

RSPO SURVEILLANCE ASSESSMENT (ASA – 4)**TUNGKAL ULU MILL AND ITS SUPPLY BASE
(PT INTI INDOSAWIT SUBUR)****Office:**

Jl MH Thamrin No 31 Jakarta 10230

Location:

Pulau Pauh, Penyabungan, Merlung Village, Tungkal Ulu District, Tanjung Jabung Regency
Jambi, Indonesia

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Section 1 Scope of the Certification Assessment

1.1. Company Details			
RSPO Membership Number	No.1-0022-06-000-00	Membership Approval Date	6 th February 2006
Company Name	PT Inti Indosawit Subur – Tungkal Ulu		
Address	Head Office: Jalan MH Thamrin No.31, Jakarta 10230 – INDONESIA. Location Address: Pulau Pauh, Penyabungan, Merlung Village, Tungkal Ulu Sub-district Tanjung Jabung Regency, Jambi Province, Indonesia.		
Subsidiary of (if applicable)	PT. Inti Indosawit Subur		
Contact Name	Ms. Asrini Subrata		
Website	www.asianagri.co.id	E-mail	asrini_subrata@asianagri.com
Telephone	+62 21 230 1119	Facsimile	+62 21 230 1120

1.2. Certification Information					
Certificate Number	RSPO 594422	Certificate Start Date	15/08/2012	Certificate End Date	14/08/2017
Scope of Certification	Production of CPO and PK of PT Inti Indosawit Subur - Tungkal Ulu Palm Oil Mill and its supply base. Mill capacity of Tungkal Ulu POM is 60 tonnes FFB/hour.				
Standard Referring	<ul style="list-style-type: none"> - RSPO SCCS Certification System and Standard, 2007, Rev. 2011. - RSPO P & C, Generic Standard 2013. - RSPO SCCS certification system and standard, 2014 for CPO Mill 				
Other Certifications					
Certificate Number	Standard(s)	Certificate Issued by	Expiry Date		
ID05/65250	ISO 14001:2004	SGS	10 June 2017		
EU-ISCC-Cert-DE100-20152541	ISCC EU	SGS	8 Sept 2016		

1.3. Description of Supply Base						
Estate	Mature (ha)	Immature (ha)	Total Planted (ha)	Infrastructure & others (ha)	Total Ha	% of Planted
1.3.1. Tungkal Ulu Estate (own Estate)	4,396	0	4,396	160	4,556	96,49%
1.3.2. Schemesmallholders/Plasma						
- KUD Bina Usaha	910	0	910	0	910	100%
- KUD Sawit Kita	1,028	0	1,028	0	1,028	100%
- KUD Karya Kita	1,168	0	1,168	0	1,168	100%
- KUD Karya Jaya	810	0	810	0	810	100%
- KUD Panca Mukti	792	0	792	0	792	100%
- KUD Sari Bumi	764	0	764	0	764	100%
- KUD Manunggal Jaya	208	0	208	0	208	100%
- KUD Sawit Mulia	1,362	0	1,362	0	1,362	100%

- KUD Argo Makmur	1,130	0	1,130	0	1,130	100%
- KUD Harapan Jaya	1,130	0	1,130	0	1,130	100%
TOTAL	13,698	0	13,698	160	13,858	98,84%

1.4. Location(s) of Mill & Supply Bases			
Name (Mill / Supply Base)	Location [Map Reference #]	GPS	
		Longitude	Latitude
Tungkal Ulu Mill	Pulau Pauh, Penyabungan, Merlung Village, Tungkal Ulu District, Tanjung Jabung Regency Jambi, Indonesia.	E 102° 58' 53"	S 01° 18' 01"
Tungkal Ulu Estate	Pulau Pauh, Penyabungan, Merlung Village, Tungkal Ulu District, Tanjung Jabung Regency Jambi, Indonesia.	E 102° 56' 54" - 103° 11' 41"	S 01° 17' 18" - 01° 20' 42"
KUD Bina Usaha	Pulau Pauh, Penyabungan, Merlung Village, Tungkal Ulu District, Tanjung Jabung Regency Jambi, Indonesia.	E 102°55' 03.9"	S 01°20' 23.5"
KUD Sawit Kita	Pulau Pauh, Penyabungan, Merlung Village, Tungkal Ulu District, Tanjung Jabung Regency Jambi, Indonesia.	E 102°56' 58.9"	S 01°19' 01.5"
KUD Karya Kita	Pulau Pauh, Penyabungan, Merlung Village, Tungkal Ulu District, Tanjung Jabung Regency Jambi, Indonesia.	E 102°58' 16.3"	S 01°20' 40.1"
KUD Karya Jaya	Pulau Pauh, Penyabungan, Merlung Village, Tungkal Ulu District, Tanjung Jabung Regency Jambi, Indonesia.	E 102°00' 35.4"	S 01°20' 34.0"
KUD Panca Mukti	Pulau Pauh, Penyabungan, Merlung Village, Tungkal Ulu District, Tanjung Jabung Regency Jambi, Indonesia.	E 103°04' 01.1"	S 01°19' 09.8"
KUD Sari Bumi	Pulau Pauh, Penyabungan, Merlung Village, Tungkal Ulu District, Tanjung Jabung Regency Jambi, Indonesia.	E 103°02' 39.3"	S 01°21' 50.4"
KUD Manunggal Jaya	Pulau Pauh, Penyabungan, Merlung Village, Tungkal Ulu District, Tanjung Jabung Regency Jambi, Indonesia.	E 103°01' 38.1"	S 01°21' 45.0"
KUD Sawit Mulia	Pulau Pauh, Penyabungan, Merlung Village, Tungkal Ulu District, Tanjung Jabung Regency Jambi, Indonesia.	E 103°05' 38.9"	S 01°20' 36.0"
KUD Argo Makmur	Pulau Pauh, Penyabungan, Merlung Village, Tungkal Ulu District, Tanjung Jabung Regency Jambi, Indonesia.	E 103°07' 40.6"	S 01°19' 16.9"
KUD Harapan Jaya	Pulau Pauh, Penyabungan, Merlung Village, Tungkal Ulu District, Tanjung Jabung Regency Jambi, Indonesia.	E 103°10' 05.0"	S 01°19' 15.9"
KUD Sawit Mulia	Pulau Pauh, Penyabungan, Merlung Village, Tungkal Ulu District, Tanjung Jabung Regency Jambi, Indonesia.	E 103°05' 38.9"	S 01°20' 36.0"

1.5. Plantings & Cycle									
Estate	Age (Years) in Ha						Tonnage / Year		
	0 – 3	4 – 10	11 – 20*	21 - 25	26 - up	Total	Estimated (2015)	Actual (2015)	Forecast (2016)
Tungkal Ulu	-	-	50	4,346	-	4,396	106,342	100,580	99,181
KUD Bina Usaha	-	-	-	910	-	910	20,465	17,086	20,194
KUD Sawit Kita	-	-	-	1,028	-	1,028	22,345	21,068	21,762
KUD Karya Kita	-	-	-	1,168	-	1,168	26,798	26,867	26,984
KUD Karya Jaya	-	-	-	810	-	810	18,615	23,107	19,744
KUD Panca Mukti	-	-	-	792	-	792	6,759	0	5,476
KUD Sari Bumi	-	-	-	764	-	764	1,056	0	1,645
KUD Manunggal Jaya	-	-	-	208	-	208	535	1,476	3,238
KUD Sawit Mulia	-	-	-	1,362	-	1,362	9,283	880	7,021
KUD Argo Makmur	-	-	-	1,130	-	1,130	10,996	10,536	24,953
KUD Harapan Jaya	-	-	-	1,130	-	1,130	4,071	0	11,316
TOTAL CERTIFIED FFB	-	-	50	13,648	-		227,265	201,601	241,514
Supply Base from independent third parties/Middle man									100,00
Total Supply FFB									341,514

Note: *There is no planting from 2005 – up (the last planting year in 2003)

1.6. Certified Tonnage (tonnes)									
Mill	Estimated (2015)			Actual (2015)			Forecast (2016)		
	FFB	CPO	PK	FFB	CPO	PK	FFB	CPO	PK
Tungkal Ulu Mill	227,265	52,237	12,386	201,601	44,718	10,833	241,514	53,939	13,042
TOTAL	227,265	52,237	12,386	201,601	44,718	10,833	241,514	53,939	13,042

1.7. Actual Certified Palm Production			
MILL	Capacity	CPO (tonnes)	PK (tonnes)
Tungkal Ulu Mill	60 TPH	44.718	10.833

1.8. Actual Sales of certified Palm Product (15/08/2015 up to audit 18/06/2016)			
MILL	Certified CPO Sold	Certified PK Sold	Remarks
Tungkal Ulu Mill	8,429.36	9,175.92	Sales of certified palm products in eTrace

1.9. Certified FFB received monthly in previous year (Tonnes)			
Month	Tungkal Ulu (tonnes)	Tungkal Ulu Smallholder (tonnes)	Total FFB Certified Received (Tonnes)
Jan	6105	4,466	10,571
Feb	5872	4,787	10,659
Mar	6458	6,582	13,040
Apr	6978	7,625	14,603
May	8771	10,129	18,900
Jun	8721	11,460	20,181
Jul	7504	9,043	16,547
Aug	11969	11,483	23,452
Sep	9393	9,843	19,236
Oct	10933	10,604	21,537
Nov	8334	8,656	16,990
Dec	9541	6,344	15,885
Total	100,580	101,022	201,601

Section 2 Assessment Process

2.1. Certification Body:

BSI Services Malaysia Sdn Bhd,

(ASI Accreditation Number: RSPO-ACC-19)

B08-01 (East), Level 8, Block B, PJ 8, No.23,

Unit 10-03, Level 10, Tower A, The Vertical Business Suites,

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BSI is a leading global provider of management systems assessment and certification, with more than 60,000 certified locations and clients in over 100 countries. BSI Standards is the UK's National Standards Body. BSI provides independent, third-party certification of management systems. BSI is ASI Accredited (RSPO-ACC-19) since 31/10/2014 with accredited office located at Kuala Lumpur, Malaysia and an office at Singapore, Jakarta, Bangkok and Australia which involve in RSPO Certification Program.

Assessment Methodology, Programme, Site Visits

The objective of the assessment is to conduct a surveillance assessment and look for positive evidence to ensure the elements of the scope of certification and the requirements of the management standard are effectively addressed by the organisation's management system and that the system is demonstrating the ability to support the achievement of statutory, regulatory and contractual requirements and the organisations specified objectives, as applicable with regard to the scope of the management standard, and to confirm the on-going achievement and applicability of the forward strategic plan. Continuing Assessment (Surveillance) was conducted from 14 – 18 June 2016.

The audit programme is included as Appendix D. The approach to the audit was to treat the mill and its supply base as an RSPO Certification Unit. Mill was audited together with the sample estates. A range of environmental and social factors were covered. This includes consideration of topography, palm age, proximity to areas with HCVs, declared conservation areas and local communities.

The methodology for collection of objective evidence included physical site inspections, observation of tasks and processes, interviews of staff, workers and their families and external stakeholders, review of documentation and monitoring data. RSPO P&C 2013, Generic Standard was used as Checklists and questionnaires were used to guide the collection of information to assess compliance. The comments made by external stakeholders were also taken into account in the assessment.

Stakeholder consultation involved internal and external stakeholders. External stakeholders were contacted by visiting to the villages convenient to them to discuss Umbul Mas Wisesa POM 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. 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

Internal or external stakeholder interviews. A list of Stakeholders contacted is included as Appendix E.

The assessment findings for the recertification are detailed in Section 3.3.

This report is structured to provide a summary of assessment finding as attached in the Appendix A. The assessment was based on random samples and therefore nonconformities may exist that have not been identified.

This report was internally reviewed by Mr. Mohd. Hafiz Mat Hussain (He is one of the BSI Qualified RSPO Lead Auditor and Internal Reviewer).

The following table would be used to identify the locations to be audited each year in the 5 year cycle

Name (Mill / Supply Base)	Year 1 (12/2012)	Year 2 (06/2013)	Year 3 (06/2014)	Year 4 (06/2015)	Year 5 (06/2016)
Tungkal Ulu POM	x	x	x	x	x
Tungkal Ulu Estate	x	x	x	x	x
Scheme smallholders	x	x	x	x	x

Tentative Date of Next Visit: 01/06/2017

Total No. of Mandays: 14 Mandays

BSI Assessment Team comprises of:

Haeruddin – Assessor (Lead Auditor)

He holds Bachelor Degree in Forest Management, graduated from Hasanuddin University on 1994. He has 16 years of work experience in forest concession, forestry industry and the latest is within Oil Palm Plantation in Indonesia. He experiences as auditor for several sustainability standard including FSC, UTZ, Organic Farming, 4C, ISPO and RSPO. He completed the ISO 9001 Lead Auditor Course; ISPO Lead Auditor endorsed Course, RSPO Lead Auditor Course, and also completed ISCC, RSPO SCCS, RSPO RED course, etc. He had been involved in RSPO auditing since November 2010 in more than various companies in Malaysia, Thailand and Indonesia. During this assessment, he assessed on the aspects of legal and estate best practices and RSPO SCCS for Mill.

Nanang Muallib - Team Member

He graduated from Bogor Agriculture University on 1999, Forestry Faculty. He involved in RSPO certification since 2010 as a team member covering assessment against RSPO P&C in Indonesia. He completed the ISO 9001 Lead Auditor Course, Technical Training of HCV Assessment; ISPO Lead Auditor endorsed Course. During this assessment, he assessed on the aspects of social, stakeholder consultation and smallholders.

Bukti Bagja – Team Member

He graduated from Bogor Agriculture University on 2000, Forestry Faculty and from University of Indonesia majoring in Environmental Sains on 2011. He involved in RSPO certification since 2010 as a team member covering assessment against RSPO P&C in Indonesia and Malaysia. He completed the ISO 9001 Lead Auditor Course, ISPO Lead Auditor endorsed Course, RSPO Lead Auditor Course, AMDAL A and B Course. During this assessment, he assessed on the aspects of OHS and EMS.

