. Internal assessment against the draft Liberia NI has been completed</p>	<p>Yes</p>

	and closing of gaps is in progress.	
Have there been any isolated lapses in implementation of the plan?	Isolated lapses clarified. As mentioned above , PT MAS has undergone RSPO MA and is delayed due to some social disputes.	Yes
Un-Certified Units or Holdings		
Note: Companies may demonstrate compliance by clear evidence of a self-audit (i.e. an internal audit for all subsidiaries, estates and Palm Oil Mills)		
Requirement	Findings and any action required	Compliance
Did the company conduct an internal audit? If so, has a positive assurance statement been produced?	<p>Reference: RSPO Certification System : 4.2.3 - All the FFB from the directly managed lands (or estates) shall be produced to certifiable standards. The mill will develop and implement a plan to ensure that 100% of associated smallholders and outgrowers are of certifiable standard within 3 years.</p> <p>TBP for associated smallholders changed from 2019 to 2020 as our expected timeline for our directly managed OUs shifted from 2016 to 2017 due to: 1) PT MAS social issues (Details on PT MAS progress is in Attachment (Ila under Appendix C) and 2) Newly established mill in Liberia that will undergo certification in 2017.</p> <p>Positive assurance (Internal audit) on un-certified units:</p> <p>PT MAS has undergone RSPO Main Assessment in July 2011. The certification body for PT MAS has considered that Sime Darby Plantation still meets the requirements of the RSPO for Partial Certification and the report has been submitted for EB review. A verification audit was conducted by the Certification Body in early 2013 and Sime Darby Plantation will proceed with the next steps of certification upon satisfactory resolution of the matter.</p> <p>RSPO Certification process for our Liberia Operation is in progress and SDP targets to undergo RSPO Certification by end 2017. RSPO NPP process has been completed in 2011. Internal assessment against the draft Liberia NI has been completed and closing of gaps is</p>	Yes. Company has conducted verification visits to ensure a positive outcome

	<p>in progress.</p> <p>Timeline for certification of our associated smallholders in Indonesia has been planned. Relevant internal assessment is conducted accordingly.</p> <p>In terms of engagement with independent smallholders several initiatives are in progress :</p> <p>a) Since 2016, SDP is part of Wild Asia Group Scheme for Small Producer (WAGS) where our Sandakan bay mill, Malaysia will receive the crops from this group of smallholders.</p> <p>b) As a member of the RSPO and signatory to the SPOM and Responsible Agriculture Charter, Sime Darby Plantation has pledged to no deforestation, protecting peat land and to drive positive socio-economic impact for people and communities in the plantations it owns and manages. SD also launched the Responsible Agriculture Charter in September 2016 which requires all the external supply to comply to the charter by 2020. These commitments extend to smallholders and Outgrowers, whether contracted or independent, from whom the company sources fresh fruit bunches (FFB) and other palm products.</p> <p>c) SDP rolled out the Responsible Sourcing Guidelines in 2016 by conducting Site Verification Visit for OCPs(Outside Crop) and palm oil sourced from external mills to ensure the supply is traceable, legal and not planted in peat or forest post 2010. Sime Darby Plantation's Responsible Sourcing Guidelines sets out the mandatory requirements and best practices for continuous improvement which leads our decision in sourcing externally. Any current or potential OCPs supply bases that failed to meet requirements set by SDP, they to be discontinued as our SDP Mills FFB suppliers.</p> <p>Further readings, kindly to Sime Darby website under Plantation Division.</p>	
<p>No replacement after dates defined in NIs Criterion 7.3:</p> <ul style="list-style-type: none"> Primary forest. 	<p>All new plantings in SDP operation (including uncertified units in Liberia and Indonesia operation) were in accordance to</p>	<p>Yes</p>

<ul style="list-style-type: none"> Any area identified as containing High Conservation Values (HCVs). Any area required to maintain or enhance HCVs in accordance with RSPO criterion 7.3. 	<p>New Planting Procedures (NPP) and Principle 7.3:</p> <p>For Liberia operation, RSPO NPP process has been completed in 2011 which cover the HCV area. Internal assessment against the generic P&C has been completed and closing of gaps is in progress.</p> <p>For Indonesian operation, HCV assessment completed for all operations (including un-certified units) in 2009.</p> <p>Any affected areas that falls under the RSPO Remediation and Compensation Procedures is being addressed accordingly</p>	
<p>Any new plantings since January 1st 2010 must comply with the RSPO New Plantings Procedure.</p>	<p>A new mill will be set up in Liberia and planned for commissioning in Feb 2016. Preparation to undergo the RSPO Certification process is in progress and SDP targets to undergo RSPO Certification by end 2017.</p> <p>RSPO NPP process has been completed in 2011. Internal assessment against the draft Liberia NI has been completed and closing of gaps is in progress.</p> <p>*Note: RSPO NPP Announcements for SDP can be found at http://www.rspo.org/certification/new-planting-procedures/public-consultations/page/14?</p>	<p>Yes</p>
<p>Any Land conflicts are being resolved through a mutually agreed process, e.g. RSPO Grievance procedure or Dispute Settlement Facility, in accordance with RSPO criteria 6.4, 7.5 and 7.6.</p>	<p>Sime Darby (Liberia) Plantation Inc.</p> <p>Status: Box G - Close for Monitoring</p> <p>Further details please refer to: http://www.rspo.org/members/complaints/status-of-complaints/view/46</p> <p>PT Mitra Austral Sejahtera (Sime Darby Sdn Bhd)</p> <p>Further details please refer to: http://www.rspo.org/members/complaints/status-of-complaints/view/29</p>	<p>Yes</p>
<p>Any Labor disputes are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.</p>	<p>No stakeholder comments or complaints received.</p>	<p>yes</p>
<p>Did the company conduct an internal audit? If so, has a positive</p>	<p>Internal audit conducted.</p>	<p>Yes</p>

assurance statement been produced?	No stakeholder comments or complaints received.	
Any Legal non- compliance is being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2.	No pending legal non-compliance	Yes

2. ASSESSMENT PROCESS

2.1 Certification Body

SGS is the world's leading inspection, verification, testing and certification company. SGS is recognized as the global benchmark for quality and integrity. With more than 80,000 employees, SGS operates a network of over 1,650 offices and laboratories around the world.

The RSPO Programme is the SGS Group's RSPO Certification Programme internationally accredited by the ASI to carry out oil palm plantation and supply chain certification for global RSPO certification.

2.2 Assessment Methodology, Programme, Site Visits

The assessment was conducted in 3 (three) audit days and involving 1 (one) estate and 1 (one) mill of PT Lahan Tani Sakti. The audit covers documentation review, internal procedures, management system, field inspection as well as identification of any significant issues for both environment or social issues. A sample of stakeholders was consulted during the assessment to get their feedback on the management practices.

The assessment was conducted based on random samples and therefore nonconformities may exist which have not been identified. The methodology for objective evidence collection included physical site inspection, observation of tasks and processes, interview with workers, families and stakeholders, documentation review and monitoring data.

The assessment program is included as shown in Table 6 below.

Table 6: Assessment Program

Date	Time	Auditor	Organisational and Functional Units/ Processes and Activities
14.12.16	06.00	All	Travel to Pekanbaru by Garuda
	07.30	All	Auditor arrives at Pekanbaru Airport and continues to site by car
	PM		Auditors arrive at site
15.12.16	08.00	All	Opening Meeting
	08.30	All	Document review (legal, land title, HGU, laws, labour, OSH, environmental, timebound plan, replanting programme, SOP)
	12.00		Break and Lunch
	13.00	All	Continue morning agenda
	17.00		End of day 1 audit
16.12.16	08.00	All	Alur Dumai Estate: Field work inspection: IPM, spraying, fertiliser, riparian/ buffer

Date	Time	Auditor	Organisational and Functional Units/ Processes and Activities
			zone, HCV, boundary stones, road maintenance, waste disposal, storage area, line-site, interview with workers and stakeholders consultation, and OSH
	12.00		Break and Lunch
	13.00	All	Continue morning agenda
	17.00		End of day 2 audit
17.12.16	08.00	All	Alur Dumai Pal Oil Mill <ul style="list-style-type: none"> Palm Oil Mill Supply Chain (procedure, record keeping, training, FFB receiving, processing, sales of RSPO products, registration and claims) Site & facilities visit (water usage, production area, workshop, chemical room, bulky storage, waste water pond, hazardous waste storage, environmental management and monitoring, interview with workers and OSH).
	12.00		Break and Lunch
	13.00	All	Continue morning agenda
	16.00	All	Report preparation
	16.30	All	Closing meeting
	17.00		End of recertification audit
	18.00	All	Travelling back to Pekanbaru

- Note:
- Zaenal Abidin (audited aspects: environmental, HCV and supply chain)
 - Ahmad Bahruji (audited aspects: good agriculture practices and legal)
 - Heru Puryanto (audited aspects: social, labor, health and safety, including stakeholder consultation)

2.3 Qualification of Lead Assessor and Assessment Team

PT SGS Indonesia holds copies of educational qualifications, certificates and audit logs for each of the audit team members. SGS has evaluated the qualifications and experience of each audit team member and has registered the following designations for conducting RSPO Assessment. Summary of auditors' educational background and experience are listed in Table 7 below.

Table 7: Auditors Profile

Evaluation Team	Notes
Team Leader – Environmental	Zaenal Abidin has a degree in Forestry and SSC Auditor in PT SGS Indonesia, 22 years national experience in forestry sector in Indonesia. Has undergone the necessary ISO 14001, ISO 9001, RSPO and ISPO Lead Auditor course and involved in a number audits on oil palm plantations and forest certification. His specific qualification for RSPO audit is Environmental and Supply Chain.
Auditor 1 – Plantation	Ahmad Bahruji, a Bachelor of Agriculture Science holder and SSC Auditor in PT SGS Indonesia. He has 9 years working experience in oil palm plantation sector in Indonesia. He has undergone ISO 9001 and ISCC and ISPO Lead Auditor training and involved in a number of audits on oil palm plantations in Indonesia. His specific qualification for RSPO audit is Good Agriculture Practices and Legal.
Auditor 2 – Social	Heru Puryanto has a degree in Forestry and SSC Auditor in PT SGS Indonesia, 19 years national experience in forestry sector in Indonesia. Has undergone the necessary ISO 14001, ISO 9001, and ISPO Lead Auditor course and involved in a number audits on oil palm plantations and forest certification. His specific qualification for RSPO audit is Health and Safety, Social and Labour, including stakeholder consultation.

2.4 Stakeholder Consultation and List of Stakeholders Contacted

Public Stakeholder Notification was made on 14 November 2016, 30 days prior to the recertification assessment in RSPO websites. No written feedback received at the end of the 30 days period. Stakeholder consultation on-site was conducted on 16-17 December 2016. Stakeholder consultation involved internal and external stakeholders. External stakeholders were contacted by telephone and email to arrange meetings at a location convenient to them to discuss PT Lahan Tani Sakti Certification Unit’s environmental and social performance.

Meetings were held with stakeholders to seek their views on the performance of the company with respect to the RSPO requirements and aspects where they considered that improvements could be made, These included environmental interest groups, local government agencies and relevant authorities, social groups, and workers’ unions etc. At the start of each meeting, the interviewer explained the purpose of the audit followed by an evaluation of the relationship between the stakeholder and the company before discussions proceeded. The interviewer recorded comments made by stakeholders and these have been incorporated into the assessment findings.

Structured worker interviews with male and female workers and staff were held in private at the workplace in the mill and the estates. Fieldworkers were interviewed informally in small groups in the field. In addition, the wives of workers and staff were interviewed in informal group meetings at their housing. Separate visits were made to each of the local communities to meet with the village head and residents. Company officials were not present at any of the internal or external stakeholder interviews. A list of Stakeholders contacted with detail comments is included as **Appendix D**.

3. ASSESSMENT FINDINGS

3.1 Summary of Findings

3.1.1 Principles & Criteria

As outlined, objective evidence was obtained separately for each of the RSPO Indicators and criterion for the mills and estates. The results for each indicator from each of the operational areas were evaluated to provide an assessment of conformity. A statement is provided for each of the RSPO indicators in order to support the findings of the assessment team.

There is 1 (one) Major Non-conformities and 1 (one) Minor Non-conformities identified during this assessment. Some areas identified with potential areas for improvement has led into 2 (two) Observations raised. Details for each Non-conformities and observations are given in **Appendix A**. Minor Non-compliances and Observations will be followed up during the next Annual Surveillance Audit which is scheduled to be conducted within the period of twelve months after issuance of certificate..

Principle 1: Commitment to Transparency					
Criterion 1.1: Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.					
1.1.1	List of information related to criterion 1.2 that can be accessed by relevant stakeholders shall be available.				<i>Minor</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	PT LTS has a list of stakeholder in 2016, which highlights information about the name of institution/company, name, address, email and phone number/HP. List of stakeholder has been				

	<p>periodically updated every month. PT LTS stakeholders, such as government institutions, supplier, local community, NGO, local companies, education institutions, plantation association. Company has appointed person in charge to renew and update list of stakeholder, which is the KTU personnel.</p> <p>PT LTS has established SOP for information request, No. 001/LTS-PI/09, rev 01 date on 03 Augusts 2010. The procedure consists of:</p> <ul style="list-style-type: none"> • answering information request from stakeholders, • the duration to give an answer would be within 7 days, • updating the list of stakeholders, • accessing, distributing and communicating information. 	
1.1.2	Records of requests for information and responses to the information requested shall be available.	<i>Major</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	PT LTS has documented the entire information request in information acceptance monitoring logbook (From ASA-3 to ASA-4). The company use the request from stakeholders to improve its management plan. During period 2016, there were no incoming information requests in the logbook. Interview with personnel revealed that local village and related institutions have stated that they never submit information request to PT LTS and they understood about logbook provided by the company if the local community want to send the complaint or asking information.	
Criterion 1.2: Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.		
1.2.1 (a)	Land titles/user rights (Criterion 2.2);	<i>Major</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	<p>List of accessible document for public is stated in document No. 160/SOU-16/X/2015 dated 15 October 2015. The document states that the available public documents such as occupational health and safety plan, assessment plan related to environment and social impact analysis, documentation on HCV, pollution reduction and prevention plan, detail of complaint and reports, negotiation procedure, sustainable improvement plan, public summary from the certification assessment, human right policy, legal document, environment and social document and occupational health and safety documents. All these documents are available in estate and mill's office.</p> <p>The socialization of public-accessed documents such as:</p> <ul style="list-style-type: none"> • Installing information boards in some locations, including security post. • Socialization during safety briefing. For instance on 16 October 2015, there was socialization, which was attended by personnel and representative from worker union. • Socialization with local community's representative. For instance on 21 October 2015. <p>For legal document such as Land Use Title (<i>Hak Guna Usaha</i>), the estate manager is responsible to provide these document upon request.</p>	
1.2.1 (b)	Occupational health and safety plans (Criterion 4.7);	<i>Major</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	Documented Occupational Safety and Health (OSH) is available in Kebijakan Keselamatan dan Keselamatan Kerja signed by Mr. Mohammad Chozali Yahaya (Head Plantation Upstream Indonesia) dated 10 December 2011. The policy has been displayed at the estate office.	
1.2.1 (c)	Plans and impact assessments relating to environmental and social impacts (Criteria 5.1, 6.1, 7.1 and 7.8);	<i>Major</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	The regular reports of implementation environmental management plan (RKL/RPL) is remains consistently implemented and reported to government authorities twice a year. Verified during audit the RKL/RPL period report on semester II year 2015 and semester I year 2016.	
1.2.1(d)	HCV documentation (Criteria 5.2 and 7.3);	<i>Major</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective	High Conservation Value assessment has been done on 2009. The identification of HCV area has underwent a public hearing process on 8 January 2010. Public summary of HCV document is	

evidence:	available at the office.				
1.2.1 (e)	Pollution prevention and reduction plans (Criterion 5.6);				<i>Major</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	An assessment of all pollutions and emissions has been conducted periodically through the implementation of the Environmental Management and Monitoring Plan (RKL/RPL). The regular reports of implementation environmental management and monitoring plan (RKL/RPL) is remains consistently implemented and reported to government authorities twice a year. Verified during audit the RKL/RPL period report on semester II year 2015 and semester I year 2016.				
1.2.1 (f)	Details of complaints and grievances (Criterion 6.3);				<i>Major</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	<p>PT LTS has provided log book for suggestion and all workers and stakeholders can tell their complaints.</p> <p>PT. Lahan Tani Sakti – Alur Dumai Palm Oil Mill has established open system to receive complaints and to resolve dispute in an effective, timely and appropriate manner, which is accepted by affected parties:</p> <ol style="list-style-type: none"> 1. Resolution Conflict Procedure/SOP Penyelesaian Konflik (004/LTS-PK/09, dated 2 April 2009) 2. Community of Complaint Procedure/SOP Penanganan Keluhan Masyarakat (005/LTS-PK/09, dated 2 April 2009) 3. Employee of Complaint Procedure/SOP Penanganan Keluhan Karyawan (006/LTS-PK/09, dated 2 April 2009) 4. Community of Consultation and Communication Procedure/SOP Komunikasi dan Konsultasi dengan Masyarakat (007/LTS-PK/09, dated 2 April 2009) 				
1.2.1 (g)	Negotiation procedures (Criterion 6.4);				<i>Major</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	PT LTS has established SOP for social problem solving and land claim resolution for the identification and calculation of fair compensation for the loss of legal or customary right of the land, with the involvement of local community representatives and relevant agencies and made publicly available. The procedure stated that decision of negotiation is made based on FPIC.				
1.2.1 (h)	Continual improvement plans (Criterion 8.1);				<i>Major</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	Continual improvement plans has been included into RKL/RPL report. Verified during audit the RKL/RPL period report on semester II year 2015 and semester I year 2016.				
1.2.1 (i)	Public summary of certification assessment report;				<i>Major</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	Public summary of certification assessment report is available in RSPO website. The document control staff has responsible to keep the Public Summary report and it is available upon request.				
1.2.1 (j)	Human Rights Policy (Criterion 6.13)				<i>Major</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	<p>The company policies according to respecting the human right are available on “Kebijakan Menghormati Hak Asasi Manusia/HAM” signed by Jimmy Sahata Sihombing [Manager Alur Dumai Estate] dated April 2015. The policy has communicated to all levels of the workforce and operations including contracted third parties i.e :</p> <p><i>Sosialisasi kebijakan menghormati HAM; date 21 Oktober 2015</i></p>				
Criterion 1.3: Growers and millers commit to ethical conduct in all business operations and transactions.					
1.3.1	There shall be a written policy committing to a code of ethical conduct and integrity in all operations and transactions along with the documentation of socialisation process of the policy to all levels of the workers and operations.				<i>Minor</i>