Accompanying person: None

Section 3 Assessment Findings

3.1. Details of audit results are provided in the following Appendix:

- ☒ RSPO P&C 2013 Summary of the Assessment – Appendix A
- ☒ PT. Inti Indosawit Subur Time Bound Plan – Appendix B
- ☒ RSPO Supply Chain Certification Assessment – Appendix F

3.2. Progress against Time Bound Plan

PT Inti Indosawit Subur demonstrates a challenging time bound plan to certify its entire mill and supply bases, there is no change of time bound plan. Audit team found that the company has strong commitment to implement time bound plan and comply with the time bound plan.

BSI also assessed the requirement for partial certification and concluded that:

1. There are no unresolved significant land disputes.
2. No replacement of primary forest or loss of HCV. New land acquisition follows the RSPO NPP process, including public notification of new planting.
3. No labour disputes that are not being resolved through an agreed process.
4. No evidence of noncompliance with law noted.

3.3. Details of findings

During this surveillance assessment (ASA-4) there was found 2 Major NC, 5 Minor NCs and 3 Observations were identified:

Non-Conformity		
NCR #	Description	Category (Major/Minor)
1338577M2	<p>RSPO Generic Standard 2013 - Indicator 4.7.3</p> <p>Observed during field visit at Tungkal Ulu Mill that a number of workers at Tungkal Ulu Mill do not use appropriate and adequate PPE such as:</p> <ul style="list-style-type: none"> - workers that work in high place of WWTP station does not use safety harness - Engine Room operator (Mr. PM) does not use earplug / ear muff when work in work place high noise level - Boiler operator (Mr. AS) does not use earplug / ear muff when work in work place high noise level. - Based on field visit in Kelompok Tani (Farmer group) 26 - Timbul Jaya; plot no. 1601, it was found workers who conduct pruning without appropriate PPE. <p>Corrective Action: Tungkal Ulu Mill has been able to show the eviden to proof:</p> <ul style="list-style-type: none"> - Corrective action has been created in the form of: Corrective Action Plan RSPO ASA4 PT IIS - Tungkal Ulu No.8160894. - Log book briefing pagi dated 7, 15, 21, 22, 25 and 27 July 2016: the mandatory use of PPE - Monitoring the use of personal protective equipment (PPE); the checks carried out in person, for example, in July 2016 on behalf of Mr. PM as engine operator (PPE used engine room: Ear muff, helmets, safety shoes), Mr.HS as opr. boiler (PPE used: Helmet, Ear plug, gloves and safety shoes) - Procurement and handover APD: Inventory: ear muff, while other PPE is given to each employee, the last PPE was given to the boiler operator dated 15 June 2016, such as: ear plugs, engine room, dated 	Major

	<p>20 June 2016: ear muff. Body Harnnes on 23 May 2016 as much 4 units.</p> <ul style="list-style-type: none"> - At the time of the verification audit visit dated 12 August 2016 to the engine room and the location of WWTP, it can be seen that the employee / operator has to use appropriate PPE (engnine operator: ear muff and ear plugs). - The Company also issued Memorandum no. 115/MI-PTU/MEMO/07/2016, dated 1 July 2016; regarding the use of PPE shall be signed by the Mill Manager (Mr. Pirma Hutagaol) and instantly disseminated on 1 July 2016, attended by all employees in accordance with the work shifts and can be shown to absenteeism (list of attendance) dated 25 July 2016 which was attended by 26 employees. With the memorandum issued it if in the future there are employees who do not use of PPE will be sanctioned. <p>Plasma:</p> <ul style="list-style-type: none"> - Handover of personal protective equipment KUD Karya Kita, Farmers Group Timbul Jaya, on 29 June 2016, such as: helmet, gloves, glasses and sarung Egrek. - Training on the use of personal protective equipment KUD Karya Kita, on 29 June 2016 in the office of KUD SP-3, was attended by 16 employees of harvesting and pruning, the attendance list can be shown. - Monitoring / feasibility checklist of personal protective equipment is conducted every month, from January - August 2016 - HIRAC harvest work and bud / pruning use of of PPE: Rubber boots, glasses, helmets and sarung Egrek. - Based on the interview on 11 August 2016 with several employees KUD Karya Kita (Sobirin, Basir, Anang and Tukiati), that after training on the use of PPE on 29 June 2016, has understood the importance of using of PPE to avoid workplace accidents <p><i>This Major NC was closed on 15/08/2016</i></p>	
1207373N3	<p>RSPO P&C Generic 2013 indicator 4.6.10</p> <p>Based on interview and field visit at KUD Karya Kita (KT. 10), it was found that the parcel owner can not demonstrate knowledge on pesticide handling and proper disposed empty container pesticides.</p> <p>Corrective Action:</p> <ul style="list-style-type: none"> - Training Use of Pesticides Limited, dated July 19, 2016, attended by 47 employees Inti and KUD, for example: in the name of H. Ahmad Aman, Sakam, Pujadion, Supriyatna. - Herbicide Training Limited dated July 19, 2016 performed by a team KP3 Jambi Province in cooperation with PT Syngenta also attended from the DNAs of Agriculture, Disbun and Jambi Provincial Health Office. - The letter stating of employees KUD Karya Kita, Farmers Group Tandan Mas, KTH 10, letter no. 01/KUD.KK/V/06/16, dated 16 July 2016 on behalf of H. Ahmad Aman, that: spraying will be conducted by Team TUS <p><i>This Major NC was closed out in 15/08/2016</i></p>	Major
1338577N1	RSPO Generic Standar 2013 - indicator 2.1.3	Minor

	Scheme smallholders has been updated and evaluated list of regulation, however list update is not completed yet, several crucial regulations related to agricultural practice are not available yet including review on its compliance, such as: latest act regarding plantation, ministerial decree regarding plantation business permit, government regulation regarding environment and waste management, etc.	
1338577N2	RSPO Generic Standard 2013 - Indicator 2.2.2 The legal boundary is monitored regularly every 6 (six) month as documented in "Laporan Pemeriksaan dan Perawatan Patok Batas PT IIS-Jambi". Based on field visit in Afdeling 5, it was found only 2 legal boundaries instead 4 sampling taken.	Minor
1338577N3	RSPO Generic Standard 2013 - Indicator 4.6.4 The company has recorded Paraquat usage monthly and yearly basis, based on document review, it was seen Paraquat usage yearly series, such as: 2009 (664 liters), 2010 (1,307 liters), 2011 (259 liters), 2012 (298 liters), 2013 (180 liters), 2014 (172 liters), 2015 (684 litres), up to May 2016 (1.089 liters), it was seen that increasing Paraquat usage, however no any plan to eliminate.	Minor
1338577N5	RSPO Generic Standard 2013 - Indicator 4.7.5 Sighted during field visit at Tungkal Ulum Mill that several work places are not equipped with appropriate and adequate safety such as: <ul style="list-style-type: none"> - First aid box in workshop is not completed with appropriate and standard item - Eye washer in temporary hazardous storage is not ready to use 	Minor
1338577N4	RSPO generic Standard 2013 - Indicator 4.7.6 Company has not planned medical surveillance for all workers into health and safety program	Minor

There are 3 Observation/opportunities for improvements were identified during this surveillance audit (ASA-4):

Observation	
OBS #	Description
1	RSPO Generic Standard 2013 - Indicator 6.5.3 The company needs to consider upgrading school bus. Currently, the company providing modified truck for senior high school student and school bus over capacity for elementary and junior high school student.
2	RSPO Generic Standard 2013 - Indicator 6.12.3 1. Observed that status of some workers in Tungkal Ulu mill are still "temporary daily worker (Pekerja Harian Lepas / PHL)", even though they have been working in processing unit which is categorized as fix job for more than three consecutive months with more than 21 working days in a month. This is potentially against current applicable law particularly Act number 13 year 2003 concerning Workforce article 59 and Decree of Workforce Minister number 100 year 2004 regarding Implementation of temporary Work Agreement (Perjanjian Kerja Waktu Tertentu) article 10. Nevertheless, Management of Tungkal Ulu Mill shows evidence that the PHL workers are currently in progress of recruitment as permanent worker. A proposal for recruitment has been sent by Mill Manager to management of PT. IIS on 9 th March 2016 concerning promotion of PHL workers to

	become SKU H workers. Positive progress of this matter is important and will be subject of observation in the upcoming audit stage. 2. The company need to consider evaluate contract for loose fruit collector
3	RSPO Generic Standard 2013 - Indicator 5.1.3 The company needs to consider improving RKL - RPL report quality by complete evidence of participative monitoring on social perception.

Positive Findings	
PF #	Description
1	The company continuous implementing improvement in some areas as detailed in "Kaizen Program" such as efficiency fertilizer usage with modified stacking frond.
2	A biogass power plant is under construction in 2016 and it will be commenced in 2017.

Issues Raised by Stakeholders (data masih di Pak Nanang)	
Issues #	Description
	<p>Social Issues:</p> <ul style="list-style-type: none"> - Agreement between company any contractor is available and signed by both parties. - The company has conducted meeting with labour union and Gender Committee regularly. - No child labour was noted. - In general, communication with the company and stakeholder is doing well. - The company has been providing the infrastructure that aims to improve the welfare of employees, for example, housing, electricity, clean water, health facilities, educational facilities, etc. - Plasma FFB price determined by the purchase price set by the Pricing Committee TBS Jambi province. <p>Management Response: Positive comments</p> <p>Auditor Team Findings: Positive comments</p>
2	<p>Labour issues:</p> <ul style="list-style-type: none"> - PT IIS has conducted a briefing related to use of personal protective equipment (PPE) at job site for their contractor's workers, also provided PPE for them. - All workers had been included in Helath insurance (BPJS Kesehatan) and Social Insurance (BPJS Ketenagakerjaan) - The company has paid their workers based on national regulation for minimum wages. - The company has completed medical check up for their workers who are worked in risk areas, such handling and applied chemicals and high risk station, such as for sprying, fertilizer, chemical store man, genset station, etc at least twice a year. - All workers have contract. - All operators who work in special station have been permit/SIO, e.g. welding workers, generator operator, etc. - The company has formed Cooperation Institution (LKS) bipartite and has been registered to the Department of Labor Tanjung Jabung district. - The company has conducted training appropriately to their workers. - The company has been handling cases of work accidents is well related to reporting and claims handling employment BPJS for their workers. - In the period of the past year, there is no case of an industrial dispute that came to the court of the Industrial Dispute (if any, will be solved by the bipartite level and Mediation). <p>Management Response: Positive comments</p> <p>Auditor Team Findings:</p>

	Positive comments
3	Environmental issues: - There are no reports were coming from any party, including the surrounding communities related to environmental pollution caused by the operations of PT IIS - Tungkal Ulu. - The company has been managing hazardous waste and has been permission temporary storage of hazardous waste in accordance with applicable laws and regulations.
	Management Response: Positive comment
	Auditor Team Findings: Potive comment
4	Legal issues: -
	Management Response: -
	Auditor Team Findings: -
5	Operational issues: - All area of HGU of PT IIS-Tungkal Ulu in accordance with the Spatial Tanjung Jabung as a plantation crop cultivation area. - No any land disputes
	Management Response: Positive comment
	Auditor Team Findings: Positive comment

1.4. Status of nonconformities and observation previously identified.

Non-Conformity		
NCR #	Description	Category (Major/Minor)
1202625N1	<p>Requirements: RSPO P & C Generic Standard, 2013 - Indicator 3.1.2 Scheme smallholder cannot demonstrate yearly review for the replanting programme.</p> <p>Action Taken: The scheme smallholders has reviewed the replanting programme; replanting planned forward to 2019 in KUD Sawit Kita due to some of members still has installment in Bank, the members don't have reserve money for replanting and still negotiated with Bank. Replanting program in KUD Harapan Jaya: in 2022 (400 ha), 2023 (392 ha) and 2024 (338 ha).</p> <p>This NC was closed out on 17/06/2016</p>	Minor

1202625N2	<p>Requirements: RSPO P & C Generic Standard, 2013 - Indicator 4.3.3 At a scheme smallholder cooperative, road maintenance programme was not available. Based on field visit, the road was in poor condition.</p> <p>Action Taken: Road maintenance program is documented in "Program Perbaikan Jalan – KUD" e.g. Road maintenance in KUD Karya Kita; Road maintenance for each Kelompok Tani (Farmer Group is detailed monthly, for 2015 (89,020 metres) achieve 100% in 2015. Road maintenance in 2016, planned 89,030 metres; actual 23,100 metres up to April 2016.</p> <p>Based on field visit, it was found that road maintenance programme is implemented and good road condition.</p> <p>This NC was closed out on 17/06/2016</p>	Minor
1202625N3	<p>Requirements: RSPO P & C Generic Standard, 2013 - Indicator 4.6.10 A number of scheme smallholders were not able to demonstrated knowledge on proper disposal of empty pesticide container.</p> <p>Action Taken: Based on interview with the members, it was found that the company has conducted awereness to the members for disposed of waste material, it was seen during field visit in sample plot, no any found waste material, such as inner bag fertilizer.</p> <p>This NC was closed out on 17/06/2016</p>	Minor
1202625N4	<p>Requirements: RSPO P & C Generic Standard, 2013 - Indicator 4.8.2 Training records at scheme smallholder did not demonstrate progress and updates.</p> <p>Action Taken: Scheme Smallholders has created training program in 2015 and 2016, such as:</p> <ol style="list-style-type: none"> 1. Sustainability Awarenees training for RSPO, ISPO and ISSC 2. HCV Training 3. Basic Safety/K3. 4. Basic Fire 5. First Aider 6. Penanganan limbah B3 dan bahan kimia 7. Safety Use herbisida dan chemical. 8. Program pelatihan teknis and managerial <p>Progress training based on training plan in 2016 is updated, e.g. in KUD Karya Kita</p> <ul style="list-style-type: none"> - Petani plasma telah dilatih pestisida terbatas pada tanggal 27th June 2015 was conducted by PT. IIS, attended 20 members. - Pelatihan K3 on 16th February 2016 attended 14 members. - Pelatihan Panen dan APD, dated 26th March 2016, attended 17 members. - Pelatihan Pupuk Berimbang, dated 23rd May 2016, attended 30 members. - Pelatihan Pengendalian Hama dan penyakit, dated 26th September 2015, attended 23 members. <p>This NC was closed out on 17/06/2016</p>	Minor

Observation	
OBS #	Description
1	<p>RSPO P & C Generic Standard, 2013 - Indicator 2.1.3 Company and scheme smallholders need considered to update evaluation of regulation clearly.</p> <p>Action Taken: Scheme smallholders has been updated and evaluated list of regulation, however list update is not completed yet, several crucial regulations related to agricultural practice are not available yet including review on its compliance, such as: latest act regarding plantation, ministerial decree regarding plantation business permit, government regulation regarding environment and waste management, etc. The auditor concludes upgrade this observation into Minor NC.</p>
2	<p>RSPO P & C Generic Standard, 2013 - Indicator 2.2.1 Having proof of land ownership (land certificates) in place; the scheme smallholders (KUD Sawit Kita and KUD Karya Jaya) need to update the information on changes in land ownership after March 2015.</p> <p>Action taken: Land owner certificate has been update the information of changes in land ownership, in list of Plasma members, registered the initial owner and land currently land owner.</p>
3	<p>RSPO P & C Generic Standard, 2013 - Indicator 4.7.6 PT Inti Indosawit Subur - Tungkal Ulu has provided insurance for all workers. Company needs to ensure all workers including loose fruit collector has been registered with insurance.</p> <p>Action taken: PT Inti Indosawit Subur - Tungkal Ulu has provided insurance for all workers. Company needs to ensure all workers including loose fruit collector has been registered with insurance.</p>
4	<p>RSPO P & C Generic Standard, 2013 - Indicator 6.5.2 Based on interview with daily worker - Pekerja Harian Lepas (PHL); it is known that work agreement has been signed. The daily worker would see improve opportunity to get access to copy of work agreement.</p> <p>Action Taken: Based on interview with PHL workers, labour union and result of document verification shown that the company has submitted a copy of "Surat Perjanjian Kerja" to workers of PHL, Eg:</p> <ol style="list-style-type: none"> a. Surat Perjanjian Kerja Harian Lepas No. 62/SKPHL/KTU/IIS/I/2016 dated 1 January 2016, name Mrs. Suratmi as fertilizer worker. b. Surat Perjanjian Kerja Harian Lepas No. 09/SKPHL/KTU/IIS/I/2016 dated 1 January 2016, name Mr. Amaq Rudi as harvester. c. Surat Perjanjian Kerja Harian Lepas No. 53/SKPHL/KTU/HS/I/2016 dated 1 January 2016 name Mr. Al Hikmah as worker of treatment plants.

3.5. Status of Non Conformities

Reference	Category	Issued	Closed
A824193/1	Major NC	14/12/2012	10/02/2013
A824193/1	Minor NC	14/12/2012	30/06/2014
A824193/3	Minor NC	14/12/2012	30/06/2014
A824193/2	Minor NC	14/12/2012	30/06/2014
1055357M17	Major NC	30/06/2014	25/08/2014
1055357N15	Minor NC	30/06/2014	16/08/2015
1055357N6	Minor NC	30/06/2014	23/06/2015
1055357N16	Minor NC	30/06/2014	23/06/2015
1055357N18	Minor NC	30/06/2014	23/06/2015
1202625M1	Major NC	23/06/2015	16/08/2015

1202625M2	Major NC	23/06/2015	16/08/2015
1202625M3	Major NC	23/06/2015	16/08/2015
1202625M4	Major NC	23/06/2015	16/08/2015
1202625N1	Minor NC	23/06/2015	17/06/2016
1202625N2	Minor NC	23/06/2015	17/06/2016
1202625N3	Minor NC	23/06/2015	17/06/2016
1202625N4	Minor NC	23/06/2015	17/06/2016
1338577M2	Major NC	18/06/2016	15/08/2016
1207373N3	Major NC	18/06/2016	15/08/2016
1338577N1	Minor NC	18/06/2016	"open"
1338577N2	Minor NC	18/06/2016	"open"
1338577N3	Minor NC	18/06/2016	"open"
1338577N5	Minor NC	18/06/2016	"open"
1338577N4	Minor NC	18/06/2016	"open"

Assessment Conclusion and Recommendation

The auditors conclude that Perlabian Palm Oil Mill and its supply base are complying with the RSPO certification system 2007, RSPO Generic Standard 2013 and RSPO SCCS 2014.

Its recommend to extend the RSPO certificate for Tungkal Ulu Palm Oil Mill and and its supply base

Acknowledgement of Assessment Findings by PT Inti Indosawit Subur – Tungkal Ulu POM

Report Prepared by

Name: Mr. Welly Pardede

Name: Haeruddin

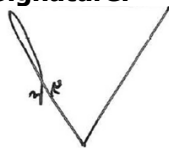
Company name: PT. Inti Indosawit Subur

Company name: PT. BSI Indonesia

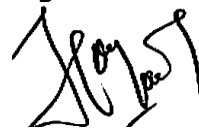
Title: Head of Environment and Sustainability

Title: Lead Auditor

Signature:



Signature:



Date: 16/08/2016

Date: 16/08/2016

Appendix "A"
Summary of Finding

Criterion / Indicator	Assessment Findings	Compliance
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	<p>There shall be evidence that growers and millers provide adequate information on (environmental, social and/or legal) issues relevant to RSPO Criteria to relevant stakeholders for effective participation in decision making.</p> <p>- Minor compliance -</p> <p>Estate and Mill: Company has a mechanism to provide information, as per procedure "Penanganan Permintaan Informasi Stakeholder" No.AA-GL-5008.1-R1, dated 22nd August 2011. The procedure explains mechanism to receive and respond to information/inquiry from stakeholders. The response time sets to a maximum 14 working days since the inquiry received. Information request/inquiry accepted through verbal and/or written request – and recorded by Public Relation (Humas). Response provided as per mechanism.</p> <p>Scheme smallholders: Cooperatives have a procedure to handle information request and provision of information to relevant stakeholders. There is a list of information available for public – consist of 14 documents such as cooperative business plan, legal documents, health and safety plan, etc.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
1.1.2	<p>Records of requests for information and responses shall be maintained.</p> <p>- Major compliance -</p>	<p>Estate and Mill: Company maintains records of request for information and responses under "Logbook Tanggapan Informasi". Up to May 2015, 3 types of information supplied to relevant stakeholders. Sampler: Hazardous waste management report "Laporan Limbah B3" period January–March 2015 through letter No.042/MI/PTU/Ekt/04/2015 dated 17th April 2015 sent for "BLHD kabupaten Tanjung Jabung Barat, BLHD Provinsi Jambi , PPLH Regional Sumatera dan Kementerian Lingkungan Hidup". (Lihat Pak Nanang)</p> <p>Scheme smallholders: KUD Harapan Jaya: Information request is recorded in "Buku Masuk - Keluar"; up to May 2015, 3 information requests received, respond provided in timely manner. Sample: Letter from "PT. Inti Indosawit Subur" dated 13/01/2016 related FFB pricing.</p> <p>KUD. Karya Jaya: KUD Karya Jaya recorded the information request under "Buku Permintaan Tanggapan dan Informasi KUD Karya Jaya"; up to May 2015, 7 information requests received, respond provided in timely manner. Sample: Letter from "Dinas Koperasi dan Usaha Mikro, Kecil dan Menengah Kabupaten Tanjung Jabung Barat No.518/107/DKUMKM/III/2015" dated 10th March 2015 related to partnership issue inventory. This has been responded through KUD Karya Jaya through letter No.518/KUD-KJ/BH/III/2015 dated 15th March 2015.</p>	Yes
<p>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.</p>			

Criterion / Indicator		Assessment Findings	Compliance
1.2.1	<p>Publicly available documents shall include, but are not necessarily limited to:</p> <ul style="list-style-type: none"> • Land titles/user rights (Criterion 2.2); • Occupational health and safety plans (Criterion 4.7); • Plans and impact assessments relating to environmental and social impacts (Criteria 5.1, 6.1, 7.1 and 7.8); • HCV documentation (Criteria 5.2 and 7.3); • Pollution prevention and reduction plans (Criterion 5.6); • Details of complaints and grievances (Criterion 6.3); • Negotiation procedures (Criterion 6.4); • Continual improvement plans (Criterion 8.1); • Public summary of certification assessment report; • Human Rights Policy (Criterion 6.13). <p>- Major compliance -</p>	<p>Estate and Mill: Company has a procedure for information request handling and information provision. There is a list of information available for public, dated 12th May 2015. The list comprise of 32 documents, such as legal documents (Izin Lokasi, Izin Prinsip, IPKH, SK HGU, and land certificate), company policy covering respect to human rights, AMDAL/SEIA document, environmental management plan, environmental report, HCV report, health and safety programme, continual improvement plan, negotiation procedures, FFB price information, medical check up result, etc.</p> <p>Scheme smallholders: Cooperatives have a procedure to handle information request and provision of information to relevant stakeholders. There is a list of information available for public – consist of 14 documents such as cooperative business plan, legal documents, health and safety plan, etc.</p>	Yes
Criterion 1.3:			
Growers and millers commit to ethical conduct in all business operations and transactions.			
1.3.1	<p>There shall be a written policy committing to a code of ethical conduct and integrity in all operations and transactions, which shall be documented and communicated to all levels of the workforce and operations.</p> <p>- Minor compliance -</p>	<p>Estate and Mill: Company is able to shows company policy - Kebijakan Perusahaan signed 1st December 2014. The policy mentioned commitment to uphold code of ethical conduct. Furthermore, based on interview with sampled workers, they have received communication/dissemination of such policy. Communication of code of ethical conduct carried out, e.g. on 6th January 2016, attended 126 estate’s workforce. The company also erected sign board/Baliho in public area in estate.</p> <p>Scheme smallholders: KUDs have “Kebijakan Koperasi” dated 1st January 2015: “berkomitmen berperilaku etis dalam kepengurusan koperasi pada seluruh transaksi dan operasi bisnis, pelarangan segala bentuk korupsi, penyuapan, dan penipuan dalam penggunaan danadan sumberdaya koperasi”</p>	Yes

Criterion / Indicator	Assessment Findings	Compliance
PRINCIPLE 2: COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS		
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. - Major compliance -	Estate and Mill: PT IIS – Tungkal Ulu demonstrate a valid land ownership covering: 1. Izin Prinsip (Principle permit) No. KB.320/859/ Mentan/XI/1983, dated 7 th November 1983, approved by Agriculture Ministry for PT. IIS – PIR Trans (+ 65,000 ha) and Izin Lokasi No.746, year 2006 for 1,111 ha Kecamatan Merlung, Tanjung Jabung Barat, issued by Bupati Tanjung Jabung Barat. 2. Izin Usaha Perkebunan – Surat Pendaftaran Usaha Perkebunan/ SPUP (Plantation operational permit) No.187/Mentanhut/VII/2000, dated 3rd November 2000 (+ 4,759.20 ha). 3. Izin Usaha Perkebunan Budidaya/IUP B (Plantation operational permit) No.625, year 2008, dated 26 th September 2008 (+ 1,111 ha). 4. Forest area release through “Surat Keputusan Menteri Kehutanan No.494/Kpts-II/1991 tentang Pelepasan areal hutan seluas 17,500 Ha terletak di Kelompok Hutan S. Lampisi-S. Palik-palik Kabupaten Dati II Tanjung Jabung dan Seluas 9,356Ha terletak di Kelompok Hutan S. Kehidupan-S. Singoan Kabupaten Batanghari, Provinsi Jambi untuk Usaha Budidaya perkebunan dengan pola PIR-TRANS atas nama PT Inti Indosawit Subur” dated 7 th August 1991. 5. Renewal HGU No.61/HGU/BPN/2005, dated 2 nd June 2005, approved by BPN (3,503.02 ha). 6. HGU No.82/HGU/BPN RI/2014, dated 15 th May 2014 (1,053.34 ha). 7. Land Application Permit: No.503.8/01/KPPT/2012 dated 17/09/2013 valid for 3 years. 8. Surface water use permit No.503.30/01/KPPT/2011, dated 5/7/2011. 9. Pesticide Store permit No.560/386/4.3/ DSTKT. 10. Izin operational pabrik (Mill operation permit) No.532/T/Industri/2005. 11. AMDAL (SEIA) No.014/ANDAL/RKL-RPL/BA/95. 12. Revised SEIA (AMDAL) No.309, year 2009, dated 6 th June 2009, for 4,614.02 ha, consist of 3,503.02 ha (SK. Gubernur Kepala Daerah Tingkat I Propinsi Jambi No.342/1987, dated 19th June 1987) and 1,111 ha (SK. Bupati Tanjung Jabung Barat No.746, year 2006, dated 20 th October 2006 tentang izin lokasi untuk keperluan pembangunan perkebunan kelapa sawit atas nama PT. IIS, serta 10,277 ha lahan plasma dan kapasitas pabrik kelapa sawit 60 ton TBS/jam). 13. Izin Pemanfaatan Air Limbah (Land application permit).No.503.8/01/KPPT/ 2012, dated 17 th September 2013, valid until 17 th September 2016.	Yes

Criterion / Indicator	Assessment Findings	Compliance
	<p>14. Izin Pemanfaatan Air Permukaan (Surface water usage permit) No.503.30/01/KPPT/ 2011, dated 5th July 2011, valid until 5th July 2016. Update Izin penyimpanan sementara limbah B3 (Hazardous waste storage permit) No.660/487/IX/BLHD/2014, dated 29th September 2014 (valid until 28 September 2019).</p> <p>Observed that Tungkal Ulu Mill has evidence of compliance with relevant requirements, as shown with the following records of mill licenses and permits: Weighbridge permit, register number 743/Diperindag/Bpk/IV/16, valid until April 2017</p> <ol style="list-style-type: none"> 1. Land applicaiton permit, register number 503.8/01/KPPT/2011, dated 17th September 2013, valid until 17 September 2016. 2. Valid sterilizer permit (4 units), latest inspection by local authorities on July 9, 2016 3. Valid Boiler permit (bioler 1, 2 and 3), latest inspection by local authorities on May 11, 2016 4. Compressor permit (3 units), latest inspection by local authorities on July 9, 2015 5. Generator permit (2 units), latest inspection by local authorities on July 9, 2015 6. Steam generator permit (2 units), latest inspection by local authorities on July 9, 2015 7. Electrical installation permit, latest inspection by local authorities on July 9, 2015 8. Steam generator permit (1), latest inspection by local authorities on July 9, 2015 <p>Based on document legal permit review, all those mill permit is valid. Others permits are available and it has been verified during audit. Original records of those permits available in mills and well maintanied.</p> <p>Scheme Smallholders:</p> <ol style="list-style-type: none"> 1. KUD Manunggal Jaya <ol style="list-style-type: none"> a. Contract between Scheme and PT. IIS no. 01/SP/TU/08-1996 b. Akte Pendirian koperasi No.967/BH/XV, dated 17th October 1991, endorsed by "Departemen Koperasi – Kantor Wilayah Departemen Koperasi Propinsi Jambi No. 57/KPTS/KWK.5/VIII/1991, dated 18th October 1991, Akte Perubahan Anggaran Dasar No.312/BH/PAD/KWK.5/VIII/1996, dated 2nd July 1996. c. Annual Member meeting (Rapat Anggota Tahunan/RAT) is conducted annually, the last RAT was conducted in 2014, for 2014 still in progress due to audit investigation. d. Tax registration No.01.535.702.3-334.000; e. Tanda Daftar Perusahaan (TDP) no. 050126400247, dated 25th November 2011, valid until 25th November 2016. 	