Findings	In compliance:	Yes:	X	No:	
Objective evidence:	<p>PT LTS has a commitment on ethical issue in a form of code of conduct for personnel on the entire company's operation activity. This commitment is stated in Code of Conduct (No. Policy 440/HRM-COC/07, Rev. 00 on 24th May 2007) covering:</p> <ul style="list-style-type: none"> • Prohibition of corruption and bribery • Respect for fairly, professionally and integrity of business <p>The company has conducted socialization over Code of Conduct, for instance on 21 October 2015 that was attended by 16 representative from Division I, Division II, Division III and Division IV. The interview with PT LTS personnel revealed that they have understood company's commitment on ethical issue.</p>				

Principle 2: Compliance with Applicable Laws and Regulation

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

2.1.1	Evidence of compliance with relevant legal requirements shall be available.	<i>Major</i>			
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	<p>The company retains the permits and documents to comply with all applicable legal requirements. There is an excel file where all relevant regulations are listed and analysed and the conclusion stated how many percent of compliance have the company achieved. The list of compliance includes:</p> <ul style="list-style-type: none"> • Environmental Impact Assessment (ANDAL), approved by Minister of Agriculture # RC.220/887/BV/1994 dated 19 May 1994 for PT. LTS. • <i>Penyesuaian Rencana Pengelolaan Lingkungan Hidup dan Rencana Pemantauan Lingkungan Hidup</i> (RKL dan RPL), approved by Ministry of Agriculture # 666.1/AMDAL-BAPEDALDA/2008/63 dated 16 April 2008 for PT. LTS. • Plantation Operation Permit ('<i>Penanaman Modal</i>'), approved by Head of BKPM # 61/1/PMDN/1997 dated on 14 February 1997, with production FFB 119,980 Ton, CPO 24,500 Ton and PK 6,185 Ton. <p>Plantation Operation Permit ('<i>Surat Pendaftaran Usaha Perkebunan-SPUP</i>'), approved by Minister of Agriculture # HK.350/193/Bun.5/III/2001 dated on 16 March 2001, for 3,759.014 ha.</p> <p>Plantation Operation Permit ('<i>Izin Usaha Perkebunan-IUP</i>'), approved by Head of BKPM # 108/T/PERTANIAN/2005 dated on 08 February 2005, with production FFB 17,596 Ton.</p> <p>Approval of changes in crop to oil palm 3.759,014 ha by DIRJENBUN # 2385/PD.320/E11/7/2010 based on SPUP# 350/193/Bun.5/III/2001 dated on 16 Maret 2001.</p> <ul style="list-style-type: none"> • Land Use Title (<i>Hak Guna Usaha</i>), approved by BPN # 45/HGU/BPN/2000 dated on 03 October 2000, for 3,759.014 valid 35 years <ul style="list-style-type: none"> - Land Use Title (<i>Hak Guna Usaha</i>), approved by BPN Rokan Hilir No.03 # 45/HGU/BPN/2000 dated on 19 January 2001 – 18 January 2036, for 3,187.579 ha valid 35 years - Land Use Title (<i>Hak Guna Usaha</i>), approved by BPN Rokan Hilir No.04 # 45/HGU/BPN/2000 dated on 19 December 2000 – 18 January 2036, for 571.435 ha valid 35 years • Land application permit for PT.LTS according to Regency Head of Rokan Hilir Decree # 39/BPDL/2015 dated 07 September 2015 for total area of 25 ha (Blok F10 of 14.5 ha and G11 of 10.5 ha valid 5 years • Hazardous waste storage permit # 56/BPDL/2016 dated on 16 August 2016 from Regency Head of Rokan Hilir valid 5 years. • Mill machinery permits have been checked by Disnakertrans regularly (two yearly). • SIO (K3 licences) for operators have been available. 				
2.1.2	A documented system, which includes written information on legal requirements, shall be maintained.	<i>Minor</i>			

Findings	In compliance:	Yes:	X	No:	
Objective evidence:	Written information of legal compliance for PT. LTS has been maintained according to Evaluation of Regulatory Compliance (<i>Evaluasi Pemenuhan Peraturan</i>). This document has identified 125 laws and regulations that related to palm oil operations (best agronomy practices, health and safety, legal title, employment, environmental, social-economic and other requirements, and best manufacturing practices). Last update on 09 November 2016.				
2.1.3	A mechanism for ensuring compliance shall be implemented.				<i>Minor</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	The company has established procedure for legal requirements (RSPO/IN 2.1/PH) No. 002/LTS-PH/10. This procedure has outlined identification, recording and updating legal or other requirements related to health, safety and the environment and communicated to the employees who are responsible for implementation. EHS Manager (Mr. Rinno Ferryno) has responsibility to monitor the performance of the operating units with regulations, standards and guidelines that have been set. Monitoring can be an inspection, operational data analysis, internal and external audit. Latest internal audit report carried out on 22-23 July 2016.				
2.1.4	A system for tracking any changes in the law shall be available and implemented.				<i>Minor</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	The company has updated the list of legal and other requirements (internationally, nationally and locally) associated with activities, products and services in all operating units of Minamas by way of regularly contact to the government agency or non-government as well as actively search to relevant web site. The document has been updated on 9 November 2016, for examples: <ul style="list-style-type: none"> • Riau Governor Regulation # 573/2016 regarding the minimum wage for plantation sub-sector amounted to Rp 2,325,000. • Permentan # 18/2016 regarding guideline for rejuvenation of oil palm plantations. • Circular Letter of Peat Restoration Body # SE01/2016 regarding preparedness of dry season. • Permenaker # 09/2016 regarding H&S in work on elevation. 				
Criterion 2.2: The right to use the land is demonstrated, and is not legitimately contested by local people who can demonstrate that they have legal, customary or user rights.					
2.2.1	Documents showing legal ownership or lease, history of land tenure ownership/control, and the actual legal use of the land shall be available.				<i>Major</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	The company has land titles as follows: <ul style="list-style-type: none"> • Land Use Title (<i>Hak Guna Usaha</i>), approved by BPN Jakarta # 45/HGU/BPN/2000 dated on 03 October 2000, for 3,759.014 valid 35 years: <ul style="list-style-type: none"> - Land Use Title (<i>Hak Guna Usaha</i>), approved by BPN Rokan Hilir No. 03 # 45/HGU/BPN/2000 dated on 19 January 2001 – 18 January 2036, for 3,187.579 ha valid 35 years - Land Use Title (<i>Hak Guna Usaha</i>), approved by BPN Rokan Hilir No. 04 # 45/HGU/BPN/2000 dated on 19 December 2000 – 18 January 2036, for 571.435 ha valid 35 years Based on the minutes of Risalah Panitia B (land verification) # 11/RSL/HGU/1991 stated that the land used for plantation was from 1,000 ha of other use areas and 4,917 ha of community lands.				
2.2.2	Legal boundaries are demonstrated clearly and maintained.				<i>Minor</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	PT. LTS has established SOP for maintenance of boundary marker. Legal boundaries are clearly demarcated and maintained. The latest boundaries have been conducted in August 2016. During field visit to Alur Dumai Estate, some stakes were checked to the legal boundaries as				

	follows: <ul style="list-style-type: none"> • Blok E 06 BPN No.124: coordinat N 01⁰ 33' 57,1" & E 100⁰ 31' 57,1" • Blok E 15 BPN No.153: coordinat N 01⁰ 34' 41,3" & E 100⁰ 34' 23,1" 	
2.2.3	In the event that there is a dispute or a dispute has occurred, adequate evidence of legitimate acquisition and compensation or compensation settlement process through conflict resolution which has been received through Free, Prior and Informed Consent by all related parties shall be provided.	<i>Minor</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	Based on document review, field visit, interview with the company and stakeholders, no dispute at the company areas at the current time. PT LTS has established SOP for conflict resolution (RSPO/IN 2.2/PK) No: 004/LTS-PK/09 on 2 April 2009 and SOP for land compensation (RSPO/IN 6.3.3/AE) No: 024/ LTS-PGR/10. These procedures explain that conflict resolution and compensation payment should be conducted in a participatory way by involving local villages and local communities. Procedure for conflict resolution (RSPO/IN2.2/PK Reg no. 004/ LTS-PK/09 has also stated that legitimate acquisition and compensation or compensation settlement process shall be received through Free, Prior and Informed Consent by all related parties.	
2.2.4	There shall be an absence of significant land conflict, unless requirements for acceptable conflict resolution processes (see Criteria 6.3 and 6.4) are implemented and accepted by the parties involved.	<i>Major</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	Based on document review, field visit, interview with the company and stakeholders, no dispute at the company areas at the current time.	
2.2.5	For any conflict or dispute over the land, the evidence of the extent of disputed area is mapped out in a participatory way with involvement of affected parties (including neighboring communities and local government where applicable), shall be available.	<i>Minor</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	Based on document review, field visit, interview with the company and stakeholders, no dispute at the company areas at the current time.	
2.2.6	To avoid escalation of conflict, there shall be no evidence that palm oil operations have instigated violence in maintaining peace and order in their current and/or planned operations.	<i>Major</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	No evidence of violence in maintaining peace and order in their current and planned operations.	
Criterion 2.3: Use of the land for oil palm does not diminish the legal, customary or users rights of other users without their free, prior and informed consent.		
2.3.1	Maps with appropriate scale showing the extent of recognized legal, customary or user rights (Criteria 2.2, 7.5 and 7.6) shall be developed through participatory mapping involving affected parties (including neighboring communities where applicable, and relevant authorities).	<i>Major</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	There is no customary rights in PT LTS areas. Provided a map of land compensation within the map document master restitution of land to the scale of 1: 3,200. the map has also been signed by the owner for instance: compesated land on behalf of Sarmin area of 4 ha, Tarsan of 5.51 ha and Purwono of 8 ha. In general, PT LTS has map of estate area scale 1:40,000 that showed neighboring communities and other companies. Based on the minutes of the land compensation that had been signed by both parties between	

	the land owners (Sarmin, Tarsan and Purwono) with representative of PT.LTS (Rihul Fajri) dated on 21 October 2008 stated that the compensation has been completed.				
2.3.2	Copies of negotiated agreements including the process of free, prior and informed consent (FPIC) (Criteria 2.2, 7.5 and 7.6) shall be available and these include: a. Evidence of consultation b. Statement of transfer of rights c. Evidence of compensation See specific guidance 2.3.2				<i>Minor</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	PT.LTS still keeps good records of land acquisition. Records of negotiations process of consent are available, clearly demonstrating an agreement between local community and PT.LTS – Alur Dumai Estate, for example: agreement of land settlement (<i>Kesepakatan Ganti Rugi Lahan</i>) at blok Q 50 amounting of 3 ha for Mr. Misdi (<i>Kepenghuluhan Sri Kayangan</i>) dated on 21 October 2008. The process has compliance with the FPIC process, where the company party was represented by Mr. Rihul Fajri as the Estate Manager and Mr. Syobri as staff legal process of negotiation with land owners, Mr Misdi who was accompanied by Mr. Tarzan as Head of Sri Kayangan, after the land owners understands the consequences the law of compensation it was agreed to set the amount of compensation in the amount of IDR 33,060,000. After the agreed amount of compensation was followed by measuring and mapping land which was signed by all parties. Based on official report, the representative of the community in the negotiation process was Head of Sri Kayangan village and land owner.				
2.3.3	Relevant information shall be available in appropriate forms and languages, including analysis of impacts, proposed benefit sharing, and legal arrangements.				<i>Minor</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	All information regarding to agreement, land compensation and records of negotiations available in bahasa and well known by related parties in Riau, records (<i>Realisasi Ganti Rugi Lahan</i>) available and verified (see 2.3.2)				
2.3.4	Evidence shall be available to show that communities are represented through institutions or representatives of their own choosing, including legal counsel.				<i>Major</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	All records for land negotiations, land compensation and the agreements, shows that the communities' rights regarding to legal counsel and representatives of their own choosing are facilitated by the company according to Records of <i>Realisasi Ganti Rugi Lahan</i> has verified as 2.3.2.				

Principle 3: Commitment to Long-Term Economic and Financial Viability						
Criterion 3.1: There is an implemented management plan that aims to achieve long-term economic and financial viability.						
3.1.1	A documented management plan, a minimum of three years shall be available, including, where appropriate, plan for scheme smallholders.					<i>Major</i>
Findings	In compliance:	Yes:	X	No:		
Objective evidence:	Management plan is available on Budget 2016 - 2020. According to the document, the management plan consists of:					
	Item	Forecast 2016	Forecast 2017	Forecast 2018	Forecast 2019	Forecast 2020
	Production FFB (MT)	53,423	57,070	61,471	69,930	80,828
	Direct Cost-IDR (000,000)	28,353	28,742	33,639	37,958	41,209

	Immature replanting Cost-IDR (000,000)	18,498	14,400	12,618	4,209	1,182
	OER (%)	23.5	23.5	24	24	24
	KER (%)	5	5	5	5	5
	Mill Cost-IDR (000,000)	3,635	3,771	4,279	5,007	5,430
3.1.2	An annual replanting programme projected for a minimum of five years (but longer where necessary to reflect the management of fragile soils, see Criterion 4.3), with yearly review, shall be available.					<i>Minor</i>
Findings	In compliance:	Yes:	X	No:		
Objective evidence:	<p>The company has established replanting program according to Long Range Replanting Programme (LRPP) document in 2011 – 2035. Based on the document, PT. LTS – Alur Dumai Estate has planed replanting on 2011 until 2014 for 653.98 ha and replanting on 2017 until 2020 for 475.36 ha.</p> <p>There is a peat soil at PT. LTS Div I total 96.67 ha and the areas have been managed by water management and surface measurements peat soil (peat subsidence) and measuring the water table with (piezometers).</p>					

Principle 4: Use of Appropriate Best Practices by Growers and Millers						
Criterion 4.1: Operating procedures are appropriately documented, consistently implemented and monitored.						
4.1.1	Standard Operating Procedures (SOPs) for estates (land clearing to harvesting) and SOP for mills (reception of FFB to dispatch of CPO and PKO) shall be available.					<i>Major</i>
Findings	In compliance:	Yes:	X	No:		
Objective evidence:	<p>The company has established and documented the SOPs for mill and plantation operations, for examples:</p> <ul style="list-style-type: none"> The SOPs associated with oil palm plantation from LC to harvest and transport are contained in the "Agricultural Minamas Reference Manual" (110/EST-ARM/08) covering land clearing, nursery, manuring, integrated pest management, harvesting, transportation, spraying, and road maintenance, The SOPs associated with mill operation from FFB acceptance to dispatch of CPO and PK are contained in the "Technical Guidelines for Palm Oil Mill I # 110/POD-FAC/07 and Technical Guidelines for Palm Oil Mill II No. 120/POD-FAC/07" covering sortation, sterilizing, treasuring, digisting, pressing, stroring and dispatching, POME treatment. The SOP for System of identity Preserved Product (027/AIP-SCCS/15 rev 02 dated on 3 Sep 2015) <p>SOPs documents are available on site. SOPs have been handed over to the related division in mill and estate.</p>					
4.1.2	Checking or monitoring of operations procedures is conducted at least once a year.					<i>Minor</i>
Findings	In compliance:	Yes:	X	No:		
Objective evidence:	<p>Field audit conducted in order to check the implementation of procedure at PT. LTS. The Internal Audit Department conducted the field check periodically to ensure the SOP implementation. Records for these activities available at Audit Finding Monitoring and Action, e.g. :</p> <p>Records of Audit Finding Monitoring and Action – Alur Dumai Estate on 15 September 2016, monitoring the results of the audit have been fulfilled 100% except for the work of the pre-harvest was 80%, ie jobs ablation in Block A02, B01, C01 is still in progress because of the availability of labor is still lacking.</p>					
4.1.3	Records of monitoring and any follow-up actions shall be available.					<i>Minor</i>
Findings	In compliance:	Yes:	X	No:		

Objective evidence:	Records of Audit Finding Monitoring and Action as a result from field agricultural are maintained. These records available" doc: PL_1516_I135_ADE.P_CCES_PA.				
4.1.4	Records of the origins of all third-party FFB sourced (collector, deliver, Cooperative, Farmers Association and outgrower) shall be available.				<i>Major</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	Not applicable. PT.LTS did not receive FFB from third parties.				
Criterion 4.2: Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.					
4.2.1	A record of SOP implementation to maintain soil fertility that ensures optimal and sustained yield, shall be available				<i>Minor</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	The company maintaining the soil fertility to ensure the optimal and sustained yield. In order to maintain the soil fertility, the company conducted fertilizer application based on Minamas Agricultural Reference Manual". No.110/EST-ARM/08. Manuring activities conducted refers to Fertilizers input recommendation. Fertilizers recommendation period 2016/2017 based on result of soil and leaf sampling unit. Soil Sampling Unit (SSU) and Leaf Sampling Unit (LSU). The analysis by Minamas Research Center : <ul style="list-style-type: none"> • SSU area located on the LSU point. implemented last fiscal 2011 with sample 01 D13-1 ADE. C.org 1,2%, P²O⁵ 261ppm and K-dd 0,84(cmol/kg). • LSU conducted implemented last fiscal 2014/2015. with sample ADE 0101 A. N 2,91%, P 0,133%, K 1,048, Mg 0,257 and Ca 0,552. 				
4.2.2	Records of fertilizer inputs shall be available.				<i>Minor</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	PT LTS did not record fertilizer usage per tonne of FFB production because the company only recorded fertilizer usage per ha. Records of fertilizers input are available and maintained at fertilizers application programs, on November 2016 sample record verified is CCM44 fertilizers application total 40,609 tonne, ZnSo4 application 1,5 tonne and CuSo4 application 2,8 tonne for total areas were 291.55 ha.				
4.2.3	Records of periodical leaf, soil and visual analysis shall be available.				<i>Minor</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	The company conducted the tissue and soil sampling periodically. Records of those available for soil and leaf data by block list. Latest soil sampling conducted on 2011 and latest leaf sampling unit conducted on 2014/2015.				
4.2.4	A nutrient recycling strategy is recorded, including use of Empty Fruit Bunches (EFB), land application, and palm residues after replanting.				<i>Minor</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	There is evidence of Fertiliser Programme the palm residues such as frond stacking, EFB and POME. the latest reports were available: <ul style="list-style-type: none"> - EFB July applied 639 (t) August 2016: 647 (t) and September 2016: 789 (t) - POME July applied 170 (t) August 342 (t) and September 130 (t) - Kernel Shell applied in August 2016 (296 t) and Sept 2016 (343 t) - Fibre applied in August 2016 (197 t) and Sept 2016 (244 t) 				
Criterion 4.3: Practices minimize and control erosion and degradation of soils.					
4.3.1	Maps of any fragile/marginal soils shall be available.				<i>Major</i>
Findings	In compliance:	Yes:	X	No:	