	Criterion / Indicator	Assessment Findings	Compliance
		<p>2. KUD Harapan Jaya</p> <p>a. Akte Pendirian koperasi No.967/BH/XV, dated 17th October 1991, endorsed by "Departemen Koperasi – Kantor Wilayah Departemen Koperasi Propinsi Jambi No. 57/KPTS/KWK.5/VIII/1991, dated 18th October 1991, Akte Perubahan Anggaran Dasar No.312/BH/PAD/KWK.5/VIII/1996, dated 2nd July 1996.</p> <p>b. Annual Member meeting (Rapat Anggota Tahunan/RAT) is conducted annually, the last RAT was conducted in 2014, for 2014 still in progress due to audit investigation.</p> <p>c. Tax registration No.01.535.702.3-334.000;</p> <p>d. Tanda Daftar Perusahaan (TDP) no. 050126400247, dated 25th November 2011, valid until 25th November 2</p> <p>3. KUD Karya Kita</p> <p>a. Contract between Scheme and PT. IIS no. 23/SP/TU/IX/1995</p> <p>b. Akte Pendirian koperasi No.975/BH/XV/1993, endorsed by "Departemen Koperasi – Kantor Wilayah Departemen Koperasi Propinsi Jambi No. 57/KPTS/KWK.5/VIII/1991, dated 18th October 1991, Akte Perubahan Anggaran Dasar No.312/BH/PAD/KWK.5/VIII/1996, dated 2nd July 1996.</p> <p>c. Annual Member meeting (Rapat Anggota Tahunan/RAT) is conducted annually, the last RAT was conducted in 2014, for 2014 still in progress due to audit investigation.</p> <p>d. Tax registration No.01.535.702.3-334.000;</p> <p>e. Tanda Daftar Perusahaan (TDP) no. 050126400247, dated 25th November 2011, valid until 25th November 2</p>	<p style="text-align: center;">Yes</p>
2.1.2	<p>A documented system, which includes written information on legal requirements, shall be maintained.</p> <p>- Minor compliance –</p>	<p>Estate and Mill: List of laws are available and being evaluated regularly. Last updated on 01st June 2016.</p> <p>Scheme Smallholdres: Summary of permits and licenses checked and recorded in regulation record "Perizinan KUD", updated 5th January 2015.</p>	<p style="text-align: center;">Yes</p>

Criterion / Indicator		Assessment Findings	Compliance
2.1.3	<p>A mechanism for ensuring compliance shall be implemented.</p> <p>- Minor compliance –</p>	<p>Estate and Mill: List of laws are available and being evaluated regularly, last updated on 1st June 2016, e.g. Peraturan pemerintah No. 27/year 2014 tentang Izin lingkungan, Permentan No. 11/2015 tentang ISPO, Permenaker no. 9/year 2016 tentang Kesehatan dan Keselamatan Kerja, Peraturan Badan Penyelenggara Jaminan Sosial Ketenagakerjaan no. 7/year 2015.</p> <p>Scheme Smallholders: Scheme smallholders has been updated and evaluated list of regulation, however list update is not completed yet, several crucial regulations related to agricultural practice are not available yet including review on its compliance, such as: latest act regarding plantation, ministerial decree regarding plantation business permit, government regulation regarding environment and waste management, etc. (Minor NC was raised)</p>	No
2.1.4	<p>A system for tracking any changes in the law shall be implemented.</p> <p>- Minor compliance –</p>	<p>Estate and Mill: Legal requirement-evaluation and fulfilment mechanism regulated under "SOP Pemenuhan Peraturan Perundang-undangan dan Perubahannya" (No. SOP; AA-GL-5001.1-RO) dated 5th December 2009. The procedure explains the stages for evaluation applicable legal requirements, person in charge for evaluation and ensures implementation of such requirement.</p> <p>Scheme Smallholders: Scheme manager will inform the scheme smallholders (cooperative) if there is any a change or amendment in laws and regulations. Scheme manager conduct meetings with the cooperative members to ensure compliance.</p>	Yes
<p>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.</p>			

Criterion / Indicator	Assessment Findings	Compliance																																																																								
<p>2.2.1 Documents showing legal ownership or lease, history of land tenure and the actual legal use of the land shall be available.</p> <p>- Major compliance -</p>	<p>Estate: PT IIS demonstrate a valid land ownership covering: 1. Renewal HGU No.61/HGU/BPN/2005, dated 2nd June 2005, approved by BPN "tentang Pemberian HGU atas nama PT Inti Indosawit Subur seluas 3,503.02 Ha" dated 2nd June 2005. 2. "Surat Keputusan Kepala BPN Pusat No.82/HGU/BPN RI/2014, dated 15th May 2014 (1,053.34 ha).</p> <p>Scheme smallholders: All the land of farmers is the government program (PIR-Trans) appropriate with "Keputusan Menteri Transmigrasi" No. Kep.91 / MEN / 1991 dated July 29, 1991 on the Implementation of Transmigration PIR Trans permit to PT Inti Indosawit Subur with oil palm in Tungkal Location Ulu, Tanjung Jabung and location Muarabulian, Batanghari regency, Jambi Province. Land that is prospective acreage plasma has been removed from a forest area in accordance with the Ministerial Decree No. 494 / Kpts-II / 1991 dated August 7, 1991 on the release of forest area covering an area of 17,000 hectares located in Forest Group S. Lampisi - S.-Palik Palik Regency Tanjung Jabung regency and covering an area of 9,356 hectares located in the forest group S. Life - S. Singoan District Batang regency, Jambi province for the cultivation of plantations with Pir Trans Pattern on behalf of PT Inti Indosawit Subur.</p> <p>Scheme smallholders able to demonstrate a valid land title during audit, a copy of land title / Sertifikat Hak Milik (SHM) is available in Cooperative office. issued by BPN Tanjung Jabung Regency, sampled land title (SHM) as evidence, e.g.</p> <p>Sample taken:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 33%;">Name</th> <th style="width: 33%;">SHM no.</th> <th style="width: 33%;">Ha</th> </tr> </thead> <tbody> <tr> <td colspan="3">KUD Karya Kita</td> </tr> <tr> <td>Abdul Aswad</td> <td>614/1995</td> <td>2.0096</td> </tr> <tr> <td>Suwaryo</td> <td>502/1995</td> <td>2.0066</td> </tr> <tr> <td>Supriyanto</td> <td>551/1995</td> <td>2.0462</td> </tr> <tr> <td>Maimin</td> <td>872/1996</td> <td>2.0000</td> </tr> <tr> <td>Herman P</td> <td>1046/1997</td> <td>2.6325</td> </tr> <tr> <td>Icad Sinaga</td> <td>1044/1997</td> <td>2.5568</td> </tr> <tr> <td>Mukhtar A Amin</td> <td>1049/1997</td> <td>1.7343</td> </tr> <tr> <td>Elon</td> <td>590/1995</td> <td>2,5510</td> </tr> <tr> <td>Soedadi</td> <td>590/1995</td> <td>2.0210</td> </tr> <tr> <td>Syargawi</td> <td>1042/1997</td> <td>1.9188</td> </tr> </tbody> </table> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 33%;">Name</th> <th style="width: 33%;">SHM no.</th> <th style="width: 33%;">Ha</th> </tr> </thead> <tbody> <tr> <td colspan="3">KUD. Harapan Jaya</td> </tr> <tr> <td>Sarkawi</td> <td>528/1997</td> <td>2.0533</td> </tr> <tr> <td>Suparno</td> <td>554/1997</td> <td>2.0516</td> </tr> <tr> <td>Mawardi</td> <td>553/1997</td> <td>2.0125</td> </tr> <tr> <td>Bonijo</td> <td>524/1997</td> <td>2.0680</td> </tr> <tr> <td>Tamuji</td> <td>534/1997</td> <td>2.0516</td> </tr> <tr> <td>Sukro</td> <td>1052/1997</td> <td>2.0298</td> </tr> <tr> <td>Biman</td> <td>1055/1997</td> <td>1.9890</td> </tr> <tr> <td>Syamsul</td> <td>1059/1997</td> <td>2.0800</td> </tr> <tr> <td>Supardi</td> <td>1066/1997</td> <td>2.2500</td> </tr> <tr> <td>Kemis</td> <td>1065/1997</td> <td>2.0460</td> </tr> </tbody> </table>	Name	SHM no.	Ha	KUD Karya Kita			Abdul Aswad	614/1995	2.0096	Suwaryo	502/1995	2.0066	Supriyanto	551/1995	2.0462	Maimin	872/1996	2.0000	Herman P	1046/1997	2.6325	Icad Sinaga	1044/1997	2.5568	Mukhtar A Amin	1049/1997	1.7343	Elon	590/1995	2,5510	Soedadi	590/1995	2.0210	Syargawi	1042/1997	1.9188	Name	SHM no.	Ha	KUD. Harapan Jaya			Sarkawi	528/1997	2.0533	Suparno	554/1997	2.0516	Mawardi	553/1997	2.0125	Bonijo	524/1997	2.0680	Tamuji	534/1997	2.0516	Sukro	1052/1997	2.0298	Biman	1055/1997	1.9890	Syamsul	1059/1997	2.0800	Supardi	1066/1997	2.2500	Kemis	1065/1997	2.0460	<p>Yes</p>
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Criterion / Indicator		Assessment Findings	Compliance
2.2.2	<p>Legal boundaries shall be clearly demarcated and visibly maintained.</p> <p>- Minor compliance –</p>	<p>Estate: document of “Laporan Pemeriksaan dan Perawatan Patok Batas PT IIS-Jambi” No 002/LAP/KTU/SSL/02.3/XIII/2015, e.g: result of inspection for period July to December 2015 has conducted to inspection of 85 legal boundaries.</p> <p>Based on field verification in afdeling 5 shown that 4 of the legal boundaries that be sampling (Patok BPN No 17, 18, 19 and 20) only found 2 of legal boundaries (No 19 and 20), while 2 of legal boundaries (No 17 and 18) had been missed during maintenance of trenches boundary (Minor NC raised)</p> <p>Scheme smallholders: The legal boundary pegs is available (concrete and/or wood), the members is known well the boundary each others and along the border put stacking frond as boundary</p> <p>Based on result of interviews with local authorities in land and local communities, it was confirmed that no any land dispute issues.</p>	No
2.2.3	<p>Where there are or have been disputes, additional proof of legal acquisition of title and evidence that fair compensation has been made to previous owners and occupants shall be available, and that these have been accepted with free, prior and informed consent (FPIC).</p> <p>- Minor compliance –</p>	<p>Estate and Schemesmallholders: There is no land disputes and occupants was noted during audit</p>	Yes
2.2.4	<p>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.</p> <p>- Major compliance –</p>	<p>Estate and Schemesmallholders: There is no land disputes and occupants was noted during audit</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
2.2.5	For any conflict or dispute over the land, the extent of the disputed area shall be mapped out in a participatory way with involvement of affected parties (including neighbouring communities where applicable). - Minor compliance –	Estate and Schemesmallholders: There is no land disputes and occupants was noted during audit	Yes
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 planned operations. - Major compliance -	Estate and Schemesmallholders: There is no land disputes and occupants was noted during audit	Yes
Criterion 2.3			
Use of the land for oil palm does not diminish the legal, customary or user rights of other users without their free, prior and informed consent.			
2.3.1	Maps of an appropriate scale showing the extent of recognised legal, customary or user rights (Criteria 2.2, 7.5 and 7.6) shall be developed through participatory mapping involving affected parties (including neighbouring communities where applicable, and relevant authorities). - Major compliance –	Estate: The plantation was as part of PIR-Trans program. The area developed along with the scheme smallholder – surrounding the plantation. There was no land compensation since area designation was clean and clear. One of the stakeholder interviewed, head of Lubuk Terap village, there is no land dispute reported from communities. Scheme smallholders: Based on interview with cooperative member and smallholders, there is no land dispute in area of KUD Sawit Kita, KUD Karya Jaya and KUD Panca Mukti. Each KUD has a mechanism to handle land conflict under Communication and Consultation Mechanism. The mechanism including participatory mapping, under supervision from village authorities.	Yes