Objective evidence:	The company already has a peat soil maps with scale 1:151,500. Based on the peat soil map. Common soil type at the company areas are : Ultisol and Histosol.				
4.3.2	A management strategy shall be in place for plantings on slopes above a certain limit (this needs to be soil and climate specific).				<i>Minor</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	<p>PT LTS has established SOP for land clearing regarding Policy of planting on slopes using terrace system.</p> <p>Topography maps are available with scale 1 : 25,000. The estate has land with slopes of level to hilly (0 – 35% or 0 – 20°).</p> <p>Specific technique that applied at hilly areas are :</p> <ul style="list-style-type: none"> • Front stacking technique, those cross to the slope. • Individual terrace and continues terrace. 				
4.3.3	A road maintenance programme shall be in place.				<i>Minor</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	<p>The road maintenance programs are available. The company already has an annual budget fiscal year 2015 – 2016, where the road maintenance program included.</p> <p>Realization of mechanical road maintenance on the Alur Dumai Estate on October 2016 long roads 23.450 M.</p>				
4.3.4	Subsidence of peat soils shall be minimised and monitored. A documented water and ground cover management programme shall be in place.				<i>Major</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	<p>PT. LTS has established SOP for subsidence of peat land (RSPO.4.5).</p> <p>There is a peat soil in PT.LTS Div I for 96.67 ha and the land has been managed by water management and surface measurements peat soil (peat subsidence). The ground cover management was not implemented because oil palm trees have been planted since 2004.</p> <p>Monitoring and measurements have been implemented twice a year (peat subsidence), for example:</p> <p>Block E013 Period December 2015: 2 cm, June 2016: 4 cm and December 2016: 7 cm. There is drainage maintenance program to manage the water system in the peat soil, for examples: Block D013 in March 2017: 2,224.6 M and Block E013 in April 2017: 3,926.3 M.</p> <p>There was a ground cover management programme total 11 kgs of Pueraria sp and it was implemented at Block D15 (7.34 ha).</p>				
4.3.5	Drainability assessments shall be required prior to replanting on peat to determine the long-term viability of the necessary drainage for oil palm growing.				<i>Minor</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	<p>Based on the survey of soil by Minamas Research Center in PT.LTS peat soil types including peat type of mature (sapric). During audit in the field at Div 1, peatland area was 96.67 ha that have been planted since 2004. So that PT LTS has not yet currently conducted a replanting pogram for this areas. However PT LTS has a drainage maintenance program to manage the water system in the peat soil.</p>				
4.3.6	A management strategy shall be in place for other fragile and problem soils (e.g. sandy, low organic matter, acid sulphate soils).				<i>Minor</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	<p>There is maintenance drainage program to manage the water system in the peat soil. Block D013 month of March 2017: 2224.6 M and block E013 month of April 2017: 3926.3 M</p>				
Criterion 4.4: Practices maintain the quality and availability of surface and ground water.					
4.4.1	An implemented water management plan shall be in place.				<i>Minor</i>
Findings	In compliance:	Yes:	X	No:	

Objective evidence:	PT. LTS has the water management plan in budget 2016. <ul style="list-style-type: none"> - Water management, main drains for 5.840 M - Water management, collection drain upkeep for 3.997 M - Water management, field drain upkeep for 3.030 M Implementation of peat land management was preserving of water level (60-70 cm) using water gates and stop ban The realization of water management with the creation of some 875 units bund upkeep.																																																																
4.4.2	Protection of water courses and wetlands, including securing and maintaining appropriate riparian and other buffer zones, at the time of or prior to replanting shall be demonstrated.				<i>Major</i>																																																												
Findings	In compliance:	Yes:	X	No:																																																													
Objective evidence:	The production unit is protecting watercourses and wetlands, including maintaining and restoring appropriate riparian buffer zones as per explained in the SOP Pengelolaan Buffer Zone (037/LTS-PBZ/15) . All riparian identified are clearly marked on the ground and marked in the field map to ensure no activities (i.e.: spraying; manuring) being conducted in the area. PT.LTS also has a protection policy on the slope and river buffer zone # 724/TQEM-SPMS/09 Date 27-8-2010, protection of river banks will be managed on both sides of the river as large as 100 M and 50 M. For the tributary area has opened it at the time of the next replanting will be managed according to the requirements.																																																																
4.4.3	Records for monitoring of effluent especially BOD (<i>Biochemical Oxygen Demand</i>) and efforts to comply with legal requirements, shall be available (see criteria 2.1 and 5.6).				<i>Minor</i>																																																												
Findings	In compliance:	Yes:	X	No:																																																													
Objective evidence:	Monthly Submission of report on the discharge of effluent for land application is available, for example: <i>Laporan hasil uji pemanfaatan air limbah ke lahan perkebunan PT. LTS Periode Bulan September and October 2016.</i> Records show that the BOD of the effluent was within the permitted level. Lab reference: <ul style="list-style-type: none"> - September MT.1/09.07.80.141 (raw effluent) and MT.1/09.07.80.142 (effluent treatment). - October MT.1/10.11.114.300 (raw effluent) and MT.1/10.11.114.301 (effluent treatment). 																																																																
4.4.4	Monitoring of mill water use per ton of FFB shall be recorded.				<i>Minor</i>																																																												
Findings	In compliance:	Yes:	X	No:																																																													
Objective evidence:	The mill monitors their water usage separately from the estate covering both operational and domestic use (covering workers quarters, mosque and workshop). Observed that the mill compiling the date on a monthly basis within the Summary of Water Consumption; for instance: <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr> <th style="text-align: center;">2016</th> <th style="text-align: center;">FFB Process</th> <th style="text-align: center;">Process M³</th> <th style="text-align: center;">Domestic M³</th> <th style="text-align: center;">Water Consumption / FFB Processed</th> </tr> </thead> <tbody> <tr><td style="text-align: center;">Jan-16</td><td style="text-align: center;">3.530</td><td style="text-align: center;">3.176</td><td style="text-align: center;">2.129</td><td style="text-align: center;">1,5</td></tr> <tr><td style="text-align: center;">Feb-16</td><td style="text-align: center;">3.378</td><td style="text-align: center;">3.026</td><td style="text-align: center;">1.982</td><td style="text-align: center;">1,48</td></tr> <tr><td style="text-align: center;">Mar-16</td><td style="text-align: center;">3.099</td><td style="text-align: center;">3.240</td><td style="text-align: center;">1.192</td><td style="text-align: center;">1,43</td></tr> <tr><td style="text-align: center;">Apr-16</td><td style="text-align: center;">3.663</td><td style="text-align: center;">2.972</td><td style="text-align: center;">2.228</td><td style="text-align: center;">1,42</td></tr> <tr><td style="text-align: center;">Mei-16</td><td style="text-align: center;">3.401</td><td style="text-align: center;">2.545</td><td style="text-align: center;">2.566</td><td style="text-align: center;">1,5</td></tr> <tr><td style="text-align: center;">Jun-16</td><td style="text-align: center;">3.888</td><td style="text-align: center;">2.771</td><td style="text-align: center;">2.730</td><td style="text-align: center;">1,41</td></tr> <tr><td style="text-align: center;">Jul-16</td><td style="text-align: center;">2.848</td><td style="text-align: center;">2.257</td><td style="text-align: center;">1.934</td><td style="text-align: center;">1,47</td></tr> <tr><td style="text-align: center;">Agust-16</td><td style="text-align: center;">3.291</td><td style="text-align: center;">3.048</td><td style="text-align: center;">1.558</td><td style="text-align: center;">1,40</td></tr> <tr><td style="text-align: center;">Sep-16</td><td style="text-align: center;">4.295</td><td style="text-align: center;">3.234</td><td style="text-align: center;">2.714</td><td style="text-align: center;">1,38</td></tr> <tr><td style="text-align: center;">Okt-16</td><td style="text-align: center;">4.436</td><td style="text-align: center;">3.330</td><td style="text-align: center;">2.495</td><td style="text-align: center;">1,31</td></tr> <tr><td style="text-align: center;">Nov-16</td><td style="text-align: center;">4.562</td><td style="text-align: center;">3.571</td><td style="text-align: center;">2.998</td><td style="text-align: center;">1,44</td></tr> </tbody> </table>					2016	FFB Process	Process M ³	Domestic M ³	Water Consumption / FFB Processed	Jan-16	3.530	3.176	2.129	1,5	Feb-16	3.378	3.026	1.982	1,48	Mar-16	3.099	3.240	1.192	1,43	Apr-16	3.663	2.972	2.228	1,42	Mei-16	3.401	2.545	2.566	1,5	Jun-16	3.888	2.771	2.730	1,41	Jul-16	2.848	2.257	1.934	1,47	Agust-16	3.291	3.048	1.558	1,40	Sep-16	4.295	3.234	2.714	1,38	Okt-16	4.436	3.330	2.495	1,31	Nov-16	4.562	3.571	2.998	1,44
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Criterion 4.5: Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques.																																																																	
4.5.1	Monitoring of Integrated Pest Management (IPM) plan implementation shall be available.				<i>Major</i>																																																												
Findings	In compliance:	Yes:	X	No:																																																													
Objective	The company implements the IPM program to control the pests and diseases. The activities that																																																																

evidence:	company conducted in order to control including :								
	Monitoring; To monitor the pests and diseases condition, the company conducting the detection activities. Census will conducted if the detection result shows a significant attack. Detection conducted monthly. A record of detection activities available on detection records, e.g. Alur Dumai Estate:								
	Alur Dumai Estate (ADE)								
	Activity		Sub Activity		UoM	Budget	*Realisation		
Pests and Diseases	Pest Control (Caterpillars, Rats, Orytes and Termites)		Ha	772	25				
	Beneficial Plant (<i>Turnera sp, Cassia sp, Antigonon leptopus</i>)		M	31.894	3.520				
	P&D census (Pests (Caterpillars, Rats, Orytes and Termites) as well as Disease (Ganoderma and Crown Disease)		Ha	5.750	36.109				
Prevention; to control the pests and diseases condition, the company using a biological agent as prevention activities, such as <i>Turnera subulata, Antigonon leptopus</i> and <i>Cassia cobanensis</i> .									
4.5.2	Training records of Integrated Pest Management (IPM) shall be available.							<i>Minor</i>	
Findings	In compliance:	Yes:	X	No:					
Objective evidence:	The company has been conducting the IPM training regularly. IPM training facilitated by the Agronomy Staff. Records of IPM training are available, e.g.: training for pest detection that conducted on 26 September 2016 with 16 participants.								
Criterion 4.6: Pesticides are used in ways that do not endanger health or the environment.									
4.6.1	Documented evidence shall be available to show that pesticide used based on regulations and the use of pesticide is specific to target species with appropriate dosage which have minimal impact on non-target species.							<i>Major</i>	
Findings	In compliance:	Yes:	X	No:					
Objective evidence:	The Minamas Research Center (MRC) justified the pesticides that would be use in every fiscal year. One of method that used on pesticides justification is by referring to the green book of allowed pesticide that published by the Agriculture Ministry. Pesticides trials conducted for the new type and label in the first time use of pesticides.								
4.6.2	Records of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications) shall be available.							<i>Major</i>	
Findings	In compliance:	Yes:	X	No:					
Objective evidence:	The company maintained the records of the oil palm plantation operational records including records according to the use of pesticides at Monitoring pesticide usage per hectare and per ton FFB production. During the audit the company maintained the reports of pesticides use with the active ingredients used and their LD ₅₀ , area treated, amount of active ingredients applied per ha and number of applications included. The data available at LTS chemicals data used November 2016, e.g:								
Chemical Name		Active Ingredient	Uom	A.I	Sum Active Ingredient	Pesticide	Active Ingredient/ Ha	Active Ingredient/ Mt FFB	LD ₅₀
Basta		Amonium gufosinat	Ltr	150 g/Ltr	51,5	343	0,015	0,000026	593 mg/Kg
Metaprima		Methyl metsulfuron	Kg	20 g/Ltr	0,01	2	0,00001	0,0000002 05	10.000 mg/Kg
Benstar 50 WP		Benomil	Kg	50 g/Ltr	0,2	6	0,00009	0,0000000 15	5000 mg/Kg

4.6.3	Any use of pesticides shall be minimized as part of a plan, and in accordance with Integrated Pest Management (IPM) plans. There shall be no prophylactic use of pesticides, except in specific situations identified in Indonesia Best Practice guidelines.	<i>Major</i>																
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>																	
Objective evidence:	<p>The company has a policy to reduce the use of pesticides in accordance with Integrated Pest Management (IPM) plans, that available at “reduce of pesticides use policy”, where the policy also included the method that use in order to reduce pesticides use. Method that use to reduce the iuse of pesticides, i.e. :</p> <ul style="list-style-type: none"> • Planting beneficials plant (<i>Turnera sp, Cassia sp, Antionon leptopus</i>) at main and collection road, to prevent a net caterpillars attacke. • Gupon using as a nest for <i>Tyto alba</i> in order to control the rats populations. 																	
4.6.4	The evidence shall be available to demonstrate that use of Pesticides, categorized in Class 1A or 1B by World Health Organization, or those are listed in the Stockholm and Rotterdam Conventions, and paraquat are not used, except in specific situations identified in national Best Practice guidelines. The use of such pesticides shall be minimized and eliminated as part of a plan, and shall only be used in exceptional circumstances.	<i>Minor</i>																
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>																	
Objective evidence:	<p>The company maintains the records of pesticides type that used. Records of the pesticides used available at Monitoring pesticide usage per hectare and per ton FFB production and the summary available at LTS chemicals used data November 2016 and also available at the stock cards. Based on the records there were no pesticides that categorized as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions. The pesticides used by the company, e.g.:</p> <table border="1" data-bbox="347 1016 1241 1182"> <thead> <tr> <th>Chemical Name</th> <th>Active Ingredient</th> <th>WHO Class</th> <th>Reg</th> </tr> </thead> <tbody> <tr> <td>Basta</td> <td>Amonium gufosinat</td> <td>III</td> <td>RI.01030119921113</td> </tr> <tr> <td>Metaprima</td> <td>Methyl metsulfuron</td> <td>III</td> <td>RI.01030119951224</td> </tr> <tr> <td>Benstar 50 WP</td> <td>Benomil</td> <td>U</td> <td>RI.01020120031870</td> </tr> </tbody> </table>		Chemical Name	Active Ingredient	WHO Class	Reg	Basta	Amonium gufosinat	III	RI.01030119921113	Metaprima	Methyl metsulfuron	III	RI.01030119951224	Benstar 50 WP	Benomil	U	RI.01020120031870
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Benstar 50 WP	Benomil	U	RI.01020120031870															
4.6.5	Evidence of pesticide application by trained person and in accordance with application guidelines in product label and storage guidelines shall be available. Appropriate safety equipment shall be provided and utilized. All precautions attached to the products shall be properly observed, applied, and understood by workers (see Criterion 4.7).	<i>Major</i>																
Findings	In compliance: Yes: <input type="checkbox"/> No: <input type="checkbox"/>																	
Objective evidence:	<p>Pesticides application applied by the selective persons who have competencies. During the interview with the workers, shows the applicant of pesticides have a competencies regarding pesticides used. Besides that, the records of training in using pesticides are available, e.g.:</p> <p>Alur Dumai Estate (ADE) :</p> <ul style="list-style-type: none"> • Spraying training that conducted on November 2016 with 24 participants. 																	
4.6.6	Storage of pesticides shall be according to recognised best practices. All pesticides containers shall be properly managed according to the existing regulations and or instructions enclosed on the containers (see criterion 5.3).	<i>Major</i>																
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>																	
Objective evidence:	<p>During the inspection to the company facilities, the pesticides kept at the permanent store with equipped with emergency response facilities, such as : fire extinguishers, first ait kit, safety shows, secondary containment, and emergency phone numbers.</p>																	
4.6.7	Application of pesticides shall be by proven methods that minimise rLTS and negative impacts.	<i>Minor</i>																
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>																	
Objective evidence:	<p>Based on the interview and document review, no pesticides application within last 3 month in order the maintain the water availability due to the weather condition where the rain fall less than 100 mm. However based on the interview the workers understood well enough regarding the spraying method for every type of pesticides, type of spraying targets and the disposal handling of</p>																	

	pesticides material and the waste. Spraying workers have used the appropriate PPEs such as goggles, masks, gloves, and apron and safety shoes.	
4.6.8	Pesticides may only be applied aerially where there is a documented justification. Surrounding communities shall be informed of impending aerial pesticide applications with all relevant information within reasonable time prior to application.	<i>Major</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	Based on document review at Monitoring pesticide usage per hectare and per ton FFB production and the summary available at LTS chemicals used data November 2016, show that no used of any aerial pesticides applications.	
4.6.9	Evidence of training on handling pesticide for workers and scheme smallholder (if any) shall be available.	<i>Minor</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	However based on the interview the workers understood well enough regarding the spraying method for every type of pesticides, type of spraying targets and the disposal handling of pesticides material and the waste.	
4.6.10	Proof that pesticide waste has been handled as per legal regulations and understood by worker and manager, shall be demonstrated.	<i>Minor</i>
Findings	In compliance: Yes: <input type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	However based on the interview the workers understood well enough regarding the spraying method for every type of pesticides, type of spraying targets and the disposal handling of pesticides material and the waste. The company already has a registered hazardous storage. All the pesticides waste such as pesticides packaging are kept at the registered hazardous storage.	
4.6.11	Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, shall be demonstrated.	<i>Major</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	Based on document review, the latest specific annual medical checkup conducted in 2016. Records of medical checkup were available at <i>Rekapitulasi Hasil Pemeriksaan Kesehatan Tenaga Kerja</i> PT. Lahan Tani Sakti – Alur Dumai Palm Oil Mill conducted on September 2016 for 115 sprayer and manuring workers including PT. Lahan Tani Sakti – Alur Dumai Palm Oil Mill, where 18 workers indicated that effected by chemicals in very low level and 97 worker indicated in normal condition.	
4.6.12	No work with pesticides shall be undertaken by pregnant or breast-feeding women.	<i>Major</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	A policy statement preventing pregnant and breast-feeding women from handling pesticides has been signed by Head of plantation (upstream) dated on 10 Dec 2011. A list of female workers handling pesticides is available. During the interview with the workers and paramedic, no pregnant and breast feeding workers at the chemicals areas. In order to monitor the pregnant and breast feeding workers. Records of pregnant and breast feeding workers available on monitoring of pregnancy for spraying and manuring workers. The last monitoring conducted on September 2016. Based on interview with the spraying worker i.e Ribaah, Siska and Amin Rahayu that the spraying worker not currently of pregnancy and not being breastfeeding.	
Criterion 4.7: An occupational health and safety plan is documented, effectively communicated and implemented		
4.7.1	An occupational health and safety policy shall be in place. An occupational health and safety plan covering all activities shall be documented and implemented, and its effectiveness monitored.	<i>Major</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	Documented Occupational Safety and Health (OSH) is available in Kebijakan Keselamatan dan Keselamatan Kerja signed by Mr. Mohammad Chozali Yahaya (Head Plantation Upstream	