Criterion / Indicator	Assessment Findings	Compliance
<p>2.3.2</p> <p>Copies of negotiated agreements detailing the process of free, prior and informed consent (FPIC) (Criteria 2.2, 7.5 and 7.6) shall be available and shall include:</p> <ul style="list-style-type: none"> a) Evidence that a plan has been developed through consultation and discussion with all affected groups in the communities, and that information has been provided to all affected groups, including information on the steps that shall be taken to involve them in decision making; b) Evidence that the company has respected communities' decisions to give or withhold their consent to the operation at the time that this decision was taken; c) Evidence that the legal, economic, environmental and social implications for permitting operations on their land have been understood and accepted by affected communities, including the implications for the legal status of their land at the expiry of the company's title, concession or lease on the land. <p>- Minor compliance -</p>	<p>Estate:</p> <p>The company has documented properly to all handling process of land dispute that conducted by Humas division, such as: record of agreement negotiation process of land compensation between company and Tanjung Jabung Barat government. No any land disputes since 2012.</p> <p>Scheme smallholders:</p> <p>The cooperatives developed as part of PIR-Trans programme. The land was granted directly from government through "Keputusan Menteri Transmigrasi No. Kep.91/MEN/1991 tertanggal 29 Juli 1991 tentang Izin Pelaksanaan Transmigrasi PIR Trans kepada PT Inti Indosawit Subur dengan komoditas kelapa sawit di Lokasi Tungkal Ulu, Kabupaten Tanjung Jabung dan Lokasi Muara Bulian, Kabupaten Batanghari, Provinsi Jambi".</p> <p>Members of the cooperative have been granted with land certificate. Based on interview with schemesmallholders members and local government, there was no noted land dispute since this project started.</p>	<p style="text-align: center;">Yes</p>

Criterion / Indicator		Assessment Findings	Compliance
2.3.3	<p>All relevant information shall be available in appropriate forms and languages, including assessments of impacts, proposed benefit sharing, and legal arrangements.</p> <p style="text-align: center;">- Minor compliance -</p>	<p>Estate: The company has documented properly to all handling process of land dispute that conducted by Humas division, such as: record of agreement negotiation process of land compensation between company and Tanjung Jabung Barat government. No any land disputes since 2012.</p> <p>Scheme smallholders: The cooperatives developed as part of PIR-Trans programme. The land was granted directly from government through "Keputusan Menteri Transmigrasi No. Kep.91/MEN/1991 tertanggal 29 Juli 1991 tentang Izin Pelaksanaan Transmigrasi PIR Trans kepada PT Inti Indosawit Subur dengan komoditas kelapa sawit di Lokasi Tungkal Ulu, Kabupaten Tanjung Jabung dan Lokasi Muara Bulian, Kabupaten Batanghari, Provinsi Jambi".</p> <p>Members of the cooperative have been granted with land certificate. Based on interview with schemesmallholders members and local government, there was no noted land dispute since this project started.</p>	Yes
2.3.4	<p>Evidence shall be available to show that communities are represented through institutions or representatives of their own choosing, including legal counsel.</p> <p style="text-align: center;">- Major coimpliance -</p>	<p>Estate: Communities are free to choose their representation. This is evident in the process detailed on dispute settlement as agreed per letter No.10/SSL-RO3/Ext-PT IIS/VI/12 dated 4th June 2012</p> <p>Scheme smallholders: The cooperatives developed as part of PIR-Trans programme. The land was granted directly from government through "Keputusan Menteri Transmigrasi No. Kep.91/MEN/1991 tertanggal 29 Juli 1991 tentang Izin Pelaksanaan Transmigrasi PIR Trans kepada PT Inti Indosawit Subur dengan komoditas kelapa sawit di Lokasi Tungkal Ulu, Kabupaten Tanjung Jabung dan Lokasi Muara Bulian, Kabupaten Batanghari, Provinsi Jambi".</p> <p>Members of the cooperative have been granted with land certificate. Based on interview with schemesmallholders members and local government, there was no noted land dispute since this project started.</p>	Yes
PRINCIPLE 3: COMMITMENT TO LONG-TERM ECONOMIC AND FINANCIAL VIABILITY			
<p>Criterion 3.1 There is an implemented management plan that aims to achieve long-term economic and financial viability.</p>			

Criterion / Indicator	Assessment Findings	Compliance																																																							
<p>3.1.1 A business or management plan (minimum three years) shall be documented that includes, where appropriate, a business case for scheme smallholders.</p> <p>- Major compliance -</p>	<p>Mill: Observed that a mid term (5 years) business plan for Tungkal Ulu Mill available under document "Business Plan of PT. IIS Group Tungkal Ulu – year 2020". The business plan contains the following information:</p> <ul style="list-style-type: none"> - Actual processed FFB from year 2006 - 2016 (current), - Processed FFB projection year 2017, 2018, 2019, and 2020, projection based on actual processed FFB production. - OER and KER actual from 2007 and projection until 2019 - Production cost projection (Rupiah/tonne CPO) <p>E.g.</p> <ul style="list-style-type: none"> - Projection year 2017: FFB production in estate (24.30 tonnes/ha) and smallholder (20.18 tonnes/ha); OER 22.95 %, KER: 5.65%, Cost Production: Rp 2,595,xxx / ton CPO - Projection year 2018: FFB production in estate (20.75 ton/ha) and Plasma (20.18 tonnes/ha); OER 22.95 %, KER: 5.70%, Cost Production: Rp. xxxxx / ton CPO - No projection of expansion found in the business plan <p>The existing figures and projection values are reviewed and evaluated annually by management to adjust projection with actual performance. In general, the company still have good expectation on the business sustainability, despite recent drought problem.</p> <p>Estate: Company demonstrated "Rencana Usaha PT Inti Indosawit Subur – Group Tungkal Ulu for 2007 - 2019</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Year</th> <th style="text-align: center;">FFB Production (Ton/ha/yr)</th> <th style="text-align: center;">OER (%)</th> <th style="text-align: center;">Production cost (Rp/ton CPO)</th> <th style="text-align: center;">Replanting Porogram (ha)</th> </tr> </thead> <tbody> <tr><td>2011*</td><td style="text-align: center;">22.01</td><td style="text-align: center;">22.41</td><td></td><td></td></tr> <tr><td>2012*</td><td style="text-align: center;">24.79</td><td style="text-align: center;">22.02</td><td></td><td></td></tr> <tr><td>2013*</td><td style="text-align: center;">21.15</td><td style="text-align: center;">21.89</td><td></td><td></td></tr> <tr><td>2014*</td><td style="text-align: center;">21.38</td><td style="text-align: center;">21.74</td><td></td><td></td></tr> <tr><td>2015 (up to 03/2015)</td><td style="text-align: center;">21.38</td><td style="text-align: center;">22.73</td><td></td><td></td></tr> <tr><td>2016</td><td style="text-align: center;">23.09</td><td style="text-align: center;">22.86</td><td style="text-align: right;">2,865,105</td><td style="text-align: center;">307</td></tr> <tr><td>2017</td><td style="text-align: center;">21.94</td><td style="text-align: center;">22.95</td><td style="text-align: right;">2,595,833</td><td style="text-align: center;">607</td></tr> <tr><td>2018</td><td style="text-align: center;">20.75</td><td style="text-align: center;">22.95</td><td style="text-align: right;">2,152,130</td><td style="text-align: center;">597</td></tr> <tr><td>2019</td><td style="text-align: center;">16.98</td><td></td><td></td><td style="text-align: center;">610</td></tr> <tr><td></td><td></td><td></td><td></td><td></td></tr> </tbody> </table> <p>The estimation based on actual production realization from 2007 - 2015. The estimation including OER average, KER average, Production cost (Rupiah/tonne CPO).</p>	Year	FFB Production (Ton/ha/yr)	OER (%)	Production cost (Rp/ton CPO)	Replanting Porogram (ha)	2011*	22.01	22.41			2012*	24.79	22.02			2013*	21.15	21.89			2014*	21.38	21.74			2015 (up to 03/2015)	21.38	22.73			2016	23.09	22.86	2,865,105	307	2017	21.94	22.95	2,595,833	607	2018	20.75	22.95	2,152,130	597	2019	16.98			610						<p>Yes</p>
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	Criterion / Indicator	Assessment Findings	Compliance
		<p>Scheme smallholder: PT IIS helps prepared 3 years production budget 2015 – 2017 for all smallholder members. This information builds up for smallholder of PT IIS Tungkal Ulu, totalling 10,277 Ha. Production budget 2015 sets at 226,789 ton – productivity 22.07 ton/Ha. Production budget year 2016 sets at 227,413 ton – productivity 22.13 ton/Ha. Production budget year 2018 sets at 227,858 ton – productivity 22.17 ton/Ha.</p> <p>KUD “Karya Kita” 3-year production budget for KUD Karya Kita (1,168 ha): projection 2016: 26,570 tonnes (22.75 tonnes/ha/year), 2017: 26,626 tonnes (22.79 tonnes/ha/year) and 2018: 26,662 tonnes (22.83 tonnes/ha/year).</p> <p>KUD “Harapan Jaya” 3-year production budget for KUD Harapan Jaya (1,130 ha): projection 2016: 24,523 tonnes (21.70 tonnes/ha/year), 2017: 24,574 tonnes (21.79tonnes/ha/year) and 2018: 24,624 tonnes (21.79 tonnes/ha/year).</p>	

Criterion / Indicator	Assessment Findings	Compliance
<p>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. - Minor compliance –</p>	<p>Estate: Tungkal Ulu: Replanting program is documented in the budget plan. The budget plan state replanting in 2016 covering (307 Ha), 2017 (607 ha), 2018 (597 ha), 2019 (610 ha), 2020 (567 ha), 2021 (552 ha), 2022 (674 ha), 2023 (630 ha) and 2014 (252 ha).</p> <p>The replanting detailed each block is documented in “Rencana Blok Replanting” and replanting map is available.</p> <p>There is adjustment in planting hectarage compare than previous program based on review of Plantation Head.</p> <p>Company shows Memorandum No.01/HP/MEMO/FEB/13 from Head of Plantation dated 15th February 2013. The memo defines strategy for replanting preparation and land clearing technique – in order to mitigate Ganoderma and Phelinus infestation. For area high risk ganoderma: Topaz 45% : Socfindo 45% : Lonsum 5% : Dami 5%. For area low risk ganoderma: Topaz 70% : Socfindo 10% : Lonsum 10% : Dami 10%.</p> <p>Scheme Smallholders:</p> <p>Scheme smallholder: KUD Karya Kita: SHEME Smallholders has replanting program as documented in “Jadwal Rencana Replanting”, The scheme smallholders has reviewed the replanting programme; replanting planned forward to 2019 in KUD Sawit Kita due to some of members still has installment in Bank, the members don’t have reserve money for replanting and still negotiated with Bank.</p> <p>KUD Harapan Jaya: SHEME Smallholders has replanting program as documented in “Jadwal Rencana Replanting”, The scheme smallholders has reviewed the replanting programme; replanting planned forward to 2019 in KUD Sawit Kita and 2022 in KUD Harapan Jaya due to some of members still has installment in Bank, the members don’t have reserve money for replanting and still negotiated with Bank.</p> <p>Replanting program in KUD Harapan Jaya:in 2022 (400 ha), 2023 (392 ha) and 2024 (338 ha).</p>	<p style="text-align: center;">Yes</p>

Criterion / Indicator	Assessment Findings	Compliance
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 and mills shall be documented. - Major compliance -	<p>Estate and Mill:</p> <p>The company has procedures from land preparation up to despatch CPO PK, such as:</p> <ol style="list-style-type: none"> 1. SOP AA-APM-OP-1100.01. R1 (Seedling). 2. SOP AA-APM-OP-1100.02. R1 (SOP of Land Preparation). 3. SOP AA-APM-OP-1100.03. R1 (SOP of Roads & Bridges Construction and Maintenance). 4. SOP AA-APM-OP-1100.05. R1 (Soil & Water Conservation) 5. SOP AA-APM-OP-1100.06. R1 (Planting Legium Cover Crops) 6. SOP AA-APM-OP-1100.07-R1, last revision no. 02/HP/MEMO/FEB/13, (Planting). 7. SOP AA-APM-OP-1100.08. R1 (Weeding control) 8. SOP AA-APM-OP-1100.09. R1 (Fertilization) 9. SOP AA-APM-OP-1100.10. R1 (Pests & Disease Control) 10. SOP AA-APM-OP-1100.11. R1 (Pesticide Control) 11. SOP AA-APM-OP-1100.14. R1 (Census) 12. SOP AA-APM-OP-1100.18. R1 (Harvesting) 13. SOP AA-APM-OP-1100.19. R1 (FFB Transport) <p>SOP of the processing in PKS from FFB Receiving up to despatch of CPK / PK (SOP AA-MPM-OP-1400.03-RI till SOP AA-MPM-OP-1400.14-RI).</p> <p>PT Inti Indosawit Subur has a set of procedure for plantation operations; composed of procedure for land clearing, road network system, nursery, planting, fertilizer application, integrated weed control, integrated pest management, up to harvesting. The procedures are complemented with work instructions detailing requirement of each activities. All of SOP are collated inside Agricultural Policy Manual ASIAN AGRI Group dated 1st February 2013, consist of 20 types of SOP.</p> <p>The estates operate in accordance with the Agricultural Policies. The mill operates in accordance with the Standard Operating Procedures.</p> <p>Estates: Agricultural Policies, first issue 1 August 2010, covers all aspects of oil palm plantation from land clearing preparation up to harvesting and FFB evacuation.</p>	Yes

	Criterion / Indicator	Assessment Findings	Compliance
		<p>PT Inti Indosawit Subur has a set of procedure for mill/FFB processing operations. The procedure comprise of FFB receiving and grading, FFB processing from receiving up to dispatch of CPO, as well as maintenance of mill machineries. PT IIS is also demonstrates a set of specific procedures for supply chain in the mill. Standard Operating Procedures for Laboratory covering quality checks, losses analysis and product standards. The mill revised Policy Manual was dated 26th August 2011. No any revision since 2014 up to now.</p> <p>The procedure complemented with work instructions indicating specific parameter/requirement for each process/activities. Document seen: Mill Policy Manual. Additional SOP for Supply Chain: Traceability AA-MPM-OP-1400.17-R3, dated 23rd October 2013; Scheme smallholders:</p> <p>Scheme smallholders: KUD/cooperative refers to Agricultural Policy Manual issued by PT IIS – Tungkal Ulu. The Manual comprise of seedling preparation, pest and disease control, fertilizer application, spraying, pest control, IPM, harvesting, pruning, road maintenance and transport, and FFB harvesting</p>	