	<p>Indonesia) dated 10 December 2011. The policy has been displayed at the estate office and communicated to all workers through information board and morning briefing. The policy which is available in both Indonesian and English language specifies that the company is committed to comply with all applicable occupational health and safety, process safety, and procedure safety requirements, continually improve performance on criteria relevant to its businesses and operations, and insist that all work, however urgent, be done safely.</p> <p>The policy has been communicated to all employees and contractor dated 11 Nopember 2016: policy of Kebijakan Keselamatan dan Keselamatan Kerja</p>	
4.7.2	All operations where health and safety is an issue shall be rLTS assessed, and procedures and actions shall be documented and implemented to address the identified issues. All precautions attached to products shall be properly observed and applied to the workers.	<i>Major</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	<p>The production unit has regularly reviewed and update the risk assessment for Occupational Health and Safety (OHS). Risk Assessment is conducted on a yearly basis as reflected in Identification and Evaluation of Occupational Safety and Health (procedure signment by Jimmy Sahata Sihombing / ADE Manager) procedure dated 27th January 2014.</p> <p>An updated HIRARC is available in <i>Identifikasi dan Analisis Bahaya Resiko K3</i> dated on 27th January 2016 (Alur Dumai Mill) and estates.</p>	
4.7.3	All workers involved in the operation shall be adequately trained in safe working practices (see Criterion 4.8). Adequate and appropriate protective equipment shall be available to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, and land preparation, harvesting and, if it is used, burning.	<i>Major</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	<p>OHS Training Plan is evident in EHS Training Calendar FY2016/2017 (3 types of training) which includes training on:</p> <ol style="list-style-type: none"> Harvesting Training Manuring Training Spraying Training <p>Record of OHS training is evident in <i>Daftar Hadir</i>, for examples:</p> <ol style="list-style-type: none"> Harvesting Training: 27 Nopember 2016 Manuring Training: 14 Nopember 2016 <p>Training of first aider included in training of technical operations.</p>	
4.7.4	The responsible person/persons shall be identified. There shall be records of regular meetings between the responsible person/s and workers. Concerns of all parties about health, safety and welfare shall be discussed at these meetings, and any issues raised shall be recorded.	<i>Major</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	<p>The responsible person/persons have been identified as environmental and safety committee (Panitia Pembina Keselamatan dan Kesehatan Kerja P2K3). P2K3 team i.e Anwar has been approved by Kementerian Tenaga Kerja dan Transmigrasi # Kep.P.486/M/DJPPK/VIII/2013.</p> <p>Regular meeting of environmental and safety committee at Alur Dumai Mill on 28 Oktober 2016 (26 participants) with agenda:</p> <ul style="list-style-type: none"> EHS statistic Incident review Tracking table (general condition inspection) Monthly training 	
4.7.5	Accident and emergency procedures shall exist and instructions shall be clearly understood by all workers. Accident procedures shall be available in the appropriate language of the workforce. Assigned operatives trained in First Aid should be present in both field and other operations, and first aid equipment shall be available at worksites. Records of all accidents shall be kept and periodically reviewed.	<i>Minor</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	

Objective evidence:	<p>The production unit has established a procedure to address accident and emergency preparedness requirement as evident in Standar Operating Procedure for handling emergency condition; document #009/LTS-LTD/10 dated 2 August 2010, approved by Manager ADE.</p> <p>The procedure specifies mechanism in handling emergency covering as follows:</p> <ul style="list-style-type: none"> • Emergency muster point/evacuation location (<i>tempat berkumpul darurat/lokasi evakuasi</i>) • Fire at the process area (<i>kebakaran di area proses</i>) • Fire at mess/office (<i>kebakaran di mess/kantor</i>) • First aid/serious injury (<i>Pertolongan pertama/cidera serius</i>) • Work accident (<i>Kecelakaan kerja</i>) • Worker search and rescue (<i>pencarian dan penyelamatan karyawan</i>) • Oil spillage handling (<i>penanggulangan tumpahan minyak</i>) • Security (<i>keamanan</i>) <p>The production unit has established a procedure to address accident and emergency preparedness requirement as evident in Standar Operating Procedure for fire fighting; document #011/LTS-PPK/10 dated 2 August 2010, approved by Manager ADE.</p>				
4.7.6	All workers shall be provided with medical care, and covered by accident insurance.				<i>Minor</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	<p>All workers were covered within the insurance scheme i.e. Workers Compensation Scheme BPJS Kesehatan and BPJS Kecelakaan. The workers were provided with BPJS card, for examples: Mr. Teguh Waluyo [96D30054468] ; Andy Arianto Simanjuntak [0001643595906]; Mulyani [0001495542521] and Mrs. Nur Anekawati [08022078581].</p> <p>The company was provided BPJS payment period Nopember 2016 IDR 51,632,336.</p>				
4.7.7	Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics.				<i>Minor</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	<p>The company has recorded Lost Time Accident metrics for 2016/2017 (10 lost day).</p> <p>Accident Records period 2016/2017 was available and verified i.e: medical aid (2 accidents), Medical Aid and Non Serous Injury Fatality. The accident records have been reviewed in regular meeting of environmental and safety committee at Alur Dumai Estate on 14 October 2016.</p>				
Criterion 4.8: All staffs, workers, smallholders and contract workers are appropriately trained.					
4.8.1	A formal training programme shall be in place that covers all aspects of the RSPO Principles and Criteria, and that includes regular assessments of training needs and documentation of the programme.				<i>Major</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	<p>The organization has established a training programme for all staffs and employees in accordance with workers positions and competences. Training Program FY2016/2017 is evident during the audit.</p> <p>The training plan includes all areas of work, level and personnel such as:</p> <ol style="list-style-type: none"> a. Harvesting Training b. Manuring Training c. Spraying Training <p>Evident training about RSPO P&C such as:</p> <ul style="list-style-type: none"> - RSPO P&C Training ; date 9 Nopember 2016; - RSPO P&C Training ; date 11 Nopember 2016 				
4.8.2	Records of training for each employee shall be maintained.				<i>Minor</i>

Findings	In compliance: <input type="checkbox"/> Yes: <input checked="" type="checkbox"/> X No: <input type="checkbox"/>
Objective evidence:	<p>Records of training conducted for each employee are kept in Training Record File and Personal Folder. Training participants and training material are made available for auditors during the audit.</p> <p>Record of OHS training is evident in Daftar Hadir, for examples:</p> <ol style="list-style-type: none"> Training of P2K3L Safety Committee: 16 July 2016 Training of P2K3L Safety Committee: 28 October 2016 <p>Module of P2K3L training has also included:</p> <ul style="list-style-type: none"> the health and environmental risks of pesticide exposure; recognition of acute and long-term exposure symptoms including the most vulnerable groups (e.g. young workers, pregnant women); ways to minimize exposure to workers and their families; international and national instruments or regulations that protect workers' health; and productivity and best management practice.

Principle 5: Environmental Responsibility and Conservation of Natural Resources and Biodiversity	
Criterion 5.1: Aspects of plantation and mill management, including replanting, that have environmental impacts are identified and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.	
5.1.1	Environmental impact assessment document(s) shall be available. <i>Major</i>
Findings	In compliance: <input type="checkbox"/> Yes: <input checked="" type="checkbox"/> X No: <input type="checkbox"/>
Objective evidence:	<p>PT LTS has established a documented environmental impact assessment (<i>Analisa Dampak Lingkungan - ANDAL</i>) and it has been approved by Minister of Agricultural # RC.220/887/B/V/1994 dated on 19 May 1994. The document is available, which consists of the following documents</p> <ol style="list-style-type: none"> Review impacts of ongoing operations. Environmental Management Plan (<i>Rencana Pengelolaan Lingkungan - RKL</i>) for estate and mill. Environmental Monitoring Plan (<i>Rencana Pemantauan Lingkungan - RPL</i>) for estate and mill. <p>The EIA document has been approved by government and the process to get the approval has been followed up through stakeholder consultation in order to identify impacts and develop any mitigation measures.</p> <p>The EIA also cover to both estates and mill according to the scope of operation covering at minimum the following:</p> <ul style="list-style-type: none"> Building new roads, processing mills or other infrastructure; Putting in drainage or irrigation systems; Replanting of planting areas; Management of mill effluents; <p>The environmental impacts identified are land erosion, water pollution, wild life disturbance, fire, social economic and culture and health.</p>
5.1.2	Environment management plan document to prevent negative impacts, its implementation report and revision (if the identification of impact requires changes in current company's practices) shall be available. The company's management shall appoint the responsible person(s) for the implementation of the document. <i>Minor</i>
Findings	In compliance: <input type="checkbox"/> Yes: <input type="checkbox"/> No: <input checked="" type="checkbox"/> X
Objective evidence:	<p>The management plan as determined on RKL/RPL documents has been implemented and monitored. The company also implements Environmental Management System (EMS) to ensure effective measures to mitigate environmental impacts of all identified significant environmental aspects. The environmental management plan documented to include the following:</p> <ul style="list-style-type: none"> Identification of responsible person(s); Potential impacts from current practices; Measures to mitigate negative impacts; Timetable for management and monitoring.

	<p>The regular reports of implementation environmental management plan (RKL) is remains consistently implemented and reported to government authorities twice a year. Verified during audit the RKL period report on semester II year 2015 and semester I year 2016, for examples:</p> <ul style="list-style-type: none"> • Fire protection (drill and procurement of fire fighting equipments, warning signboard) • Building <i>rorak</i>, empty bunches application, planting <i>Nephrolepis biserata</i> (pakis sayur) and selective spraying. • Planting trees surrounding mill and housing (6 trees). • Road maintenance (including road spraying). • Reconstruction of protected areas border • Hazardous waste management. • Provide PPEs. • Waste water treatment installation (IPAL) and land application using flat bed (25 ha). <p>The responsible management team to the environmental management plan has been established i.e. Environmental Departement.</p> <p>List of fire fighting equipments in monthly report (November 2016) does not correspond to the <i>Pedoman pencegahan dan Penanggulangan Kebakaran # 7302/PSQm-ESH/14</i> dated on 07/08/14. Some equipments were not available in store room and the other one are not suitable number, for examples: fire water tank, gebyok, shovel, etc. Minor CAR 01 was raised</p>																																												
5.1.3	<p>Environment monitoring plan document, its implementation report, and the corrective plan (if non-conformance arised from the monitoring result) shall be available. This plan is reviewed on two-yearly basis.</p>				<i>Minor</i>																																								
Findings	In compliance:	Yes:	X	No:																																									
Objective evidence:	<p>Verified during audit , the environmental monitoring report (RPL) period report on semester II year 2015 and semester I year 2016. Summary of environmental monitoring described as following:</p> <table border="1"> <thead> <tr> <th>Period</th> <th>Parameter</th> <th>Management points</th> <th>Result</th> </tr> </thead> <tbody> <tr> <td rowspan="5">Semester II 2015</td> <td>Fire</td> <td>All estates and mill</td> <td>No fire within period</td> </tr> <tr> <td>POME</td> <td>WWTP outlet</td> <td>BOD under BML</td> </tr> <tr> <td>Water surface</td> <td>Land Application</td> <td>BOD under BML</td> </tr> <tr> <td>Air emission</td> <td>Boiler stack</td> <td>NO2 & SO2 under BML</td> </tr> <tr> <td>Vehicle emission</td> <td>vehicles</td> <td>CO emission under BML</td> </tr> <tr> <td rowspan="5">Semester I 2016</td> <td>Biodiversity</td> <td>HCV areas</td> <td></td> </tr> <tr> <td>Fire</td> <td>All estates and mill</td> <td>No fire within period</td> </tr> <tr> <td>POME</td> <td>WWTP outlet</td> <td>BOD under BML</td> </tr> <tr> <td>Water surface</td> <td>Land Application</td> <td>BOD under BML</td> </tr> <tr> <td>Air emission</td> <td>Boiler stack</td> <td>NO2 & SO2 under BML</td> </tr> <tr> <td></td> <td>Vehicle emission</td> <td>vehicles</td> <td>CO emission under BML</td> </tr> </tbody> </table>					Period	Parameter	Management points	Result	Semester II 2015	Fire	All estates and mill	No fire within period	POME	WWTP outlet	BOD under BML	Water surface	Land Application	BOD under BML	Air emission	Boiler stack	NO2 & SO2 under BML	Vehicle emission	vehicles	CO emission under BML	Semester I 2016	Biodiversity	HCV areas		Fire	All estates and mill	No fire within period	POME	WWTP outlet	BOD under BML	Water surface	Land Application	BOD under BML	Air emission	Boiler stack	NO2 & SO2 under BML		Vehicle emission	vehicles	CO emission under BML
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<p>Criterion 5.2: The status of rare, threatened or endangered species and other High Conservation Value habitats, if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and operations managed to best ensure that they are maintained and/or enhanced.</p>																																													
5.2.1	<p>Record(s) on the results of High Conservation Value (HCV assessment) that includes both the planted area and the relevant wider landscape-level considerations (such as wildlife corridors) shall be available.</p>				<i>Major</i>																																								
Findings	In compliance:	Yes:	X	No:																																									
Objective evidence:	<p>PT LTS has managed the operation area since 1986. At the beginning, PT LTS conducted palm oil and rubber plantation management. The cultivation was conducted in 1989 and from 2003 to 2010, the company converted rubber plantation into palm oil plantation (it meant a new development area).</p> <p>HCV assessment was conducted in November 2009. The High Conservation Value (HCV) assessment has covered the following:</p>																																												

	<ul style="list-style-type: none"> • Presence of protected areas that could be significantly affected by the grower or miller; • Conservation status (e.g. IUCN status), legal protection, population status and habitat requirements of rare, threatened, or endangered (RTE) species that could be significantly affected by the grower or miller. • Identification of HCV habitats, such as rare and threatened ecosystems, that could be significantly affected by the grower or miller • Management & monitoring HCV. <p>The HCV assessment performed in accordance to Toolkit for identification of HCV Indonesia 2008.</p> <p>The HCV area consists of 89.68 ha area that divided into: HCV 1.1 , HCV 1.2, HCV 1.3, HCV 1.4, and HCV 2.3. The identification of HCV area has underwent a public hearing process on 8 January 2010, which was attended by 28 personnel who represented local communities and local government.</p> <p>Based on the report, PT LTS has 53 types of natural vegetation (tree and under crop) and 62 types of wildlife (consists of 52 types of bird, 6 types of mammal, and 4 types of reptile). Some types of wildlife are included in list of Appendix II CITES, such as: 6 types of bird, which consists of baza hitam (<i>Aviceda leuphotes</i>), elang tikus (<i>Elanus caeruleus</i>), elang ular bido (<i>Spilornis cheela</i>), betet ekor panjang (<i>Psittacula longicauda</i>), serak jawa/owl (<i>Tyto alba</i>), and kangkareng perut putih (<i>Anthracoceros albirostris</i>); 3 types of mammal such as monyet ekor panjang (<i>Macaca fascicularis</i>), monyet beruk (<i>Macaca nemestrina</i>), and lutung (<i>Presbytis femoralis</i>); and 3 types of reptile, such as: biawak (<i>Varanus salvator</i>), ular pyton (<i>Python sp</i>), and ular kobra (<i>Naja sp.</i>); as well as 2 types of wildlife that being identified in the list of Apendix I CITES, such as kucing hutan (<i>Prionailurus bengalensis</i>) and buaya senyulong (<i>Tomistoma schlegelii</i>).</p>						
5.2.2	<p>Whererare, threatened or endangered (RTE) species and or other HCVs are present or affected by the plantation and mill operations, an appropriate measures that are expected to maintain or enhance them shall be implemented through a management plan.</p>	<i>Major</i>					
Findings	<table border="1"> <tr> <td>In compliance:</td> <td>Yes:</td> <td>X</td> <td>No:</td> <td></td> </tr> </table>	In compliance:	Yes:	X	No:		
In compliance:	Yes:	X	No:				
Objective evidence:	<p>There is a management plan to maintain and/or enhance the identified HCV (RTE species and its habitat) as following:</p> <ul style="list-style-type: none"> - Inventory - Boundary and its maintenance - Protecting - Rehabilitation and enrichment planting such as jambu-jambu, pulai and beringin. - Prevention of invasive species - Socialization to communities - Training for staff - SOP - Organizing - Coordination with relevance instance (BKSDA of Rokan Hilir District) <p>During visit to hot spring (HCV 5.1) at Block T49 and secondary forest at Block E28-E29 (HCV 1), it was observed that the HCV areas inspected were maintained properly, for examples: warning sign, border maintenance, monitoring of wild animal and vegetation analysis. Monkeys and birds were still seen in the HCV areas and estate.</p>						
5.2.3	<p>Program(s) to socialize the status of protected, rare, threatened or endangered (RTE) to all workers shall be available, including records of appropriate sanction disciplinary measures to any individual working for the company who is found to capture, harm, collect or kill these species.</p>	<i>Minor</i>					
Findings	<table border="1"> <tr> <td>In compliance:</td> <td>Yes:</td> <td>X</td> <td>No:</td> <td></td> </tr> </table>	In compliance:	Yes:	X	No:		
In compliance:	Yes:	X	No:				
Objective evidence:	<p>PT LTS has issued the letter of prohibition of capture, harm, collect or kill RTE species. PT LTS has established appropriate sanction disciplinary measures to any individual working for the company who is found to capture, harm, collect or kill these species.</p>						

	<p>There are dedicated and trained officers to monitor any plans and activities pertaining to identified conservation areas. PT LTS conducted regular socialization for HCV area, last socialization on 16th October 2015. Based on interview result with local communities and personnel, its known that they understood the existence of HCV area and the existence of protected wildlife within company's operation area.</p> <p>PT LTS has HCV maintenance officers according to Decree from ADE Manager no. LTS/RSPO/016/09/2013 on 1 September 2013. HCV personnel attended HCV training on 9th September 2013 in Alur Dumai Estate.</p> <p>The security has monitored workers and local community in estate to ensure that they did not capture, harm, collect or kill RTE species. Monitoring book was reviewed and there was not found people capture, harm, collect or kill these species.</p>						
5.2.4	<p>Once the management plan is prepared, continuous monitoring documentation and report regarding the status of the RTE and HCVs are affected by the operations of the plantation and palm oil mill shall be available, and the results of monitoring are to be used to follow-up on the improvement of the management plan.</p>	Minor					
Findings	<table border="1"> <tr> <td>In compliance:</td> <td>Yes:</td> <td>X</td> <td>No:</td> <td></td> </tr> </table>	In compliance:	Yes:	X	No:		
In compliance:	Yes:	X	No:				
Objective evidence:	<p>Measures and monitoring to maintain and enhance the values has been developed and implemented through the following evidences:</p> <p>Monitoring of secondary forest through monthly and annually vegetation survey. Checked during audit vegetation survey Oct 2016 where 10 sampling plots (transect) in place to get information related biodiversity. Some species of animal and vegetation found during monitoring for examples:</p> <ul style="list-style-type: none"> • Mamalia: monyet beruk, tupai and tikus • Reptile: kadal, biawak, ular cobra and bunglon. • Vegetation: pulai, pengkeladinan, macaranga, laban <p>Monthly inspection to HCV using 7 parameters such as HCV boundary checking, presenting encroachment to the HCV areas, collected or killed any RTE species etc.</p> <p>During visit to hot spring (HCV 5.1) at Block T49 and secondary forest at Block E28-E29 (HCV 1), it was observed that the HCV areas inspected were maintained properly, for examples: warning sign, border maintenance, monitoring of wild animal and vegetation analysis.</p>						
5.2.5	<p>Where HCV areas overlapped with an identified local community's land, there shall be evidence of a negotiated agreement that optimally safeguard their HCVs and the local community's rights.</p>	Minor					
Findings	<table border="1"> <tr> <td>In compliance:</td> <td>Yes:</td> <td>X</td> <td>No:</td> <td></td> </tr> </table>	In compliance:	Yes:	X	No:		
In compliance:	Yes:	X	No:				
Objective evidence:	<p>There is no HCV 6 in the area and no HCV areas overlapped with local community's land.</p>						
<p>Criterion 5.3: Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.</p>							
5.3.1	<p>A documented identified source of all waste and pollution, shall be available.</p>	Major					
Findings	<table border="1"> <tr> <td>In compliance:</td> <td>Yes:</td> <td>X</td> <td>No:</td> <td></td> </tr> </table>	In compliance:	Yes:	X	No:		
In compliance:	Yes:	X	No:				
Objective evidence:	<p>Standard Operating Procedures for Management of Hazardous and Non Hazardous Waste (<i>Pengelolaan Limbah B3 dan Nonn B3</i>) (013/LTS-B3/09 dated on 03 April 2009) is available. In summary the documented procedure specifies the following procedures:</p> <ul style="list-style-type: none"> • General requirements for waste management procedure; • Identification and segregation of waste; • Temporary collection and storage area; • Landfill; • Emergency procedure; • Delivery of hazardous waste to licensed third party; • Management of waste documentation. <p>The procedures also specifies the identified wastes as follows:</p> <ul style="list-style-type: none"> • Domestic liquid waste 						

	<ul style="list-style-type: none"> Organic Waste (waste derived from mill such as EFB, etc). Non-organic Waste (recyclable material such as plastic, bottle, glass and paper; Oil lubricant, transmission oil etc. Solid Waste; <ul style="list-style-type: none"> Empty pesticides container; Oil filter and diesel container; Used PPEs contaminated with oil; Battery, thinner container etc; Officer waste such as toner, cartridge etc; Clinical waste. <p>PT LTS has established SOP for effluent treatment plant to manage palm oil mill effluent.</p>	
5.3.2	There shall be evidence that all chemicals and their empty containers are disposed of responsibly.	<i>Major</i>
Findings	In compliance: <input type="checkbox"/> Yes: <input checked="" type="checkbox"/> X No: <input type="checkbox"/>	
Objective evidence:	<p>Standard Operating Procedures for Management of Hazardous and Non Hazardous Waste (<i>Pengelolaan Limbah B3 dan Nonn B3</i>) (013/LTS-B3/09 dated on 03 April 2009) is available and documenting all the wastes in estate and the procedures such as storage, reuse and send to the contractor for disposal. As reflected in the document, the above mentioned identified waste is managed and disposed in according to the local laws.</p> <p>License of temporary hazardous waste storage has been approved by Bupati Rokan Hilir # 56/BPDL/2016 valid 16 Aug 2021 for temporary schedule waste store is available for the mill. During onsite visit, schedule waste store were well managed with the records, containment and the spill kit.</p> <p>The hazardous waste have been transferred to licensed waste processor company as follows:</p> <ul style="list-style-type: none"> CV Amindy Barokah (license from KLHK # SK.353/MenLHK-Setjen/2015 valid to 31 August 2020) for collecting used oil. CV Amindy Barokah (license from Gub Sumut # 188.44/KPTS/2014 valid to 19 June 2019) for collecting used battery, contaminated goods, expired chemical, use oil filter, IPAL sludge and used jerry cans. <p>The company has appointed CV Amindy Barokah as hazardous waste transporter (license from Dirjen Hubdar # SK.316/AJ.309/DJPD/2015/120070432BB valid 24 Aug 2020). Some manifest were verified, for examples: ZF 0010091, ZF 0009975 and ZF 0009978. Vehicles permit are valid until 25/06/2017.</p>	
5.3.3	A documented waste management plan to avoid or reduce pollution and its implementation shall be available.	<i>Minor</i>
Findings	In compliance: <input type="checkbox"/> Yes: <input checked="" type="checkbox"/> X No: <input type="checkbox"/>	
Objective evidence:	<p>Procedures for the management of wastes derived from the estates and mill is reflected integrated within the Standard Operating Procedures for Management of Hazardous and Non Hazardous Waste (<i>Pengelolaan Limbah B3 dan Nonn B3</i>) (013/LTS-B3/09 dated on 03 April 2009). The SOP specifies the identification and handling of the waste, management of identified waste and the establishment of the landfills for the disposal of the wastes. In general, the SOP stated that the landfills shall be constructed at the minimal of 300m and 500m distance from the housings and water sources respectively.</p> <p>Verification during a field visit at the line site evidenced that waste separation for organic and inorganic at Block F06 is allocated within the line site area. The waste separation implemented at the landfill. The landfill is far from the residential and river area.</p> <p>PT LTS has hazardous waste storage permit # 56/BPDL/2016 dated on 16 August 2016 from Regency Head of Rokan Hilir valid 5 years. PT LTS has monthly hazardous waste record, which stated in hazardous waste logbook in landfill as well as hazardous waste balance sheet for used-pesticide packages to monitor waste. Moreover, this record is periodically submitted every 6 months to related agencies.</p>	
Criterion 5.4: Efficiency of fossil fuel use and the use of renewable energy is optimized.		
5.4.1	A plan for improving efficiency of the use of fossil fuels and to optimize renewable energy shall be in place and monitored.	<i>Minor</i>
Findings	In compliance: <input type="checkbox"/> Yes: <input checked="" type="checkbox"/> X No: <input type="checkbox"/>	
Objective evidence:	PT LTS has established and documented an plan for improving efficiency of the use of fossil fuels and to optimize renewable energy. PT LTS has planned electrical consumption efficiency 23	

	<p>KWh/FFB for 2015/2016 (actual 17, 5 KWh/FFB).</p> <p>The data of optimizing renewable energy as above sourced from total annual energy of turbine generator (renewable energy) and total energy of genset (fossil fuel). The percentage data of reducing fossil fuel as above sourced from total annual diesel fuel usage of generator.</p> <p>Sample of data of renewable energy in November 2016 is as follows:</p> <ul style="list-style-type: none"> Efficiency of diesel fuel = 76.75% (fuel consumption 22,690 lt from 97,586 lt), the rest use shell and fiber = 488.148 ton. 				
<p>Criterion 5.5: Use of fire for preparing land or replanting is avoided, except in specific situations as identified in the ASEAN guidelines or other regional best practice.</p>					
5.5.1	<p>Records of land clearing with zero burning shall be available, referring to the ASEAN Policy on Zero Burning (2003) or other recognised techniques based on the existing regulations.</p>				Major
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	<p>PT LTS has the Zero Burning Policy stated in PT LTS plantation activity Policy No. 724/TQEM-SPMS/09 point 5.7.2. PT LTS also regulates the mechanism for land clearing with zero burning approach, stated in Agronomic Manual Reference No. 110/EST-ARM/08 part 4 land preparation clause 3.1 points (b) that land clearing should be based on General Director of Plantation Decree No. KB.110/SK/DJ BUN/05.95 on 30 May 1995. Besides that, PT LTS has established Guidance for prevention and fire fighting (<i>Pedoman Pencegahan dan Penanggulangan Kebakaran</i>) # 7302/PSQm-ESH/14 dated on 07/08/14.</p> <p>Based on field observation, especially in replanting area at Block B001, there were found former land clearing using method of cutting, minching, stacking and root's apart. The entire activities were using the mechanic principle by using heavy equipment.</p>				
5.5.2	<p>Where fire has been used for eradication of pest during replanting, the records of the analysis of the use of fire and permit from the authorised agency shall be available.</p>				Minor
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	<p>There is replanting activity during audit. The company has a commitment in place to prohibit any burning through its Zero Burning Policy.</p>				
<p>Criterion 5.6: Plans to reduce pollution and emissions, including greenhouse gases are developed, implemented and monitored.</p>					
5.6.1	<p>Document(s) assessing pollution and emission sources, including gaseous, particles, soot emissions and effluent, shall be available (see Criterion 4.4)</p>				Major
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	<p>SOP for an assessment of all pollutions and emissions has been conducted periodically through the implementation of the Environmental Management and Monitoring Plan (RKL/RPL) and GHG calculation according to RSPO palm GHG calculator.</p> <p>In term of RKL/RPL specifies the following polluting activities:</p> <ol style="list-style-type: none"> Land erosion Water pollution Fire Wild life disturbance Air emission from boiler stack, genset and vehicles <p>Field observation at WWTP pond in Alur Dumai Mill showed there is no indication of leakage in IPAL pond and flowmeter in outlet of IPAL pond is in good condition. Liquid waste is utilized for land application based on the applicable regulation and based on the applicable license. Field visit to block G011 Alur Dumai Estate revealed that LA activity in permitted-block has been inline with the applicable regulation. Monitoring over the quality of liquid waste has been conducted every month and there were no parameters above the standard threshold. For instance BOD in November 2016 amount 270 mg/l (< BM 5000 mg/l).</p> <p>Field observation in Alur Dumai Mill, for instance in engine room and boiler station, showed that personnel have wore PPEs, such as mask, safety spectacles and ear muff. Monitoring related to the quality of air emission, ambient, noise and smell was conducted every semester and has been</p>				

	periodically reported through environment management plan report and environment monitoring plan report to related agencies. Periodic examination showed that for period semester 1 in 2016, the entire parameters, which related to air emission and ambient were below standard of quality. For instance SO2 for boiler 1 amount 51.22 mg/m3 (<BM 600mg/m3), noise in machine room 84.20 dBA (<BM 85 dBA) and company made it mandatory for the entire personnel to wear PPE, such as ear plug and ear muff.				
5.6.2	Significant pollutants and greenhouse gas (GHG) emissions shall be identified, and plan to reduce or minimize them implemented.				<i>Major</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	<p>PT LTS has reported its GHG emission's calculation for period 2015 to RSPO through email to melissa.chin@rspo.org on 11 November 2016. The report referred to Palm GHG version 2.1.1 consists information, such as:</p> <ul style="list-style-type: none"> Total emission from Alur Dumai estate due to land conversion, crop sequestration, fertilizer, fuel consumption, and peat oxidation was -4,356.32 tCO2e. Total emission form Dumai Mill due to POME and fuel consumption was 7,910.42 tCO2e. <p>The company should update PalmGHG calculation using new version 3.0.1 published November 2016 and the company should submit to RSPO for endorsement the use of PalmGHG (the implementation period until 31 December 2016 after that to public reporting). Observation 02 was given</p> <p>PT LTS has not yet planned to to reduce GHG through developing biogas plant (methane capture) however PT LTS has continued to use shell and fiber as to reduce fuel consumption for turbine generator.</p>				
5.6.3	A monitoring plan and results of regular reporting on emission and pollutants from estate and mill operations using appropriate methods, shall be available.				<i>Minor</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	<p>A monitoring system in term of RKL/RPL conducted in daily, monthly, 6 monthly. The monitoring report provided per semester. During surveillance audit checked monitoring report for Semester II 2015 and Semester I 2016.</p> <p>Monitoring for GHG emission carries out annually, GHG emission calculation during period 2015 checked during audit.</p>				

Principle 6. Responsible consideration of employees and of individuals and communities affected by growers and millers.					
Criterion 6.1. Aspects of plantation and mill management that have social impacts, including replanting, are identified in a participatory way, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.					
6.1.1	A social impact assessment (SIA) including records of meetings shall be documented.				<i>Major</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	<p>Dedicated social impact document which clearly identifies positive and negative social affects that maybe caused by plantation and mills are available as follows:</p> <ul style="list-style-type: none"> Social Impact Assessment (SIA) Document prepared by CV Pollito, Jakarta (dated January 2010) <p>The SIA covered all of the potential impact factors, including:</p> <ul style="list-style-type: none"> Access and use rights; Economic livelihoods (e.g. paid employment) and working conditions; Subsistence activities; Cultural and religious values; Health and education facilities; Other community values, Arrival of substantial migrant labour force. <p>Based on the social impact assessment conducted, the auditing team observed that the SIA is</p>				

	conducted in a participatory manner with relevant stakeholders. In addition, there is also evidence that a socialization programme with local communities is conducted as part of the social impact assessment. There is evidence of regular socialization with local communities.					
6.1.2	There shall be evidence that the assessment has been conducted with the participation of affected parties.					<i>Major</i>
Findings	In compliance:	Yes:	X	No:		
Objective evidence:	<p>Based on the social impact assessment conducted, the auditing team observed that the SIA is conducted in a participatory manner with relevant stakeholders. In addition, there is also evidence that a socialization programme with local communities is conducted as part of the social impact assessment. There is evidence of regular socialization with local communities. The affected parties i.e Desa Pondok Kresek Kecamatan Tanjung Medan Kabupaten Rokan Hilir, Desa Murini Makmur Kecamatan Bagan Sinembah Kabupaten Rokan Hilir, Desa Srikayangan Kecamatan Tanjung Medan Kabupaten Rokan Hilir.</p> <p>Based on minute of meeting of SIA, there were comments from the local communities about PT LTS operation and the comments were responded by PT LTS in the minute of meeting.</p>					
6.1.3	Plans for management and monitoring of social impacts to avoid or reduce negative impacts and promote positive ones, based on social impact assessment, through consultation with the affected parties, shall be available, documented and timetabled, including responsibilities for implementation. .					<i>Major</i>
Findings	In compliance:	Yes:	X	No:		
Objective evidence:	<p>PT. Lahan Tani Sakti – Alur Dumai Palm Oil Mill has established its documented Social Impact Assessment (SIA), prepared by CV Pollito dated Januari 2010 for PT. Lahan Tani Sakti – Alur Dumai Palm Oil Mill. Document of SIA analysed social impact during activities processes such as Location and time ; Economic facility for PT. Lahan Tani Sakti – Alur Dumai Palm Oil Mill area and utilization of natural resources ; Analysis over activity in production area, maintenance , land clearance and cultivation.</p> <p>Besides that, the company has conducted regular monitoring and management of social impact, with the participation of local communities in term of Corporate Social Responsibility (CSR). Records of stakeholder consultation with local communities evidenced that there is no complaints received from the local communities regarding the operations of the company.</p>					
6.1.4	The documented plan for management and monitoring of social impacts, shall be reviewed at least on two-yearly basis. If necessary, the plan should be updated. There shall be evidence that the review process includes participation of all affected parties.					<i>Minor</i>
Findings	In compliance:	Yes:	X	No:		
Objective evidence:	<p>PT. Lahan Tani Sakti – Alur Dumai Palm Oil Mill has established its documented Social Impact Assessment (SIA), prepared by CV Pollito dated Januari 2010 for PT. Lahan Tani Sakti – Alur Dumai Palm Oil Mill. That document was reviewed per two yearly with the participation of all affected parties such as Desa Pondok Kresek Kecamatan Tanjung Medan Kabupaten Rokan Hilir, Desa Murini Makmur Kecamatan Bagan Sinembah Kabupaten Rokan Hilir, Desa Srikayangan Kecamatan Tanjung Medan Kabupaten Rokan Hilir.</p>					
6.1.5	Particular attention shall be paid to the impacts of smallholder schemes (where the plantation includes such a scheme).					<i>Minor</i>
Findings	In compliance:	Yes:	X	No:		
Objective evidence:	<p>Not Applicable</p> <p>There was no smallholder schemes in PT. Lahan Tani Sakti – Alur Dumai Palm Oil Mill.</p>					
Criterion 6.2. There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.						
6.2.1	Communication and consultation procedures shall be documented.					<i>Major</i>
Findings	In compliance:	Yes:	X	No:		
Objective evidence:	<p>PT. Lahan Tani Sakti – Alur Dumai Palm Oil Mill has established procedure for communication, participation and consultation (007/LTS-KKM/09 dated 2 April 2009). Process flow for complaint and grievances was described clearly in the procedures.</p>					
6.2.2	The company shall have official(s) who is responsible for consultation and					<i>Minor</i>

	communications with parties.				
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	Muh Ego Dewanto (Kasie Alur Dumai Estate) has been assigned for consulting and communicating with local communities.				
6.2.3	The company shall have a list of stakeholders, records of communications, including confirmation of receipt and that efforts are made to ensure understanding by affected parties, and records of actions taken in response to input from stakeholders.				<i>Minor</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	Stakeholder list 2016 are available. The list listed all relevant stakeholders identified within Indonesia especially Rokan Hilir covering the relevant government agencies, relevant NGOs (both social and environmental, neighbouring estates, local communities and contractors, women group, that have direct and indirect impact with the plantation operations of the PT. Lahan Tani Sakti – Alur Dumai Palm Oil Mill. Totally those are 103 stakeholders that listed.				
Criterion 6.3. There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all affected parties.					
6.3.1	The mechanism, open to all affected parties, shall resolve disputes in an effective, timely and appropriate manner, ensuring anonymity of complainants and whistleblowers, where requested, as long as that information is supported with adequate initial evidence.				<i>Major</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	<p>PT LTS has established open system to receive complaints and to resolve dispute in an effective, timely and appropriate manner, which is accepted by affected parties:</p> <ol style="list-style-type: none"> 1. Resolution Conflict Procedure/SOP Penyelesaian Konflik (004/LTS-PK/09, dated 2 April 2009) 2. Community of Complaint Procedure/SOP Penanganan Keluhan Masyarakat (005/LTS-PK/09, dated 2 April 2009) 3. Employee of Complaint Procedure/SOP Penanganan Keluhan Karyawan (006/LTS-PK/09, dated 2 April 2009) 4. Community of Consultation and Communication Procedure/SOP Komunikasi dan Konsultasi dengan Masyarakat (007/LTS-PK/09, dated 2 April 2009) <p>Based on procedures, mechanism of complaint and grievance was through suggestion box and website. A whistleblowing channel was also available on corporate website to enable employees and others to anonymously report actual, potential, or suspected wrongdoings without fearing repercussions. Details in relation to the whistleblowing channels available to external parties and stakeholders are available online at www.simedarby.com/whistleblowing.aspx.</p>				
6.3.2	There shall be records of process and outcome of dispute resolution.				<i>Major</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	<p>Records of process and outcome of dispute resolution such as:</p> <p>Reports actual payment of land compensation phase II dated on January 31, 2008, land compensation 4 person for Marbun, Tupang, Joni Pangaribuan, Edi Simamora with area for 19,383 Hectares of Rp 69,266,000.</p>				
Criterion 6.4. 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.					
6.4.1	A procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, shall be available, referring to decision of the Constitution Court.				<i>Major</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	<p>PT LTS has established SOP for social problem solving and land claim resolution for the identification and calculation of fair compensation for the loss of legal or customary right of the land, with the involvement of local community representatives and relevant agencies and made publicly available. Record of land acquisition document is available and verified, for example: reports of actual payment of land compensation phase II dated on January 31, 2008, land compensation 4 persons i.e Marbun, Tupang, Joni Pangaribuan, Edi Simamora with area for</p>				