4.1.2	Criterion / Indicator	Assessment Findings	Compliance
	<p>A mechanism to check consistent implementation of procedures shall be in place.</p> <p>- Minor compliance –</p>	<p>Mill: Sighted master list of SOP for FFB processing in mill under “Mill Policy Manual”. The master list provides list of all procedures applicable in mills, categorized into 16 categories of stations and process. E.g. procedures at Loading Ramp, Sterilizer, Press, etc.</p> <p>For each station, sets of work instructions (WI) available derived from the SOP. The WI available in Bahasa Indonesia and distributed to all relevant workplace, as seen during ASA-4 file visit in all stations.</p> <p>To ensure implementation of SOPs and work instruction, two internal audits have been implemented annually, namely:</p> <ul style="list-style-type: none"> - Internal audit on integrated sustainability (ISPO, RSPO, ISCC, and SMK3) which covers all aspects of sustainability practises in mills in accordance with applicable standard. - VE (Visit Engineering) at least once in a year by appointed engineer. <p>Estate: PT Inti Indosawit Subur has a mechanism to conduct internal audit. Standar Operating Procedures – Audit Internal No.SOP AA-SOP-ES-6001-R2 dated 15th August 2014.</p> <p>Tungkal Ulu estate visited by plantation advisor annually, the last Agronomy Visit on 22 – 24 April 2015 conducted by Mr. Jhonson Situmorang.</p> <p>Estate managers and each managerial level are responsible for daily monitoring of plantation upkeep, production, infrastructure reliability, and other field activities.</p> <p>PT IIS Tungkal Ulu has internal audit agronomy to checks the compliance of work; this internal audit to verify the quality of harvesting, fertilizer application and spraying works.</p> <p>Standard Operating Procedures of internal audit available under SOP “AA-SOP-ES-6001-R2” dated 15th August 2014. For daily implementation, mill managers has responsible for monitoring of SOP implementation.</p> <p>Scheme smallholders: Monitoring consistent implementation at scheme smallholder through visit by Head Plasma. Latest visit recorded on 7-9th April 2016 as documented in “Notulen Kunjungan Lapangan (Head Plasma, Manager Plasma & Assisstant),</p>	<p style="text-align: center;">Yes</p>

Criterion / Indicator	Assessment Findings	Compliance
<p>4.1.3</p> <p>Records of monitoring and any actions taken shall be maintained and available, as appropriate.</p> <p>- Minor compliance –</p>	<p>Estate:</p> <p>Estate and mill carry out daily monitoring through field inspection records and mill inspection records. It is a routine that the estate and mill management prepare monthly reports and send to the company’s head office for monitoring purpose as well. All field inspection results are recorded in Monthly Report.</p> <p>Estate shows VA report No.KTU/R&D-AGRO/01-15 date of visit 22 – 24 April 2015. Management shows Action Plan Kunjungan VA, a summary of action plan as response to VA visit.</p> <p>Records of “Internal audit Sustainability Integrasi” is available, date of visit 30th April 2016. Correction and corrective action result has been provided.</p> <p>Monthly report of estate is documented in “Laporan Uni Kebun” is covering: labour, infrastructure, rainfall data, palm tree, cost, stock, production of FFB, and hectare statement.</p> <p>Mill:</p> <p>Monthly report in Mill is documented in “Laporan Unit Pabrik”, LUP and Mill Operation Summary is covering: Mill legal permit, facilities, manpower, operator permit, Working daily, Accident report, payment salary, overtime, FFB received, CPO and PK Production, OER, KER, laboratory, water treatment, FFB quality, environmental, UKL – UPL, monitoring of POME, cost production, maintenance, storage, etc, e.g. LUP and Mill Operation Summary in April 2016 is verified.</p> <p>Upon integrated internal audit and VE result, records of corrective action is available. Correction and corrective actions have been implemented.</p> <ul style="list-style-type: none"> - Latest Internal audit on integrated sustainability was held on April 28, 2016. From the audit, 8 NCRs were raised and all have been followed up (closed out). - Latest VE (Visit Engineering) for year 2016 was conducted on 16 – 20th March 2016 by Mr. TCJ Thomas as expert engineer. Report available which shows that Mill competency score was 74%. - All CARs raised from the VE have been followed up (100%) by mill management, mostly were related with sufficiency of maintenance and monitoring. <p>Scheme smallholders:</p> <p>Monitoring consistent implementation at scheme smallholder through visit by Head Plasma. Latest visit recorded on 7-9th April 2016. A number of issues identified such as FFB quality, harvesting cycle, TBS restan, Prasarana jalan dan jembatan (road and bridge facilities), and hutang piutang KUD.</p> <p>Visiting Agronomy report included corrective action plan, timeline, PIC and supporting.</p>	<p>Yes</p>

Criterion / Indicator	Assessment Findings	Compliance
<p>4.1.4</p> <p>The mill shall record the origins of all third-party sourced Fresh Fruit Bunches (FFB).</p> <p>- Major compliance -</p>	<p>Mill:</p> <p>Tungkal Ulu Mill uses mass balance scheme as can still FFB from both certified and uncertified sources. In latest one year, there are 31 approved FFB suppliers listed as supplier of FFB. Written contract available for each supplier.</p> <p>To verify certification status of incoming FFB, an SOP regarding Supply Chain and Traceability has been applied. The SOP contains procedure on verification the origin of FFB and its certification status.</p> <p>Mill maintains daily records of all incoming FFB which covers: the origin, weight, transporter details and other details of the FFB received. Mill incorporates the daily data into the Monthly Report and produce mass balance report.</p> <p>Record from past one year shows that 38% of incoming FFB to Tungkal Ulu Mill came from uncertified third parties. 62% came from its own estate or scheme smallholder.</p> <p>Field check to weighbridge station showed that List of Approved FFB Supplier has been maintained and updated periodically through a computerized weighbridge system (WBSmills). Any change in supplier list can only made by authorized person in head office with refers to FFB supply contract. By system, non listed (official) suppliers will not be able to supply FFB to mill, because they do not have specific ID.</p> <p>List of outgrowers/third parties source FFB:</p> <ol style="list-style-type: none"> 1. TB; 1,065.52 tonnes 2. NZ; 26,755.95 tonnes 3. SJI; 2,111.25 tonnes 4. GPTU; 3,462.79 tonnes 5. KSP; 257.42 tonnes 6. GRB; 57.85 tonnes 7. GPP; 2,928.91 tonnes 8. MT; 2,297.17 tonnes 9. PLL; 28,633.71 tonnes 10. BU SP1; 3,976.54 tonnes 11. GMJ; 6,472.33 tonnes 12. PT; 1,345.66 tonnes 13. VCT; 221.47 tonnes 14. GUB; 2,761.43 tonnes 15. GNZ; 290.23 tonnes 16. ATB; 1,573.13 tonnes <p>Estate and Schemesmallholders: N/A</p>	<p>Yes</p>

Criterion / Indicator	Assessment Findings	Compliance
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 There shall be evidence that good agriculture practices, as contained in Standard Operating Procedures (SOPs), are followed to manage soil fertility to a level that ensures optimal and sustained yield, where possible. - Minor compliance –	Estate: Estate field standard are documented for all estates and management is by Agricultural policy and SOP's. A number of specific operating procedures is in place to manage fertility through application of fertilizer and other organic matter as nutrition. - Chapter 14 – Fertilizer Policy No.OP/C14/06/01 dated 1st June 2006 explains fertilizer recommendation, empty bunches mulching, Mature and immature fertilizer regime; - Chapter 15 – Fertilizer sampling Policy for Quality Control No.OP/C15/06/01 dated 1st June 2006; - Chapter 16 – Sample taking Policy No.OP/C16/06/01 tanggal 1 Juni 2006 explains sample taking, sampling on the ground, vegetative measurement, sampling frequency, etc.;; SOP Fertilizer Application MAT 4 ver.1 dated 1st September 2010 related to oil palm fertilizer; SOP POME Application MAT 20b related to Palm Oil Mill Effluent utilization as liquid nutrient; Scheme smallholders: The cooperatives are following PT Inti Indosawit Subur's procedures to maintain soil fertility. The procedures comprise of fertilizer application and cover crop planting. Cooperatives follow these procedures; leaf samplings are taken annually to accurately capture palm nutrient requirement (both macro and micro nutrient) and to provide information of nutrient requirement and fertilizer recommendation. Anorganic fertilizer application follows fertilizer recommendation. Another effort is to plant legume cover crop.	Yes

Criterion / Indicator	Assessment Findings	Compliance																																										
<p>4.2.2</p> <p>Records of fertiliser inputs shall be maintained.</p> <p>- Minor compliance –</p>	<p>Estate:</p> <p>Fertilizer recommendation and actual implementation is recorded under “Rekomendasi Pemupukan 2016 PT Inti Indosawit Subur – Tungkal Ulu tahun 2015”.</p> <p>The fertilizer recommendation defines the fertilizer recommendation per afdeling, type of fertilizer, dosage per palm, total tonnage, month of application, e.g. Fertilizing in 2016</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Rotasi/Block</th> <th style="text-align: center;">Type of Fertilizer</th> <th style="text-align: center;">Recom. (kg/ha/palm)</th> <th style="text-align: center;">Applied (kg/ha/palm)</th> </tr> </thead> <tbody> <tr> <td rowspan="6" style="text-align: center;">Rotasi 1 (block B91c)</td> <td style="text-align: center;">ZA</td> <td style="text-align: center;">1.50</td> <td style="text-align: center;">1.50</td> </tr> <tr> <td style="text-align: center;">RP</td> <td style="text-align: center;">1.00</td> <td style="text-align: center;">1.00</td> </tr> <tr> <td style="text-align: center;">MOP</td> <td style="text-align: center;">1.00</td> <td style="text-align: center;">1.00</td> </tr> <tr> <td style="text-align: center;">Dolomite</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> </tr> <tr> <td style="text-align: center;">Borak</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> </tr> <tr> <td style="text-align: center;">EFB</td> <td style="text-align: center;">370</td> <td style="text-align: center;">370</td> </tr> <tr> <td rowspan="6" style="text-align: center;">Rotasi 1 (block B91f)</td> <td style="text-align: center;">ZA</td> <td style="text-align: center;">2.00</td> <td style="text-align: center;">2.00</td> </tr> <tr> <td style="text-align: center;">RP</td> <td style="text-align: center;">1.50</td> <td style="text-align: center;">1.50</td> </tr> <tr> <td style="text-align: center;">MOP</td> <td style="text-align: center;">2.00</td> <td style="text-align: center;">2.00</td> </tr> <tr> <td style="text-align: center;">Dolomite</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> </tr> <tr> <td style="text-align: center;">Borak</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> </tr> <tr> <td style="text-align: center;">EFB</td> <td style="text-align: center;">250</td> <td style="text-align: center;">250</td> </tr> </tbody> </table> <p>Scheme smallholders:</p> <p>Fertilizer recommendation and actual implementation is recorded.</p> <p>KUD Karya Kita: Record of fertilizer recommendation and actual applied is maintained in “Rekomendasi Pemupukan Tahun 2016, e.g. KT 1, Planting year 1991, total 44 ha. Recommendation for fertilizer MOP 1.75 kg/palm/cycle; total applied in cycle 1 is 9,625 for area 44 ha (5,500 palm tree) = 1.75 kg/palm tree/cycle.</p> <p>KUD Harapan Jaya: Record of fertilizer recommendation and actual applied is maintained in “Rekomendasi Pemupukan Tahun 2016, e.g. KT 2, Planting year 1993, total 40 ha. Recommendation for fertilizer ZA 2.25 kg/palm/cycle 1; total applied in cycle 1 is 11,250 for area 40 ha (5,500 palm tree) = 1.75 kg/palm tree/cycle.</p>	Rotasi/Block	Type of Fertilizer	Recom. (kg/ha/palm)	Applied (kg/ha/palm)	Rotasi 1 (block B91c)	ZA	1.50	1.50	RP	1.00	1.00	MOP	1.00	1.00	Dolomite	-	-	Borak	-	-	EFB	370	370	Rotasi 1 (block B91f)	ZA	2.00	2.00	RP	1.50	1.50	MOP	2.00	2.00	Dolomite	-	-	Borak	-	-	EFB	250	250	<p>Yes</p>
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Criterion / Indicator	Assessment Findings	Compliance
<p>4.2.3</p> <p>There shall be evidence of periodic tissue and soil sampling to monitor changes in nutrient status.</p> <p>- Minor compliance –</p>	<p>Estate: Company is able to demonstrate Foliar Analysis Report from PT Nusa Pusaka Kencana Analytical & QC Laboratory. The latest foliar analysis carried out June 2014, as base for fertilizer recommendation 2015.</p> <p>Document seen: Foliar Analysis Report No.074/INT/R&D/JUN/L/15 dated 3rd 26/05/2015 for recommendation fertilizer in 2016.</p> <p>Soil Analysis carried out every 6 years, the last soil analysis in September 2010 and planned soil survey in this year. Soil Analysis is documented in "Laporan Survey Tanah Semidetil Area Perkebunan Kelapa Sawit PT Inti Indosawit Subur Kebun Tungkal Ulu". Based on the report, the physiographic location in plain with hilly tuffaceous sedimentary rocks. Lithology parent material is clay and sand. Topographic of the area is rolling to hilly. Natural fertility is low to medium.</p> <p>Scheme smallholders: KUD Karya Kita: Periodic tissue sampling carried out annually, the last leaf sampling in 2015 for each KUD areas, e.g. KUD Karya Kita (Hampan 6) in 2015, testing result N (2.23 % on DM), P (0.144 % on DM), K (0.84 % on DM), Mg (0.21 % on DM), Ca (0.61 % on DM) and Minor elelemt 9 ppm on DM.</p> <p>KUD Karya Kita: Periodic tissue sampling carried out annually, the last leaf sampling in 2015 for each KUD areas, e.g. Hampan 12 in 2015, testing result N (2.51 % on DM), P (0.166 % on DM), K (0.80 % on DM), Mg (0.19 % on DM), Ca (0.92 % on DM) and Minor elelemt 10 ppm on DM.</p>	<p>Yes</p>

Criterion / Indicator		Assessment Findings	Compliance
4.2.4	<p>A nutrient recycling strategy shall be in place, and may include use of Empty Fruit Bunches (EFB), Palm Oil Mill Effluent (POME), and palm residues after replanting.</p> <p>- Minor compliance -</p>	<p>Estate: The company applied EFB to increase the soil fertility, e.g. applied EFB from January 2016 – May 2016 (total 24,451,005 Kg)</p> <p>The company also applied POME in Land Application (LA), e.g. applied POME in January 2016 (12,220 MT in area 65.17 ha), February 2016 (10,589 MT in area 56.47 ha), March 2016 (7,905 MT in area 42.16 ha), April 2016 (8.154 MT in area 43.49 ha), June 2016 (7,979 MT in area 42.55 ha)</p> <p>Applied Decanter Solid 1,752,327 Kg up to up to May 2016..</p> <p>Scheme Smallholders: No smallholders applied EFB and effluent</p>	Yes
Criterion 4.3			
Practices minimise and control erosion and degradation of soils.			
4.3.1	<p>Maps of any fragile soils shall be available.</p> <p>- Major compliance -</p>	<p>Estate: Soil Analysis carried out in September 2010. Reported under "Laporan Survey Tanah Semidetil Area Perkebunan Kelapa Sawit PT Inti Indosawit Subur Kebun Tungkal Ulu". Based on the report, the physiographic location in plain with hilly tuffaceous sedimentary rocks. Lithology parent material is clay and sand. Topographic of the area is rolling to hilly. Natural fertility is low to medium.</p> <p>Soil suitability: S2 2,357.5Ha (47.3%) with limiting factor of low natural fertility with low pH; S3 2,200.1 Ha (44.7%) with limiting factor of topographic condition (slope 15-30%); N1 (not suitable) 391.4 Ha (8%) with limiting factor of slope more than 30%.</p> <p>Scheme smallholder: PT Inti Indosawit Subur – Tungkal Ulu prepared soil map based on soil type map, as per amdAL document. The soil type for smallholder area explains under "Peta Group Tanah dan Geologi".</p>	Yes

Criterion / Indicator	Assessment Findings	Compliance
<p>4.3.2</p> <p>A management strategy shall be in place for plantings on slopes above a certain limit (this needs to be soil and climate specific).</p> <p>- Minor compliance –</p>	<p>Estate: Continuous Improvement Plan Kebun Tungkal Ulu is to have continuous terrace, road drainage, drain maintenance. Implementation of terrace under “Rekapitulasi Program Teresan Manual 2015”. Program is to have 2,331 meters in Afdeling I; 10,346 meters in Afdeling II; 1,338 meters in Afdeling III; 14,765 meters in Afdeling IV; 3,977 meters in Afdeling V; 2,231 meters in Afdeling VI. Actual manual terrace construction is 100 meters in Afdeling I for January, 300 meters in Afdeling III for February and 600 meters in Afdeling III for May 2015.</p> <p>Planning for road drainage 2015 is 295 units. Record of implementation in January 2015 Afdeling constructed I 15 units, Afdeling II constructed 18 units, Afdeling III constructed 21 units, Afdeling IV constructed 13 units, Afdeling V constructed 15 units, and Afdeling VI constructed 10 units. In February 2015 Afdeling constructed I 19 units, Afdeling II constructed 8 units, Afdeling III constructed 10 units, Afdeling IV constructed 14 units, Afdeling V constructed 19 units, Afdeling VI constructed 15 units. In March 2015 Afdeling I constructed 22 units, Afdeling II constructed 18 units, Afdeling III constructed 23 units, Afdeling IV constructed 25 units, Afdeling V constructed 22 units, Afdeling VI constructed 28 units.</p> <p>Drain maintenance programmed for 400 units in 2015. Record shows in January 2015 company has 100 unit drains maintained in Afdeling I. In February 2015 company has 300 unit drains maintained in Afdeling III.</p> <p>Scheme smallholder: Cooperative follows PT Inti Indosawit Subur’s procedure for land clearing stated that no land clearing should performed on area with slope >40%. The strategy implemented by cooperatives is frond stacking and maintain natural vegetation as cover crop. Specific for low-laying area, the strategy is to maintain cover crop, drainage ditch and frond stacking. Based on semi-detail soil survey map and field visit – there is 2,854 Ha area with limiting factors of topography and poor drainage.</p>	<p>Yes</p>

4.3.3	Criterion / Indicator	Assessment Findings	Compliance
	<p>A road maintenance programme shall be in place.</p> <p>- Minor compliance –</p>	<p>Estate: Road maintenance programme is available in Tungkal Ulu estate.</p> <p>Based on filed visit in Afdeling V shown that the company has conducted a maintenance of road properly, the evidences are main road and collection road in good condition. Based on document review in "Realisasi Pengerasan Jalan dan grading Afdeling V tahun 2016", shown that the company has conducted</p> <p>Scheme smallholders: KUD Karya Kita: Road maintenance program is documented in "Program Perbaikan Jalan – KUD" e.g. Road maintenance in KUD Karya Kita; Road maintenance for each Kelompok Tani (Farmer Group is detailed monthly, for 2015 (89,020 metres) achieve 100% in 2015. Road maintenance in 2016, planned 89,030 metres; actual 23,100 metres up to April 2016. Based on field visit, it was found that road maintenance programme is implemented.</p> <p>Road maintenance programme is available in form of planning for levy deducted from each kg FFB sold from KUD. The deduction for road maintenance carried out by KUD (Rp. 3/kg for main road and Rp. 5/kg for collection road), total deduction is Rp. 8/kg FFB produced.</p> <p>KUD Harapan Jaya: Road maintenance program is documented in "Monitoring Realisasi Perbaikan Jalan Tahun 2016 – KUD Harapan Jaya"; Road maintenance for each Kelompok Tani (Farmer Group is detailed monthly), actual road maintfor 2015 (89,020 metres) achieve 100% in 2015. Road maintenance in 2016, planned 89,030 metres; actual 23,100 metrncance in 2014 (63,010 metres), 2015 (63,536 metres) and up to May 2016 (21,350 metres)</p> <p>Based on field visit, it was found that road maintenance programme is implemented.</p> <p>Road maintenance programme is available in form of planning for levy deducted from each kg FFB sold from KUD. The deduction for road maintenance carried out by KUD (Rp. 5/kg)</p>	<p>Yes</p>

Criterion / Indicator		Assessment Findings	Compliance
4.3.4	<p>Subsidence of peat soils shall be minimised and monitored. A documented water and ground cover management programme shall be in place.</p> <p>- Major compliance –</p>	<p>Estate: Based on the semi-detailed soil analysis, the soil type falls into loam and clay. There is no peat soil identified within PT Inti Indosawit Subur – Tungkal Ulu plantation.</p> <p>Scheme smallholders: Based on soil map, there is no peat soil in the area of KUD/Scheme smallholders. Furthermore, base on field visit there is no peat soil on farmer plots.</p>	Yes
4.3.5	<p>Drainability assessments shall be required prior to replanting on peat to determine the longterm viability of the necessary drainage for oil palm growing.</p> <p>- Minor compliance –</p>	<p>Estate: Based on the semi-detailed soil analysis, the soil type falls into loam and clay. There is no peat soil identified within PT Inti Indosawit Subur – Tungkal Ulu plantation.</p> <p>Scheme smallholders: Based on soil map, there is no peat soil in the area of KUD Sawit Kita. Furthermore, base on field visit there is no peat soil on farmer plots.</p>	Yes
4.3.6	<p>A management strategy shall be in place for other fragile and problem soils (e.g. sandy, low organic matter, acid sulphate soils).</p> <p>- Minor compliance –</p>	<p>Estate: Based on semi-detailed soil survey, there is no peat soil in Tungkal Ulu Estate.</p> <p>Recommendation for area with steep slope (>30%) is not to open. Recommendation for area with low natural fertility is to apply EFB. Block B91d, planting year 1991, 101 Ha, mineral soil, rolling/hilly area. Recommendation for EFB 370kg/palm; total application 3,758,830 kg from January – May 2015.</p> <p>Block B91f, planting year 1991, 73 Ha, mineral soil, rolling/hilly area. No recommendation for EFB; total application 87,780 kg for January – February 2015.</p> <p>Block D91c, planting year 1991, 85 Ha, mineral soil, rolling/hilly area. Recommendation for Solid 70kg/palm; total application 782,670kg from February-May 2015.</p> <p>Scheme smallholders: Farmer implemented minimum spraying (using spraying team service), frond stacking against contour line and maintain natural vegetation and beneficial plants. This best management practices implemented at a number of farmer plot of KUD Sawit Kita, where slope identified >25%.</p>	Yes
<p>Criterion 4.4 Practices maintain the quality and availability of surface and ground water.</p>			

Criterion / Indicator		Assessment Findings	Compliance
4.4.1	<p>An implemented water management plan shall be in place.</p> <p style="text-align: center;">- Minor compliance -</p>	<p>Mill, Estate, and Schemesmallholders: The company has established water management plan as documented in "Water Management Plan – Kebun Tungkal Ulu", consist of management water supply for domestic, water consumption and measurement of water quality.</p> <p>The company has conducted measurement of water quality regularly and consistent, the result shown that water quality is complies with national regulation, e.g. Ground water usage testing result in November 2015 iver water in upstream and downstream Benanak River in November 2015,</p> <p>Hasil uji air limbah POME; certificate no. 1338 in December 2015 by independent laboratory (UPTB Laboratorium Lingkungan Hidup –BLHD Prov. Jambi), BOD 483 mg/L.</p>	Yes
4.4.2	<p>Protection of water courses and wetlands, including maintaining and restoring appropriate riparian and other buffer zones (refer to national best practice and national guidelines) shall be demonstrated.</p> <p style="text-align: center;">- Major compliance -</p>	<p>Mill, Estate, and Schemesmallholders: The water used for domestic purposes comes from the surface water then pumped into the tank and supplied to the employee residences. To maintain the water source, the company have been planted the native trees around along rivers.</p> <p>The company has demarcated 50 metres (left and rights side) along the small river) and 100 metres for large river as riparian zones and no any spraying in those areas to prevent chemical contamination into the river.</p> <p>SOP for maintaining riparian zone is under SOP AA-APM-OP-1100.05. R1 "Konservasi Tanah dan Air", it is stated that at during land clearing area along the river shall be conserved.</p> <p>Scheme Smallholders: Based on field visit, it was no found chemical applied along the water course; signboards are available in water course/river which prohibited applied checmical along the river.</p>	Yes

Criterion / Indicator	Assessment Findings	Compliance
<p>4.4.3</p> <p>Appropriate treatment of mill effluent to required levels and regular monitoring of discharge quality, especially Biochemical Oxygen Demand (BOD), shall be in compliance with national regulations (Criteria 2.1 and 5.6).</p> <p>- Minor compliance –</p>	<p>Mill:</p> <p>Observed during field check a proper Waste Water Treatment Facility to reduce BOD value before it is discharged to land application. There are 10 units of pond with total capacity of 89,074 m³. It uses unaerobic method to reduce BOD into permissible level.</p> <p>In addition, a biogas power plant is under construction in 2016 and projected to be finished in 2017.</p> <p>Mill conducts routine (monthly) check on mill effluent quality before it is discharged to land application. The independent and accredited Laboratory (UPTB Laboratorium Lingkungan Daerah Provinsi Jambi) collects samples and tests the effluent discharge monthly for compliance.</p> <p>Observed that the results for the BOD Monitoring complied with all effluent discharge licence parameters (KepmenLH No. 28 with regards to BOD limits of effluent discharge for land application). The BOD of the treated Mill effluent discharge was maintained consistently less than 5,000 mg/L throughout 2015 and 2016. In addition, the effluent volume applied in estate consistent to the permit (<600 m3 per day).</p> <p>Example of effluent quality monitoring result for last three months :</p> <ul style="list-style-type: none"> - April 2016: BOD was 1.810 mg/L, average debit 372.76 m3/day - March 2016: BOD was 605 mg/L, average debit 457.18 m3/day - Februari 2016: BOD was 97 mg/L, average debit 526.88 m3/day <p>Land applicaiton permit available (see indicator 2.1.1), valid until 17 September 2016.</p> <p>Estate and Schemesmallholders: N/A</p>	<p>Yes</p>

Criterion / Indicator	Assessment Findings	Compliance
<p>4.4.4 Mill water use per tonne of Fresh Fruit Bunches (FFB) (see Criterion 5.6) shall be monitored. - Minor compliance –</p>	<p>Mill: Observed monitoring result of water usage in mills includes monitoring of water usage for mill processing and domestic usage. Result of water usage monitoring is recorded under “Mill Operation Summary 2016”. Review on record confirmed met with the approved budget for processing and domestic.</p> <p>Record of water usage for FFB processed is recorded in “Data Monitoring Pemakaian Air PMB”, e.g. average water usage <u>for process</u> in 2016 up to May 2016 is 1.21 m3/tonnes FFB, with average annual budget 1.10:</p> <ul style="list-style-type: none"> - January : 1.26 m3/tonnes FFB - February : 1.2 m3/tonnes FFB - March : 1.19 m3/tonnes FFB - April : 1.22 m3/tonnes FFB - May : 1.18 m3/tonnes FFB <p>The figure shows actual water consumption exceeding budget. According to management review, this occurs due to low FFB input (30%) in recent months.</p> <p>Reference of water usage and water efficiency monitoring: SOP AA-MPM-OP-1400.11-R1</p> <p>Estate and Schemesmallholders: N/A</p>	<p>Yes</p>
<p>Criterion 4.5 Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques.</p>		