	19,383 Hectares of Rp 69,266,000.				
6.4.2	A procedure for calculating and distributing fair compensation shall be established, implemented, monitored and evaluated in a participatory way. Corrective actions are taken as a result of this evaluation.				<i>Minor</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	<p>PT. Lahan Tani Sakti – Alur Dumai Palm Oil Mill has established SOP for social problem solving and land claim resolution for the identification and calculation of fair compensation for the loss of legal or customary right of the land, with the involvement of local community representatives and relevant agencies and made publicly available.</p> <p>Record of land acquisition document is available and verified, for example: reports of actual payment of land compensation phase II dated on January 31, 2008, land compensation four persons i.e Marbun, Tupang, Joni Pangaribuan, Edi Simamora with area for 19,383 Hectares of Rp 69,266,000.</p>				
6.4.3	Compensation claims, process and outcome of any negotiated agreements shall be documented, with evidence of the participation of affected parties.				<i>Major</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	<p>Record of land acquisition and payment document is available and verified, for example:</p> <ul style="list-style-type: none"> • Reports of actual payment of land compensation phase II dated on January 31, 2008, land compensation four persons i.e Marbun, Tupang, Joni Pangaribuan, Edi Simamora with area for 19,383 Hectares of Rp 69,266,000. 				
Criterion 6.5. Pay and conditions for employees and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.					
6.5.1	Documentation of pay and conditions for employees based on the existing manpower regulations shall be available.				<i>Major</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	<p>Types of employment arrangements are temporary worker, apprenticeships and direct hires.</p> <p>The minimum wage is based on Keputusan Gubernur Riau nomor Kpts.244/III/2015 tanggal 31 Maret 2015 Upah Minimum Sub Sektor Pertanian/Perkebunan Kelapa Sawit Provinsi Riau Tahun 2015 where the minimum wage for oil palm workers is IDR 2,125,000, - while the reviewed wage in the organization is at IDR 2,190,000.-. Record of the minimum wage period November 2016 for example:</p> <p>Employee Kusuma Wijaya ; Harvester ; wage is IDR 2,190,000.</p> <p>Employee Sugianto ; Harvester ; wage is IDR 2,190,000.</p> <p>Employee Mardiono ; Harvester ; wage is IDR 2,190,000.</p>				
6.5.2	Collective Labor Agreement/Company Regulation, in accordance with the manpower regulations, shall be available in understandable language; and explained by the management or Labor Union to the workers.				<i>Major</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	<p>The collaborative labor agreement (CLA) is available and signed for period 2016 until 2018. The CLA available in Bahasa and detailing as following:</p> <ul style="list-style-type: none"> – Article 3 (recruitment) – Article 4 (Working time) – Article 5 (Wages) – Article 7 (Aid a sick day) – Article 10 (Time overtime) – Article 11 (Conditions premiums) – Article 13 (holiday allowance) – Article 14 (social assurance and social assistance) – Article 15 (work equipment, Occupational Health and Safety) – Article 16 (Security retirement) 				

	<ul style="list-style-type: none"> - Article 23 (The labor dispute) - Article 24 (The validity period of the Collective Labour Agreement) 				
6.5.3	Growers and millers shall provide adequate housing, water supplies, medical, educational and welfare amenities to national standards or above, where such public facilities are unavailable or inaccessible.				<i>Minor</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	<p>The company has provided adequate housing and other basic necessities such as that listed below to national standards or above, for examples:</p> <ul style="list-style-type: none"> • adequate housing: for single max 2 personnel/house, for family provided 1 house consisting of bedroom, kitchen, bathroom. • adequate electricity: 450 watt 220 Volt • clean water supplies (availability of clear water all year round) • medical services: clinic available per each estate and central clinic at General Office. • children education for play group, elementary school and junior high school. • welfare amenities according to list of infrastructure and facilities: guest house, community hall, canteen, mosque, clinic, school bus, sport hall, lactase room and crèche facilities, etc. 				
6.5.4	There shall be demonstrable efforts to improve workers' access to adequate, sufficient and affordable food.				<i>Minor</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	<p>The company has established cooperation for providing basic need and has built store for employees who they want to sell basic need. Besides that, the workers family can go to the market at local village closed from the company.</p> <p>Affordable food (milk) is always given to sprayer, fertilizer, heavy equipment operator, pregnant women. Workers at night shift is gave extra pudding. Every overtime > 3 hours is gave meals (equal 1400 calories).</p>				
Criterion 6.6. The employer 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. .					
6.6.1	A record of the company's policy in understandable language recognising freedom of association, shall be available.				<i>Major</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	PT. Lahan Tani Sakti – Alur Dumai Palm Oil Mill has documented company policy recognizing freedom of association according Kebijakan Sosial signed by Mohd Ghozali Yahaya, Head Plantation Upstream Indonesia, dated December 2011.				
6.6.2	Records of meetings with labor unions or workers representatives shall be available.				<i>Minor</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	labor unions (i.e Federasi Serikat Pekerja Minamas Plantation , FSP-MP) conducted regular meeting, last meeting dated 28 October 2016 attended by 15 participants with agenda: BPJS, facility, incentive, promotion and medical service. Workers representative from PT. Lahan Tani Sakti – Alur Dumai Palm Oil Mill were 9 personnel.				
Criterion 6.7. Children are not employed or exploited.					
6.7.1	There shall be documented evidence that minimum age requirements are met.				<i>Major</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	<p>Worker age requirement was available on CLA stated that the employee must be more than 18 years old. Review of the list of workers at the estates and mills confirmed no employee less than 18 years old have been hired by the organization.</p> <p>Based on employees list (Nopember 2016), minimum age for each estate, for examples: Kusuma Wijaya (Harvester) ; Sugianto (Harvester) and Mardiono (Harvester) were 18 years old.</p>				
Criterion 6.8. Any form of discrimination based on race, caste, national origin, religion, disability,					

gender, sexual orientation, union membership, political affiliation, or age, is prohibited.					
6.8.1	A company's policy on equal opportunity and treatment for work shall be available and documented.				<i>Major</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	PT. Lahan Tani Sakti – Alur Dumai Palm Oil Mill has documented company policy on equal opportunity and treatment for work according “Kebijakan Sosial dated December 2011, signed Mohd Ghozali Yahaya, Head plantation Upstream Indonesia”. It stated that the company avoids any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation union membership, political affiliation or age.				
6.8.2	Evidence shall be provided that employees and groups including local communities, women, and migrant workers have not been discriminated.				<i>Minor</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	Based on list of employees (October 2016) and interview result with employees and management note that the company is currently implementing the equal opportunities for workers through the following: <ul style="list-style-type: none"> • All workers come from local communities and outside the communities. They are many ethnic groups (Malayans, Javanese, Batak ethnic, etc); • The workers are women and men (office and field); • Employment opportunities are provided fairly based on qualification and advertised in local mass media or local government office; • All employees are covered with working insurance; and • Termination is conducted based on local laws and is stated in the workers employment agreement and the collective labour agreement (CLA). 				
6.8.3	Records of evidence that equal opportunity and treatment for work shall be available.				<i>Minor</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	Procedure for cadet recruitment stated recruitment process: introduction, written test, lateral thinking test, FGD, panel interview and medical check-up. Some employees' records were checked, for examples: Mr. Moh Sugeng (Mechanic) and Kusuma Wijaya (Harvester). Medical check was conducted at estate clinic. The company has established Procedure for promotion and mutation (Social Policy #724/TQEM-SPM/09 dated 01 April 2010).				
Criterion 6.9. There is no harassment or abuse in the work place, and reproductive rights are protected.					
6.9.1	A policy to prevent sexual and all other forms of harassment and violence, shall be documented, implemented and communicated to all levels of the workforce.				<i>Major</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	PT. Lahan Tani Sakti – Alur Dumai Palm Oil Mill has a documented company policy on sexual harassment and violence according “Kebijakan Gender dated April 2011 signed by Mohd Ghozali Yahaya”. It stated that the company prevent sexual harassment and all other forms of violence against women and to protect their reproductive rights. There is women group in the company i.e: Gender Committee period 2014 until 2018. Function of Gender Committee is to provide consultation to women workers and housewife in the company regarding the rights and obligations of women workers, health, education, prevention of sexual harassment, etc.				
6.9.2	A policy to protect the reproductive rights, shall be documented, implemented and communicated to all levels of the workforce.				<i>Major</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	PT. Lahan Tani Sakti – Alur Dumai Palm Oil Mill has a documented company policy on the protection of reproductive rights according “Kebijakan Gender dated April 2011 signed by Mohd Ghozali Yahaya”. It stated that the company prevent sexual harassment and all other forms of violence against women and to protect their reproductive rights.				

	Interviewed with worker (Nurliana Sinaga – Ketua Gender Committee), she was given leave for Maternity according Leave Application Form.				
6.9.3	A specific grievance mechanism which respects anonymity of complainants where requested, and as long as they are supported with adequate information, shall be documented, implemented, and communicated to all workforce.				<i>Minor</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	PT. Lahan Tani Sakti – Alur Dumai Palm Oil Mill has established Procedure for <i>Komunikasi, dan Konsultasi</i> dated September 2015 for handle specific grievance mechanism.				
Criterion 6.10. Growers and millers deal fairly and transparently with smallholders and other local businesses.					
6.10.1	Current and past prices paid for Fresh Fruit Bunches (FFB), shall be publicly available.				<i>Minor</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	Not Applicable. There is no received FFB from another source.				
6.10.2	Pricing mechanisms for Fresh Fruit Bunches (FFB) and inputs/services shall be explained and documented (where these are under the control of the mill or plantation).				<i>Major</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	Not Applicable. There is no received FFB from another source.				
6.10.3	Evidence shall be available that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent.				<i>Minor</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	Not Applicable. There is no received FFB from another source.				
6.10.4	Agreed payments shall be made in a timely manner.				<i>Minor</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	Not Applicable. There is no received FFB from another source.				
Criterion 6.11. Growers and millers contribute to local sustainable development where appropriate.					
6.11.1	Records of contributions to local development based on the results of consultation with local communities shall be available.				<i>Minor</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	There is adequate evidence of the company's contribution to the local development through the company's corporate social responsibility covering education, employee opportunity, employment contract (building construction, road construction, and transportation), health facility, etc. Besides that, PT. Lahan Tani Sakti – Alur Dumai Palm Oil Mill always pay tax and royalties to the government for contributing local development such as land tax, vehicles tax, income tax, etc. Records of contributions to local development i.e Local agreement # ADE/LKL/XI/2016/036 "Aplikasi Janjang Kosong with Bangkit Siagian.				
6.11.2	Where there are scheme smallholders, there shall be evidence that efforts and/or resources have been allocated to improve scheme smallholder productivity.				<i>Minor</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	Not Applicable There was no smallholder schemes in PT. Lahan Tani Sakti – Alur Dumai Palm Oil Mill.				

Criterion 6.12. No forms of forced or trafficked labor are used.				
6.12.1	There shall be evidence that no forms of forced or trafficked labor are used.			<i>Major</i>
Findings	In compliance:	Yes:	X	No:
Objective evidence:	Based on interviewed with workers, there was no forms of forced or trafficked labor in PT. Lahan Tani Sakti – Alur Dumai Palm Oil Mill. PT LTS and workers have made a Collective Labour Agreement 2016 until 2018 to manage obligations and rights for both of them in the company.			
6.12.2	It shall be demonstrated that no contract substitution has occurred.			<i>Minor</i>
Findings	In compliance:	Yes:	X	No:
Objective evidence:	Not Applicable Based on interview with workers that no contract substitution has occurred. All contracts have been signed by both the company and worker. When there is significant change of CLA, labour union will be informed by the company and the contract will be revised according to the CLA.			
6.12.3	Where migrant/foreign/honorary workers are employed, a special worker policy and procedures and the evidence of implementation shall be available.			<i>Major</i>
Findings	In compliance:	Yes:	X	No:
Objective evidence:	Not Applicable. Based on interview with worker, there was no migrant/foreign/honorary workers.			
Criterion 6.13. Growers and millers respect human rights.				
6.13.1	A policy to respect human rights shall be documented and communicated to all levels of the workforce and operations.			<i>Major</i>
Findings	In compliance:	Yes:	X	No:
Objective evidence:	The company policies according to respecting the human right are available on “Kebijakan Menghormati Hak Asasi Manusia / HAM” signed by Jimmy Sahata Sihombing [Manager Alur Duma Estate] dated April 2015. The policy has communicated to all levels of the workforce and operations including contracted third parties i.e : <i>Sosialisasi kebijakan menghormati HAM; date 21 Oktober 2015</i>			

Principle 7: Responsible Development of New Plantings				
Criterion 7.1: A comprehensive and participatory independent social and environmental impact assessment is undertaken prior to establishing new plantings or operations, or expanding existing ones, and the results incorporated into planning, management and operations.				
7.1.1	An independent social and environmental impact assessment (SEIA), undertaken through a participatory methodology including the relevant affected stakeholders, shall be documented.			<i>Major</i>
Findings	In compliance:	Yes:	X	No:
Objective evidence:	PT LTS manages the operation area since 1986. At the beginning, PT LTS conducted palm oil and rubber plantation management. The cultivation was conducted in 1989 and from 2003 to 2010, the company converted rubber plantation into palm oil plantation (a new development areas). Social Impact Assessment (SIA) Document prepared by CV Pollito, Jakarta (dated January 2010) and Environmental Impact Assessment (<i>Analisa Dampak Lingkungan - ANDAL</i>) has been approved by Minister of Agricultural # RC.220/887/B/V/1994 dated on 19 May 1994. There was new planting after 1 st January 2010. According to NPP document issued 2015, for conversion from other agricultural crops to oil palm shall meet with NPP requirements. The company has submitted LUCA to RSPO Secretary and it was still process. See 7.3.1. There is no expansion over the current HGU area in PT LTS's estate. PT LTS only conducted replanting activity in 2012. Environment management report and environment monitoring report can be seen on criteria 5.1.			
7.1.2	Appropriate management planning and operational procedures shall be developed and implemented to avoid or mitigate identified potential negative impacts.			<i>Minor</i>

Findings	In compliance:	Yes:	X	No:	
Objective evidence:	<p>There was new planting after 1st January 2010. According to NPP document issued 2015, for conversion from other agricultural crops to oil palm shall meet with NPP requirements. The company has submitted LUCA to RSPO Secretary and it was still process. See 7.3.1.</p> <p>Appropriate management plan and operational procedures (<i>RKL/RPL</i>) is available for PT LTS and it is done every 6 months. Environment management report and environment monitoring report can be seen on criteria 5.1.</p>				
7.1.3	Where the development includes an outgrower scheme (skema kemitraan), the impacts of the scheme and the implications of the way it is managed shall be given particular attention.				<i>Minor</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	The new planting did not include outgrowers scheme (<i>skema kemiatraan</i>).				
Criterion 7.2: Soil surveys and topographic information are used for site planning in the establishment of new plantings, and the results are incorporated into plans and operations.					
7.2.1	Soil suitability maps or soil surveys adequate to establish the long-term suitability of land for oil palm cultivation shall be available and taken into account in plans and operations.				<i>Major</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	Based on semidetail soil survey with scale 1:151.500. Common soil type at the new development areas are Ultisol and Histosol. These soil are suitable for oil palm plantation.				
7.2.2	Topographic information adequate to guide the planning of drainage and irrigation systems, roads and other infrastructure shall be available.				<i>Minor</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	<p>Topography maps are available with scale 1 : 25,000. The estate has land with slopes of level to hilly (0 – 35% or 0 – 20⁰).</p> <p>Specific technique that applied at hilly areas are :</p> <ul style="list-style-type: none"> • Front stacking technique, those cross to the slope. • Individual terrace and continues terrace. 				
Criterion 7.3: New plantings since November 2005 have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values.					
7.3.1	There shall be evidence that no new plantings have replaced primary forest, or any area required to maintain or enhance one or more High Conservation Values (HCVs), since November 2005. New plantings shall be planned and managed to best ensure the HCVs identified are maintained and/or enhanced (see Criterion 5.2).				<i>Major</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	<p>Based on document review and interview with PT LTS's management revealed that there is palm oil cultivation activity after November 2005, which was conducted without prior HCV study. The cultivation after November 2005 was conducted in PT LTS's rubber plantation area. The conversion from rubber plantation into palm oil plantation was conducted since 2003. HCV assessment was conducted in November 2009. The HCV area consists of 89.68 ha area that divided into: HCV 1.1 , HCV 1.2, HCV 1.3, HCV 1.4, and HCV 2.3. PT LTS has also conducted disclosure of liability and LUCA for the new cleared area after November 2005 without prior HCV study, which can be seen from electronic mail from Head of PSQM departement Sime Darby Plantation on 15 July 2015 regarding the "Progressive submission of LUCA Result of Areas Cleared without prior HCV Assessment since Nov 2005" to RSPO's secretariat. Based on the aforementioned mail, its known that LUCA for PT LTS has been sent in December 2014. Until now the LUCA and Compensation Plan processes have not been completed and accepted by RSPO Secretariat. Major CAR # 02 was issued</p> <p>Clearance of finding was conducted on 16 March 2017, the following was noted:</p> <p>PT LTS has submitted LUCA to RSPO, last updated on 24 February 2017. The RSPO through email dated on 15 March 2017 has decided that the LUCA was acceptable (reviewable) and the major non-conformity related to 7.3.1 can now be closed. RSPO would expect that Sime Darby</p>				

	<p>resolves the compensation case by the next ASA, failing which, the certification will be suspended and/or terminated.</p> <p>Major CAR # 02 was closed.</p>						
7.3.2	Reports of comprehensive HCV assessment, which involves stakeholder consultation and includes record of land-use change since November 2005, shall be available. This HCV assessment shall be conducted prior to any conversion or new planting.	<i>Major</i>					
Findings	<table border="1"> <tr> <td>In compliance:</td> <td>Yes:</td> <td>X</td> <td>No:</td> <td></td> </tr> </table>	In compliance:	Yes:	X	No:		
In compliance:	Yes:	X	No:				
Objective evidence:	<p>PT LTS has conducted the identification over HCV area in November 2009. RSPO approved assessor is person in charge to conduct the identification process. Moreover, PT LTS conducted disclosure of liability and LUCA for the new cleared area after November 2005 without prior HCV study, which can be seen from electronic mail from Head of PSQM departement Sime Darby Plantation on 15 July 2015 regarding the "Progressive submission of LUCA Result of Areas Cleared without prior HCV Assessment since Nov 2005" to RSPO's secretariat. Based on the aforementioned mail, its known that LUCA for PT LTS has been sent in December 2014. Until now the LUCA and Compensation Plan processs have not been completed and accepted by RSPO Secretariat. See Major CAR # 02 above.</p> <p>Clearance of finding was conducted on 16 March 2017, the following was noted:</p> <p>PT LTS has submitted LUCA to RSPO, last updated on 24 February 2017. The RSPO through email dated 15 March 2017 has decided that the LUCA is acceptable (reviewable) and the major non-conformity related to 7.3.1 can now be closed. RSPO would expect that Sime Darby resolves the compensation case by the next ASA, failing which, the certification will be suspended and/or terminated.</p> <p>Major CAR # 02 was closed.</p>						
7.3.3	Records of land preparation and clearing dates shall be available.	<i>Minor</i>					
Findings	<table border="1"> <tr> <td>In compliance:</td> <td>Yes:</td> <td>X</td> <td>No:</td> <td></td> </tr> </table>	In compliance:	Yes:	X	No:		
In compliance:	Yes:	X	No:				
Objective evidence:	<p>PT LTS has managed the operation area since 1986. At the beginning, PT LTS conducted palm oil and rubber plantation management. The cultivation was conducted in 1989 and from 2003 to 2010, the company converted rubber plantation into palm oil plantation (it meant a new development area).</p> <p>Records of land conversion and clearing dates were available at PT LTS office and verified by auditor.</p>						
7.3.4	An action plan shall be developed that describes operational actions consequent to the findings of the HCV assessment, and that references the grower's relevant operational procedures (see Criterion 5.2).	<i>Major</i>					
Findings	<table border="1"> <tr> <td>In compliance:</td> <td>Yes:</td> <td>X</td> <td>No:</td> <td></td> </tr> </table>	In compliance:	Yes:	X	No:		
In compliance:	Yes:	X	No:				
Objective evidence:	<p>Based on HCV assesement, PT LTS has developed action plan that described operational actions consequent to the findings of the HCV assessment, and that references the grower's relevant operational procedures.</p> <p>Measures and monitoring to maintain and enhance the values has been developed and implemented through the following evidences:</p> <p>Monitoring of secondary forest through monthly and annually vegetation survey. Checked during audit vegetation survey Oct 2016 where 10 sampling plots (transect) in place to get information related biodiversity. Some species of animal and vegetation found during monitoring for examples:</p> <ul style="list-style-type: none"> • Mamalia: monyet beruk, tupai and tikus • Reptile: kadal, biawak, ular cobra and bunglon. • Vegetation: pulai, pengkeladinan, macaranga, laban <p>Monthly inspection to HCV using 7 parameters such as HCV boundary checking, presenting encroachment to the HCV areas, collected or killed any RTE species etc.</p> <p>During visit to hot spring (HCV 5.1) at Block T49 and secondary forest at Block E28-E29 (HCV 1), it was observed that the HCV areas inspected were maintained properly, for examples: warning sign, border maintenance, monitoring of wild animal and vegetation analysis.</p> <p>For a new development area (after Nov 2005 to 2010), PT LTS has submitted Land Use Change Analysis to RSPO in December 2014 for developing HCV compensation plan and it is waiting for</p>						

	RSPO clarification. See 7.3.1				
7.3.5	Evidence of consultation with the affected community shall be available in order to identify the area required by such community to fulfill its basic needs, by considering the positive and negative changes to the livelihood as a result of plantation operations. Such matters shall be included in the HCV analysis and management plan (see Criteria 5.2).				<i>Minor</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	There is no HCV 6 in the area and no HCV areas overlapped with local community's land.				
Criterion 7.4: Extensive planting on steep terrain, and/or on marginal and fragile soils, including peat, is avoided.					
7.4.1	Indicative maps showing marginal and fragile soils, including excessive gradients and peat soils, shall be available and used to identify areas to be avoided.				<i>Minor</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	For new development area, there is no soil that being categorized as marginal and fragile soils, including excessive gradients and peat soils within PT. LTS area based on semidetail soil survey and Peat Soil Map scale 1:151.500. PT LTS has peat soil area is amounting of 96.67 located at oil plam planted areas since 2004.				
7.4.2	Where limited planting on fragile and marginal soils, including peat, is proposed, a documented plan shall be developed and implemented to protect them without incurring adverse impacts.				<i>Major</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	For new development area, there is no soil that being categorized as marginal and fragile soils, including excessive gradients and peat soils within PT. LTS area based on semidetail soil survey and Peat Soil Map scale 1:151.500. PT LTS has peat soil area is amounting of 96.67 located at oil plam planted areas since 2004.				
Criterion 7.5: No new plantings are established on local people's land where it can be demonstrated that there are legal, customary or user rights, without their free, prior and informed consent. This is dealt with through a documented system that enables these and other stakeholders to express their views through their own representative institutions.					
7.5.1	Evidence shall be available that affected local peoples understand they have the right to say 'yes' or 'no' to operations planned on their lands before and during initial discussions, during the stage of information gathering and associated consultations, during negotiations, and up until an agreement with the grower/miller is signed and ratified by these local peoples (see Criteria 2.2, 2.3, 6.2, 6.4 and 7.6)				<i>Major</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	Based on document review, field visit, interview with the company and stakeholders, no land dispute regarding a new development area because these areas had has the land title (HGU) for the government since 2000.				
Criterion 7.6: Where it can be demonstrated that local peoples have legal, customary or user rights, they are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.					
7.6.1	Records of identification and assessment of legal, customary and user rights shall be available.				<i>Major</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	Based on document review, field visit, interview with the company and stakeholders, the new development area had has the land title (HGU) for the government since 2000. No customary and other user rights in this area.				
7.6.2	A procedure for identifying people entitled to compensation shall be available.				<i>Major</i>
Findings	In compliance:	Yes:	X	No:	

Objective evidence:	PT LTS has established SOP for conflict resolution (RSPO/IN 2.2/PK) No: 004/LTS-PK/09 on 2 April 2009 and SOP for land compensation (RSPO/IN 6.3.3/AE) No: 024/ LTS-PGR/10. These procedures explain that conflict resolution and compensation payment should be conducted in a participatory way by involving local villages and local communities. PT LTS is committed to gain the Free, Prior and Informed Consent (FPIC) of Project Affected Communities (PAC) and relevant local stakeholders before embarking on any new development. PT LTS for example, consults with the PAC, both prior to development and in conducting its activities, in order to ensure that all members of an affected community are able to participate and are given ample time to respond to. PT LTS will not proceed with development in an area where the leaders and the community have not given their express approval. Local communities must give their consent before any kind of development or entry takes place. To ensure the consent is fully informed, such communities should be encouraged, with the help of NGOs if necessary, to enlist the help of local lawyers who can best explain the position and its implications. This will facilitate a subsequent consensus on outcomes such as compensation, benefits and legal arrangements on the proposed plantation, with the local community. A new plantation will then be established with participatory monitoring and a grievance resolution mechanism in place.				
7.6.3	Records of calculation system and distribution of fair compensation shall be available.				<i>Major</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	Based on document review, field visit, interview with the company and stakeholders, the new development area had has the land title (HGU) for the government since 2000. Records of compensation are available, for examples: <i>Kesepakatan Ganti Rugi Lahan</i> and a map of land compensation within the map document master restitution of land to the scale of 1: 3,200.				
7.6.4	Communities that have lost access and rights to land for plantation expansion shall be given opportunities to benefit from plantation development.				<i>Minor</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	There is no expansion over the current HGU area in PT LTS's estate. PT LTS only conducted conversion from rubber to oil plam plantation at the same areas.				
7.6.5	The process and outcome of any compensation claims shall be documented and made available to the affected communities and their representatives.				<i>Minor</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	Based on document review, field visit, interview with the company and stakeholders, the new development area had has the land title (HGU) for the government since 2000. Records of compensation are available, for examples: <i>Kesepakatan Ganti Rugi Lahan</i> and a map of land compensation within the map document master restitution of land to the scale of 1: 3,200.				
7.6.6	Evidence shall be available that the affected communities and rights holders have access to information and advice that is independent of the project proponent, concerning the legal, economic, environmental and social implications of the proposed operations on their lands.				<i>Minor</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	Based on document review, field visit, interview with the company and stakeholders, the new development area had has the land title (HGU) for the government since 2000. The affected communities and rights holders had access to information and advice that is independent of the project proponent, concerning the legal, economic, environmental and social implications of the proposed operations on their lands. This was stated in <i>Kesepakatan Ganti Rugi Lahan</i> .				
Criterion 7.7: No use of fire in the preparation of new plantings other than in specific situations, as identified in the ASEAN guidelines or other regional best practice.					
7.7.1	Records of zero burning implementation on land clearing, referring to the ASEAN Policy on zero burning (2003) and recognised techniques based on the existing regulations shall be available.				<i>Major</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	PT LTS has the Zero Burning Policy stated in PT LTS plantation activity Policy No. 724/TQEM-SPMS/09 point 5.7.2. PT LTS also regulates the mechanism for land clearing with zero burning approach, stated in Agronomic Manual Reference No. 110/EST-ARM/08 part 4 land preparation clause 3.1 points (b) that land clearing should be based on General Director of Plantation Decree No. KB.110/SK/DJ BUN/05.95 on 30 May 1995. Besides that, PT LTS has established Guidance				

	for prevention and fire fighting (<i>Pedoman Pencegahan dan Penanggulangan Kebakaran</i>) # 7302/PSQm-ESH/14 dated on 07/08/14.				
	Based on document review, new development area has been planted during 2003-2010 with conversion of rubber to oil palm plantations. Land clearing used method of cutting the trees and the rubber wood were sold to the wood industry. The entire activities were using the mechanic principle by using heavy equipment.				
7.7.2	In exceptional cases where fire has to be used for preparing land for planting, there shall be evidence of prior approval of the controlled burning as specified in 'Guidelines for the Implementation of the ASEAN on Zero Burning' 2003, or comparable guidelines in other regions.				<i>Minor</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	Based on document review, new development area has been planted during 2003-2010 with conversion of rubber to oil palm plantations. Land clearing used method of cutting the trees and the rubber wood were sold to the wood industry. The entire activities were using the mechanic principle by using heavy equipment.				
Criterion 7.8: New plantation developments are designed to minimize net greenhouse gas emissions.					
7.8.1	The carbon stock of the proposed development area and major potential sources of emissions that may result directly from the development shall be identified and estimated.				<i>Major</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	Based on RSPO GHG Assessment, the carbon stock assessment is applied for oil palm plantation. PT LTS has reported its GHG emission's calculation for period 2015 to RSPO through email to melissa.chin@rspo.org on 11 November 2016. The report referred to Palm GHG version 2.1.1 consists information, such as: <ul style="list-style-type: none"> Total emission from Alur Dumai esatate due to land conversion, crop sequestration, fertilizer, fuel consumption, and peat oxidation was -4,356.32 tCO₂e. Total emission form Dumai Mill due to POME and fuel consumption was 7,910.42 tCO₂e. 				
7.8.2	Records of a plan to minimize net GHG emissions shall be available				<i>Minor</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	The company has established a plan to minimize net GHG emission as follows: <ul style="list-style-type: none"> Stop using of Paraquat Application of empty fruit bunches fertilizer. Efficiency of diesel fuel. Preventive maintenance of heavy equipments. Record of a plan to minimize net GHG emissions is available.				

Principle 8: Commitment to Continual Improvement in Key Areas of Activity

Criterion 8.1: Growers and millers regularly monitor and review their activities and develop and implement action plans that allow demonstrable continual improvement in key operations.

8.1.1	The action plan for monitoring shall be available, based on a consideration of the social and environmental impacts and routine evaluation of the plantation and mill operations. As a minimum, these shall include, but are not necessarily be limited to: <ul style="list-style-type: none"> Reduction in use of certain chemicals (Criterion 4.6); Environmental impacts (Criteria 4.3, 5.1 and 5.2); Waste reduction (Criterion 5.3); Pollution and greenhouse gas (GHG) emissions (Criteria 5.6 and 7.8); Social impacts (Criterion 6.1); Optimising the yield of FFB production (Criterion 4.2) 				<i>Major</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	The management regularly monitors and reviews their social and environmental programmes annually to allow demonstrable continuous improvement such as RKL/RPL report. PT LTS captures the performance and expenditure in social and environmental aspects through				

their budget which is reviewed and adjusted annually to cope with changes in requirement. Alur Dumai Estate has also established the improvement plan as follows:

- Stop using of Paraquat
- Fire Prevention Plan (building of fire monitoring tower)
- 100% of the POME used for land application
- Priority given to the local communities for employment

Besides that, the company has also established Business Plan as follows:

- OER= Target 23,5%, actual 22,54 %
- KER= Target 5%, actual 5,06 %.
- Diesel consumption July – November 2016 4.643 ltr.
- Diesel consumption July – November 2016 106.795 ltr.

PT LTS is subsidiary of Sime Darby, they have systems to improve practices in line with new information and techniques, and a mechanism for disseminating this information throughout the workforce. The systems are for examples: internal audit, research and development and training center and corporate website for disseminating this information throughout the workforce.

3.1.2 Supply Chain

For supply chain, the PT LTS-Alur Dumai Palm Oil Mill has decided to use Module D in this assessment. The findings and objective evidence find during the assessment are outlined in the table below. The results for each indicator from each of the operational areas were evaluated to provide an assessment of conformity. A statement is provided for each of the RSPO indicators in order to support the findings of the assessment team.

Module D – CPO Mills: Identity Preserved

Module D- CPO Mills: Identify Preserved				
D.1: Definition				
D.1.1	A mill is deemed to be Identity Preserved (IP) if the FFB used by the mill are sourced from its own supply base certified to the RSPO Principles and Criteria (RSPO P&C). Certification for CPO mills is necessary to verify the volumes and sources of certified FFB entering the mill, the implementation of any processing controls (for example, if physical separation is used), and volume sales of RSPO certified products. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. If a mill processes certified and uncertified FFB without physically separating the material then only Module E is applicable.			
D.2: Explanation				
D.2.1	The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the certification body (CB) in the public summary of the P&C certification report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced shall then be recorded in each subsequent annual surveillance report.			MAJOR
Findings	In compliance:	Yes:	X	No:
Objective evidence:	<p>The actual and projected volume already recorded in the report as follows:</p> <ul style="list-style-type: none"> • Projected palm oil product for period 16/01/2016 to 15/01/ 2017 is CPO= 14,679 MT and PK= 3,058 MT. • The actual volume sold (by Dec 2016) is CPO= 0 MT and PK= 2,021.92 MT. <p>The company has projected the estimated tonnage of certified CPO and PK products for period 16/01/2017 to 15/01/2018 i.e CPO= 12,472 MT and PK= 2,626 MT.</p>			

D.2.2	The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).	MAJOR
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	<p>Mr. Zulkifli Nasution (Marketing - Jakarta Office) has responsible for keeping record of transaction in eTrace. During 2016, the company has sold RSPO certified products (0 transactions CPO and 11 transaction PK). Total volume of CPO sold= 0 MT and PK sold= 2,021.92 MT.</p> <p>For examples:</p> <ul style="list-style-type: none"> Transaction number: TR-66165601-223b dated on 17/02/2016, buyer= PT Adei Plantation, contract # 00142/00138/01/16/L-LTS-IKS, product= PK/IP, volume= 224.62 MT, Shipp. Confirmed: 22/08/2016, Certif: 00019-00220716. Tiket Timbang = 005211dated on 4 Feb 2016, PK/IP, Qty= 26.230 MT. Total tiket timbang: 9 tiket. B/L= 85a/LSM-SKM/VII/2016, shipping date= 17/02/2016, certif. Number= MUTU-RSPO/011 Transaction number: TR-fafe3492-3bc8 dated on 30/07/2016, buyer= PT Adei Plantation, contract # 00143/00138/01/16/L-LTS-IKS, product= PK/SG, volume= 199.72 MT, shipp. confirmed: 09/08/2016, Certif: 00019-00220716. Tiket Timbang = 005595 dated on 20 July 2016, PK/IP, Qty= 21.650 MT. Total tiket timbang= 10 tiket. B/L= 89/LSM-SKM/VII/2016, shipping date= 30/07/2016, certif. # : MUTU-RSPO/011 	
D.3: Documented Procedures		
D.3.1	<p>The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:</p> <p>a) Complete and up to date procedures covering the implementation of all the elements in these requirements;</p> <p>b) The role of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site's procedures for the implementation of this standard.</p>	MAJOR
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	<p>The company has established procedures for the Mill from reception of FFB to dispatch of Crude Palm Oil and Palm Kernel as follows:</p> <ul style="list-style-type: none"> SOP for Supply Chain System of Identity Preserved Product (027/AIP-SCCS/15 rev 02 dated on 3 Sep 2015) SOP for palm product sales (CPO & PK) (no. Policy: 501/MKT-KPP/07 rev 00 dated on 24/5/2007) SOP for palm product delivery (CPO & PK) (no. Policy: 501/MKT-KPP/07 re 0 dated on 03/07/2007) <p>The mill manager and having overall responsibility for and authority over the implementation of these requirements and he demonstrated awareness for all the procedures.</p> <p>Mr. Zulkifli Nasution as a marketing sales manager based in Head Office (Jakarta) will in charge for the sales and etrace registration.</p>	
D.3.2	The site shall have documented procedures for receiving and processing certified and non-certified FFBs.	MAJOR
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	<p>SOP for Supply Chain System of Identity Preserved Product (027/AIP-SCCS/15 rev 02 dated on 3 Sep 2015) has determined about supply chain procedure for receiving and processing certified and non-certified FFBs.</p> <p>Document and record were verified, for examples: <i>Surat Pengantar Buah</i> (SPB), Token, WB ticket and Daily Mill Production Report.</p> <p>All input FFBs sourced from Alur Dumai Estate.</p>	

D.4: Purchasing and goods in					
D.4.1	The site shall verify and document the tonnage and sources of certified and the tonnage of non-certified FFBs received.				MAJOR
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	<p>The WB operator has responsible to verify and document the tonnage and sources of certified and the tonnage of non-certified FFBs received. The operator will issue WB ticket with information as follows: estate source, product name, FFB source, token number, date of FFB receipt, vehicle number, DO/SPB number, estate block, and total bunches. For examples:</p> <ul style="list-style-type: none"> • <i>Surat Pengantar Buah</i> (SPB) # E460 dated 1/2/2016, supplier: Alur Dumai Estate (Block F013) and quantity: 540 FFBs (estimation: 6300 kg). cert # MUTU-RSPO/011 • Weighbridge Ticket # 59014 dated 1/2/2016, supplier: Alur Dumai Estate (F013), quantity: 6,050 kg (540 FFBs). <p>All input FFBs sourced from Alur Dumai Estate.</p>				
D.4.2	The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.				MAJOR
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	<p>Up to date, there is no overproduction.</p> <p>During 2016, the company has reported 11 transactions on RSPO IT platform with volume 2,021.92 MT of PK (projected 2016: 3,058 MT of PK) and PT LTS has not yet sold certified CPO.</p>				
D.5: Record keeping					
D.5.1	The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a three-monthly basis.				MAJOR
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	<p>The records are:</p> <ol style="list-style-type: none"> a. SPB b. WB ticket (in and out) c. Daily Production Report d. Bill of lading e. DO f. Sales contract g. Invoice h. eTrace transaction report i. Summary Report (3 monthly): opening stock of FFB, FFB input, delivery to production, opening stock of CPO, CPO production, CPO dispatch, and ending stock. <p>PT LTS has recorded and balanced all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK period 16/1/2016 to 13/12/16 as follows:</p> <ul style="list-style-type: none"> • Certified FFB input= 38,867 MT • Certified FFB production= 38,867 MT • Certified CPO out put = 9,260 MT • OER= 23.8% • Certified PK out put = 2,024.35 MT • KER= 5.2% • Sale of certified CPO= 0 MT • Sale of certified PK= 2,021.92 MT • Ending Stock of certified CPO= 9,260 MT • Ending Stock of certified PK= 2.43 MT 				
D.6: Processing					

D.6.1	The site shall assure and verify through documented procedures and record keeping that the RSPO certified oil palm product is kept segregated from non-certified material including during transport and storage.	MAJOR
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	The mill only receives FFBs from its own supply base (Alur Dumai Estate). All the transactions were recorded in form for Production Monitoring against Annual Volume of RSPO Certified Product.	
D.6.2	The objective is for 100 % segregated material to be reached.	MAJOR
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	The mill only receives FFBs from its own supply based. So that the objective is for 100% segregated material to be reached.	

3.2 Corrective Action Request

There are total of 1 (one) Major and 1 (one) Minor were raised. Please refer to the **Appendix A** for the details findings and relevant correction actions have been taken.

3.3 Noteworthy Positive Components

- a. High commitment has be shown by the company in implementing the sustainable manner and the consistency of implementation of RSPO standard.
- b. Consistent implementation of good agricultural practices observed in all estates.
- c. High awareness of safety has been shown by the company during the audit.

3.4 Status of Non-Conformities Previously Identified

Please refer to **Appendix B** for the previous audit.

3.5 Issues Raised by Stakeholders and Findings

A list of stakeholders contacted with detail issue raised is included as **Appendix C**.

4. ACKNOWLEDGEMENT OF ORGANIZATION INTERNAL RESPONSIBILITY

4.1 Conclusion

The audit team concludes that the organization has has not established and maintained its management system in line with the RSPO P&C and Supply Chain requirements of the standard and demonstrated the ability of the system to systematically achieve agreed criterion & requirements.

4.2 Date of Next Surveillance Visit



The next surveillance audit is planned between 16 October 2017 and 15 January 2018

4.3 Date of Closing Non-Conformities

Reference Number	Category (Major/Minor)	Issued date	Close out date
m01 (5.1.2)	Minor	17.12.2016	"Open"
M02 (7.3.1)	Major	17.12.2016	16.03.2017

4.4 Acknowledgement of Internal Responsibility and Formal Sign-off Assessment Findings

PT SGS Indonesia and Client acknowledge and confirms acceptance of the Report contents and including the assessment findings. PT SGS Indonesia and Client accept the responsibility for addressing the opportunities of improvement detailed in this report.

Signed on behalf of PT Lahan Tani Sakti – Alur Dumai Palm Oil Mill	Signed on behalf of PT SGS Indonesia
	

APPENDIX A: CORRECTIVE ACTION REQUEST & OBSERVATION

CAR #	Indicator	CAR Detail					
		Date Recorded>		Due Date>		Date Closed>	dd mm yy
m01	5.1.2 Minor	Date Recorded>	17.12.2016	Due Date>	16.12.2017	Date Closed>	dd mm yy
		Normative reference and requirements:					
		5.1.2. Environment management plan document to prevent negative impacts, its implementation report and revision (if the identification of impact requires changes in current company's practices) shall be available. The company's management shall appoint the responsible person(s) for the implementation of the document.					
		Statement of Non-Conformance:					
		List of fire fighting equipments in monthly report does not correspond to the <i>Pedoman Pencegahan dan Penanggulangan Kebakaran # 7302/PSQm-ESH/14</i> dated on 07/08/14.					
		Objective Evidence:					
		List of fire fighting equipments in monthly report (November 2016) does not correspond to the <i>Pedoman pencegahan dan Penanggulangan Kebakaran # 7302/PSQm-ESH/14</i> dated on 07/08/14. Some equipments were not available in store room and the other one are not suitable number, for examples: fire water tank, gebyok, shovel, etc.					
		Root cause analysis to be completed by Organization:					
		Procurement of fire fighting equipments is reviewing by management to comply with regulation.					
		Corrective Action to be completed by Organization:					
		Lack the equipments will be identified and brought to management.					
		Preventative Action to be completed by Organization:					
		Fire fighting equipments will be maintained regularly in order to ready for use.					
		Close-out evidence/Planned Actions to be completed by Lead assessor:					
The action plan can be received by auditor and it will be verified on next surveillance.							
M02	7.3.1 Major	Date Recorded>	17.12.2016	Due Date>	16.03.2017	Date Closed>	16.03.2017
		Normative reference and requirements:					
		Criterion 7.3.1: There shall be evidence that no new plantings have replaced primary forest, or any area required to maintain or enhance one or more High Conservation Values (HCVs), since November 2005. New plantings shall be planned and managed to best ensure the HCVs identified are maintained and/or enhanced (C 5.2)					
		Statement of Non-Conformance:					
		The Land Use Change Analysis and HCV compensation plan are not approved by RSPO.					
		Objective Evidence:					
		Based on document review and interview with PT LTS's management revealed that there is palm oil cultivation activity after November 2005, which was conducted without prior HCV study. The cultivation after November 2005 was conducted in PT LTS's rubber plantation area. The conversion from rubber plantation into palm oil plantation was conducted since 2003. PT LTS has conducted disclosure of liability and LUCA for the new cleared area after November 2005 without prior HCV study, which can be seen from electronic mail from Head of PSQM department Sime Darby Plantation on 15 July 2015 regarding the "Progressive submission of LUCA Result of Areas Cleared without prior HCV Assessment since Nov 2005" to RSPO's secretariat. Based on the aforementioned mail, it is known that LUCA for PT LTS has been sent in December 2014. Until now the LUCA and Compensation Plan processs have not been completed and accepted by RSPO Secretariat.					

CAR #	Indicator	CAR Detail
		<p>Root cause analysis to be completed by Organization:</p> <p>According to information from RSPO compensation team, LUCA of PT LTS has not been completed. There was still different data between RSPO and PT LTS.</p> <p>Corrective Action to be completed by Organization:</p> <p>PT LTS will complete the data and it will be submitted to RSPO.</p> <p>Preventative Action to be completed by Organization:</p> <p>PT LTS will comply with RSPO standard when the company will conduct new planting.</p> <p>Close-out evidence/Planned Actions to be completed by Lead assessor:</p> <p>Clearance of finding was conducted on 16 March 2017, the following was noted: PT LTS has submitted LUCA to RSPO, last updated on 24 February 2017. The RSPO through email dated 15 March 2017 has decided that the LUCA is acceptable (reviewable) and the major non-conformity related to 7.3.1 can now be closed. RSPO would expect that Sime Darby resolves the compensation case by the next ASA, failing which, the certification will be suspended and/or terminated.</p> <p>Major CAR # 02 was closed.</p>

OBSERVATIONS

OBS #	Indicator	Observation/Opportunity for Improvement					
		Date Recorded>		Due Date>		Date Closed>	
01	2.1.1		17.12.2016		16.12.2017		dd mm yy
		Details:					
		Some operators should be updated their K3 licenses that it has been expired, for examples: Anwar (Ahli K3 Umum valid until 18 Aug 2016) and Muhammad Syafei (Boiler Operators)					
		Follow-up evidence:					
02	5.6.1		17.12.2016		17.12.2016		dd mm yy
		Details:					
		The company should update PalmGHG calculation using new version 3.0.1 published November 2016 and the company should submit to RSPO for endorsement the use of PalmGHG (the implementation period until 31 December 2016 after that to public reporting).					
		Follow-up evidence:					

APPENDIX B: NON-CONFORMITIES PREVIOUSLY IDENTIFIED

CAR #	Indicator	CAR Detail					
		Date Recorded>	dd mm yy	Due Date>	dd mm yy	Date Closed>	dd mm yy
	.	Normative reference and requirements:					
		Statement of Non-Conformance:					
		Objective Evidence:					
		Root cause analysis to be completed by Organization:					
		Corrective Action to be completed by Organization:					
		Preventative Action to be completed by Organization:					
Close-out evidence/Planned Actions to be completed by Lead assessor:							
	.	Normative reference and requirements:					
		Statement of Non-Conformance:					
		Objective Evidence:					
		Root cause analysis to be completed by Organization:					
		Corrective Action to be completed by Organization:					
		Preventative Action to be completed by Organization:					
Close-out evidence/Planned Actions to be completed by Lead assessor:							

APPENDIX C: TIMEBOUND PLAN

RSPO Certification Timebound Plan for Sime Darby Plantation (SDP)

Table 1: Initial Timebound Plan and Summary of RSPO Certification Status as at Dec 2016

Financial year (July – June)+A3:B8	Targeted	Achieved/Status	Attachments
Jun-08	5 SOUs		
2008/2009	20 SOUs (from Malaysia and Indonesia)	<p>Achievement of Timebound Plan</p> <p>Sime Darby Plantation has had all its SOUs (Malaysian & Indonesian) completing the RSPO Main Assessment by end Dec 2011 in accordance to the initial timebound plan. As at Dec 2011, all Malaysian SOUs have been RSPO certified (with the exception of 2 new oil mills commissioned to replace the current oil mills after the initial timebound plan targets).</p>	<p>For details please refer to Attachments:</p> <ul style="list-style-type: none"> i) SDP - RSPO Certification Status for Malaysia Operations ii) SDP- RSPO Certification Status for Indonesia Operations iii) Updates on PT MAS iii) RSPO SCCS status for Sime Darby Plantation (Downstream Operations)
2009/2010	20 SOUs (from Malaysia and Indonesia)	<p>97% of Sime Darby Plantation's upstream operations is RSPO certified, one SOU - PT MAS pending certification in Indonesia due to some social disputes. Sime Darby Plantation will proceed with the next steps of certification upon satisfactory resolution of the matter. A new mill in Liberia is planned to be commissioned.</p> <p>Note: Time-bound plan to achieve 100% RSPO certification has shifted to 2015 .</p>	
2010/2011 (End Dec 2011)	17 SOUs (from Malaysia and Indonesia)		

Note: SOU - Strategic Operating Units (consisting of one oil mill and supplying estates)

This document shall be read together with the Attachments (I, II & III)

Table 2: Details of RSPO Certification Status as at Dec 2016

Status	Malaysia	Indonesia	Liberia	Total	Remarks
RSPO Certified	34	23	0	57	<p><u>Malaysia</u> * Effectively 34 SOUs: Sg Samak and Jeleta Bumi, Yong Peng, Sepang, Mostyn and Segaliud POM has been closed down.</p> <p><u>Indonesia</u> * Effectively 24 SOUs</p>
Planned for Certification/Undergoing Stage 1 or Stage 2 Assessment/RSPO EB Review	0	1	1	2	<p>SDP is progressively undergoing the RSPO Certification process towards 100% RSPO certification of estates/mills.</p> <p><u>Indonesia</u> * PT MAS has undergone RSPO Main assessment and is delayed due to some social disputes. The target date for certification is by 2017 subject to the progress of the matter being resolved.</p> <p><u>Smallholders</u> As at Dec 2016, total of 29,914 Ha (58%) of total Ha, (51,715 Ha) of associated smallholders in Indonesia has been certified. Certification process for the remaining associated smallholders areas is on-going. SDP expect to achieve 100% RSPO certification of associated smallholders and outgrowers by end 2020.</p> <p><u>Liberia</u> Preparation to undergo the RSPO Certification process is in progress and SDP targets to undergo RSPO Certification by end 2017. RSPO NPP process has been completed in 2011.</p>
Total SOUs	34	24	1	59	<p>Other remarks: In March 2015, Sime Darby Plantation completed the acquisition of New Britain Palm Oil Limited (NBPOL). NBPOL is managed under a separate entity and the reporting of timebound plan will be under NBPOL's management. NBPOL is considered as a different entity/member under the RSPO and NBPOL is 100% RSPO Certified.</p>

*Note: RSPO NPP Announcements can be found at <http://www.rspo.org/certification/new-planting-procedures/public-consultations/page/14?>

Attachment IIa

Progress Updates on PT MAS

RSPO Certification Target Date for PT MAS	The target date for certification is by 2017 subject to the progress of the matter being resolved.
Overview of RSPO Certification Progress for PT MAS	<p>PT MAS has undergone RSPO Main Assessment in July 2011. The certification body for PT MAS has considered that Sime Darby Plantation still meets the requirements of the RSPO for Partial Certification and the report has been submitted for EB review. A verification audit was conducted by the Certification Body in early 2013 and Sime Darby Plantation will proceed with the next steps of certification upon satisfactory resolution of the matter. Ongoing and regular (bi-monthly) discussions is ongoing between Sime Darby Plantation and the project affected communities. Reports on the progress update are submitted to RSPO on a regular basis since November 2012. The latest progress report submitted to RPSO dated 30th June 2016.</p> <p>SDP continues to engage all affected parties through regular discussions and progress reporting is being made to the RSPO Secretariat.</p>
Progress Updates	<p>Progress Update for PT MAS</p> <ul style="list-style-type: none"> o Regular discussion is ongoing between Sime Darby Plantation and the group of community (PAC) through bi-monthly Tim Kerja Perwakilan Petani (TKPP) meeting since November 2012. o In October 2013, representatives from two of nine villages (Kerunang and Entapang) left TKPP. These two villagers are supported by and working with TuK and OXFAM. They have then requested SDP to enter into Dispute Settlement Facility (DSF) in June 2014. Hence, there are two groups of communities: <ol style="list-style-type: none"> 1. TKPP (7 of 9 villages) and; 2. Kerunang & Entapang (2 of 9 villages) o To-date, 21 TKPP meetings have been conducted. The most recent TKPP meeting was held on 2nd November 2016. Issues related to the 14 demands are closed except for two items related to land matters i.e. ownership of nucleus plantation after expiry of HGU and allocation of plasma farm within the plasma original village/customary area. SDP is engaging with the local authority on this matter together with TKPP. Current discussion is on moving forward especially on replanting activities. o SDP visited the Kerunang & Entapang communities on 27 Aug 2014 to listen and have a better understanding on their requests. The subsequent meeting with the communities was held on 12 Dec 2014 where the communities highlighted that they will not join the current SDP-PAC committee (TKPP) meetings and will continue to engage directly with SD instead of using the DSF mechanism. <p>Engagement with RSPO:</p> <ul style="list-style-type: none"> o RSPO Secretariat is well informed on the progress through regular briefing and progress reports. The latest meeting with RSPO Secretariat was held on 8th Sept 2016. o To-date, 9 progress reports have been submitted to RSPO. The latest progress report was submitted on 30th June 2016. <p>Engagement with TuK-Indonesia:</p> <ul style="list-style-type: none"> o SDP continues to work on direct engagement with PAC – working towards a consensus with the PAC to resolve the issues. <p>Further information can be obtained from http://www.rspo.org/members/complaints/status-of-complaints/view/29</p>

APPENDIX D: LIST OF STAKEHOLDERS CONTACTED

Issue raised by Stakeholder	Company Response	Auditor Findings
<p>Stakeholders contacted i.e. : Kantor Desa/Kepenghuluan Pondok Kresek Kecamatan Tanjung Medan Kabupaten Rokan Hilir. (Bapak Tariono [Penghulu/Kepala Desa] and Bapak Mahdanil Matondang Kepenghuluan [Desa] Murini Makmur)</p> <p>Some positive information gathered during audit i.e: CSR program was conducted by Company/PT Lahan Tani Sakti i.e.: road maintenance.</p> <p>Kepenghuluan Murini Makmur Kecamatan Bagan Sinembah Kabupaten Rokan Hilir.</p> <p>Some positive information gathered during audit i.e: There was no conflict of tenurial.</p> <p>Road maintenance was conducted by Company.</p>	<p>During audit there is no further comments from company</p>	<p>All findings have been incorporated and considered in the assessment process for each relevant criteria and indicator requirements.</p>
<p>RSPO Secretary comment: LUCA and RaCP need to be completed.</p> <p>Email was sent to SGS to confirm the process and continuation of assessment.</p>	<p>SDP has submitted revision of LUCA dated on 24 Feb 2016 to RSPO.</p>	<p>The SGS audit team issued the Major Corrective Action Request related to Indicator 7.3.1 and the CAR has been closed dated on 16 March 2017 due to RSPO Secretary office has sent email to SGS that the LUCA was acceptable (reviewable) and the major non-conformity related to 7.3.1 can now be closed.</p>