4.5.1	Criterion / Indicator	Assessment Findings	Compliance
	<p>Implementation of Integrated Pest Management (IPM) plans shall be monitored.</p> <p>- Major compliance -</p>	<p>Estate: IPM Plan includes early warning system and the planting of beneficial plants. Records of bagworm census and black bunch census from each estate are available. From these records no infestation above economic threshold.</p> <p>Integrated Pest Management:</p> <ol style="list-style-type: none"> Census of Pests and Diseases held in 3 monthly bases, the latest census was conducted in May 2016, there were attacks <i>Sethosea assigna</i> (Nettle Caterpillar) that exceed the threshold that covers an area of 27 ha that have been implemented chemicals control, for which is still under threshold with biological control (beneficial plant), for which the company has added the planting of beneficial plant. Barn owl for control of rat pest, there were 188 barn owl (with ratio 1:25 Ha). The company has been carrying out a census of barn owl every 3 months, the last monitoring was conducted in May 2016 was found that occupancy rate is 52% (occupied) and based on existing owl's feces, it was found occupancy rate is 100%. Planting of beneficial plant in 2015 is 6,800 points (@ 6 pieces) dan in 2016 up to May 2016 is 4,906 points. Record of rat and tirathaba attack is monitored monthly, e.g April 2016 there were attacks in Afdeling I to IV exceeding the threshold attacks 5% of plants that attacked. The company has added and update with permanent barn owl (KBH) to anticipation of rat pest attack with ratio 1:25 Ha. Rat attacks on Afdeling V-VII showed small attack, i.e: 0.12%, 0.21% and 3.69%, due to cages of owl (ratio 1:25) has been fulfilled. <p>Scheme smallholders: KUD Karya Kita: Records of pest monitoring/census are available to monitor the pest attack of eating leaf caterpillar from January – April 2016. The result shows no pest infestation above economic threshold.</p> <p>Farmer groups installed barn owl boxes, to control the rat infestation. These barn owl boxes found on KT 1, KT 10, KT 18 and KT 26 KUD Karya Kita. Total barn owl 20 units.</p> <p>Beneficial plant such as <i>Cassipourea</i> planted 765 point in January – June 2016.</p> <p>KUD Harapan Jaya: Records of pest monitoring/census are available to monitor the pest attack of eating leaf caterpillar from January – April 2016 as documented in "Formulir Sensus Hama Daun". The result shows no pest infestation above economic threshold.</p> <p>Farmer groups installed barn owl boxes, to control the rat infestation. These barn owl boxes found on KT 1, KT 10, KT 18 and KT 26 KUD Karya Kita. Total barn owl 24 units (7 units in good condition and 17 units were broken), there is planning in 2016 to activate barn owl this year.</p>	<p>Yes</p>

	Criterion / Indicator	Assessment Findings	Compliance
4.5.2	Training of those involved in IPM implementation shall be demonstrated. - Minor compliance –	<p>Estate: Training records for staff on IPM implementation were available and verified to be satisfactory during on-site assessment. Training records seen from Tungkal Ulu estate comprise of pest and disease management and weed management.</p> <p>Pest and Disease Clinic dated 26th November 2014, attended by 30 personnels from managers to field supervisor level.</p> <p>Scheme smallholders: KUD Manunggal Jaya: KUD Karya Kita (Lihat 4.8.1) KUD Harapan Jaya (lihat 4.8.1) Training Hama dan Penyakit (Pengendalian Ulat Api) was conducted on 23/10/2015, attended 20 members (attendance list and training material are available).</p>	Yes
<p>Criterion 4.6 Pesticides are used in ways that do not endanger health or the environment.</p>			

	Criterion / Indicator	Assessment Findings	Compliance
4.6.1	<p>Justification of all pesticides used shall be demonstrated. The use of selective products that are specific to the target pest, weed or disease and which have minimal effect on non-target species shall be used where available.</p> <p>- Major compliance -</p>	<p>Estate: The justification of pesticide used is explained under company procedure. PT Inti Indosawit Subur shows "SOP Pengendalian Gulma No.AA-APM-OP-11100.08-R1" dated 1st November 2008. Chapter IV explains the weed control program for woody, grass, fern, caladium, wild banana (Musa spp), Aystasia. It does explain active ingredients use to control such weed, dosage per application, type of nozzle used and volume of spraying per application.</p> <p>Chapter V explains selection of pesticide and its active ingredients content, nature of the pesticide and target species. Chapter VII describes calculation of actual area implemented per hectare plantation (spray factor), spraying rotation and spraying output. Interview with herbicide sprayer, they understand the target species and active ingredients to control them. Sprayer shows knowledge on minimizing chemical impact on beneficial weed.</p> <p>Scheme smallholders: The members of the Scheme Smallholders have agreed with the PT Inti Indosawit Subur to eliminate paraquat use. Herbicide applied by trained sprayers of PT Inti Indosawit Subur.</p> <p>Record of herbicide application shows there is no use of agrochemicals categorized as WHO Type 1A or 1B within smallholder blocks.</p> <p>List of pesticides was usage is available in "Daftar Pestsida yang digunakan oleh PT. IIS – Tungkal Ulu"</p>	Yes

Criterion / Indicator	Assessment Findings	Compliance
<p>4.6.2</p> <p>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 provided.</p> <p>- Major compliance -</p>	<p>Estate: Records of pesticide use (including active ingredients used and their LD50, area treated amount of active ingredient applied per Ha and number of applications) had been maintained and kept by Agronomy, starting from 2013. Verified that records of monitoring were satisfactory.</p> <p>Sample taken: Estate: - Applied pesticide on 25/04/2016 in Block A90F (105 ha); type: Kenlon (Trychlopir butoxy ethyl ester); for "Gawangan" is 375 cc/ha. - Applied Polydor (ingredient: Lamda silahotrin) for controlling Nettle Caterpillar in Division VII (27 ha) with dosage 0.3 liter/ha.</p> <p>Scheme Smallholders: KUD Karya Kita: Pesticide application is recorded in "Rekapitulasi rencana dan Realisasi TUS Tahun 2015.</p> <p>Sample taken: Applied pesticide in cycle 1 (Rotasi 1) in 2015 in SP 1; Glyphosate 113.8 liters. (Dosis 1.21 liters/ha).</p> <p>KUD Harapan Jaya: Pesticide application is recorded in "Rekapitulasi rencana dan Realisasi TUS Tahun 2015.</p> <p>Sample taken: Applied pesticide in cycle 1 (Rotasi 1) in 2015 in SP 2; Paraquat 293.0 liters. (Dosis 0.79 liters/ha).</p>	<p>Yes</p>
<p>4.6.3</p> <p>Any use of pesticides shall be minimised 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 national Best Practice guidelines.</p> <p>- Major compliance -</p>	<p>Estate and Schemesmallholders: It is the policy to minimize the use of pesticide in accordance to IPM plan. No prophylactic use of pesticide had been carried out at the estates for the period concerned. The pesticide reduction program is monitored on usage per hectare basis.</p>	<p>Yes</p>

Criterion / Indicator	Assessment Findings	Compliance
<p>4.6.4 Pesticides that are categorised as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions, and paraquat, are not used, except in specific situations identified in national Best Practice guidelines. The use of such pesticides shall be minimised and eliminated as part of a plan, and shall only be used in exceptional circumstances.</p> <p>- Minor compliance -</p>	<p>Estate: The company has recorded Paraquat usage monthly and yearly basis, based on document review, it was seen Paraquat usage base yearly series, such as: 2009 (664 liters), 2010 (1,307 litres), 2011 (259 liters), 2012 (298 liters), 2013 (180 liters), 2014 (172 litres), 2015 (684 litres), up to May 2016 (1.089 liters), it was seen that increasing Paraquat usage, however no any plan to eliminate. (Minor NC raised)</p> <p>Scheme smallholders: Monitoring of Paraquat usage in all KUDs in 2014 (2,807 liters) and 2015 (2,604 liters)</p> <p>KUD Karya Kita Rekaman penggunaan Paraquat tahun 2014 (332 liters) and 2015 (327 liters).</p> <p>KUD Harapan Jaya: Rekaman penggunaan Paraquat tahun 2014 (319.2 liters) and 2015 (316 liters).</p>	<p>No</p>
<p>4.6.5 Pesticides shall only be handled, used or applied by persons who have completed the necessary training and shall always be applied in accordance with the product label. Appropriate safety and application equipment shall be provided and used. All precautions attached to the products shall be properly observed, applied, and understood by workers (see Criterion 4.7).</p> <p>- Major compliance -</p>	<p>Estate and Scheme Smallholders: Agrochemical is only handled, used and applied by trained personnel. Based on field visit to chemical store, and interview with the storekeeper, they admit to have proper training. The chemical store equipped with MSDS, appropriate PPE (face shield, respirator, apron, gloves and rubber boot) and emergency equipment – in the case of spillage or exposure. Company provides training on pesticide handling. Scheme smallholders also trained "limited Pesticides", e.g. on 27th June 2015 was conducted by PT. IIS, attended 20 members.</p> <p>During field visit in Scheme smallholders plots, it was found that harvester using PPE appropriately and applied pesticides is handling by Team TUS (Tim Unit Semprot) PT. IIS – Tungkal Ulu.</p>	<p>Yes</p>
<p>4.6.6 Storage of all pesticides shall be according to recognised best practices. All pesticide containers shall be properly disposed of and not used for other purposes (see Criterion 5.3).</p> <p>- Major compliance -</p>	<p>Estate: Storage of pesticides found to be in accordance with hazard identification and risk assessment and national guideline for limited pesticide use. Empty chemical containers had been used for mixing chemicals for spraying pesticides in the field.</p> <p>Scheme smallholders: Pesticides is handling by PT. IIS Tungkal Ulu</p>	<p>Yes</p>

Criterion / Indicator		Assessment Findings	Compliance
4.6.7	<p>Application of pesticides shall be by proven methods that minimise risk and impacts.</p> <p>- Minor compliance -</p>	<p>Estate and Scheme Smallholders: Pesticides had been applied using the Best Management Practices that minimize risk and impacts. The agrochemical storekeepers, supervisors and sprayers found to understand the use of the correct pesticide type, dosage, nozzle, spray factor, spray quality and spray techniques.</p>	Yes
4.6.8	<p>Pesticides shall be applied aially only where there is documented justification. Communities shall be informed of impending aerial pesticide applications with all relevant information within reasonable time prior to application.</p> <p>- Major compliance -</p>	<p>Estate and Scheme Smallholders: No applied pesticide aially</p>	Yes
4.6.9	<p>Maintenance of employee and associated smallholder knowledge and skills on pesticide handling shall be demonstrated; including provision of appropriate information materials (see Criterion 4.8).</p> <p>- Minor compliance -</p>	<p>Estate and Scheme Smallholders: Periodic training on pesticide handling had been carried out for the workers. Information on the pesticides displayed on the agrochemical storage. Agrochemical is only handled, used and applied by trained personnel. Based on field visit to chemical store, and interview with the storekeeper, they admit to have proper training. The chemical store equipped with MSDS, appropriate PPE (face shield, respirator, apron, gloves and rubber boot) and emergency equipment – in the case of spillage or exposure.</p>	Yes

Criterion / Indicator	Assessment Findings	Compliance												
<p>4.6.10 Proper disposal of waste material, according to procedures that are fully understood by workers and managers shall be demonstrated (see Criterion 5.3).</p> <p>- Minor compliance -</p>	<p>Estate and Scheme Smallholders: The company store hazardous waste in temporary storage with permit from BLHD Kabupaten Tanjung Jabung Barat no. 660/487/IX/BLHD/2009, valid until 28 September 2019. The company disposed the hazardous waste / chemical and their containers to the registered collector (PT. Shali Riau Lestari (approval permit from Environmental Ministry no. 237 Tahun 2011 – valid until 7th November 2016) and agreement PT. Shali Riau Lestari and PT. IIS no. 030/SRL-PKU/MOU/III/2015.</p> <p>Sample taken: Hazardous waste is disposed to register collector (PT. Shali Riau Lestari):</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Date</th> <th style="text-align: center;">Manifest no.</th> <th style="text-align: center;">Type of Hazardous waste</th> <th style="text-align: center;">Quantity</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">08/09/2016</td> <td style="text-align: center;">0004817</td> <td style="text-align: center;">Empty container pesticides</td> <td style="text-align: center;">4 drums</td> </tr> <tr> <td style="text-align: center;">31/03/2016</td> <td style="text-align: center;">0006465</td> <td style="text-align: center;">Empty container pesticide</td> <td style="text-align: center;">6 drums</td> </tr> </tbody> </table> <p>Each type of hazardous waste also is recorded in storage and balancing stock is monitored regularly, balancing stock is available in "Gudang Limbah B3. Chemical applied by scheme smallholders is handled by the company, included disposed of waste material.</p> <p>However, based on interview and field visit at KUD Karya Kita (KT. 10), it was found that the parcel owner cannot demonstrate knowledge on pesticide handling and proper disposed empty container pesticides (This Minor NC in previous audit is upgraded become Major NC)</p> <p>Corrective action:</p> <ul style="list-style-type: none"> - Training Use of Pesticides Limited, dated July 19, 2016, attended by 47 employees Inti and KUD, for example: in the name of H. Ahmad Aman, Sakam, Pujadion, Supriyatna. - Herbicide Training Limited dated July 19, 2016 performed by a team KP3 Jambi Province in cooperation with PT Syngenta also attended from the DNAs of Agriculture, Disbun and Jambi Provincial Health Office. - The letter stating of employees KUD Karya Kita, Farmers Group Tandan Mas, KTH 10, letter no. 01/KUD.KK/V/06/16, dated 16 July 2016 on behalf of H. Ahmad Aman, that: spraying will be conducted by Team TUS. <p>This Major NC was closed out in 15/08/2016</p>	Date	Manifest no.	Type of Hazardous waste	Quantity	08/09/2016	0004817	Empty container pesticides	4 drums	31/03/2016	0006465	Empty container pesticide	6 drums	<p>Yes</p>
Date	Manifest no.	Type of Hazardous waste	Quantity											
08/09/2016	0004817	Empty container pesticides	4 drums											
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Criterion / Indicator		Assessment Findings	Compliance
4.6.11	<p>Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, shall be demonstrated.</p> <p>- Major compliance -</p>	<p>Estate and Scheme Smallholders: The company has conducted medical check up for all employee who are exposed to chemical and working in risk area, such as: sprayer, fertilizer applicator, clerck, chemical warehouse personnel, fertilizer warehouse personnel and welder.</p> <p>MCU conducted by an independent labolatory "Prodia" twice a year, the last MCU was conducted n 11/04/2016 (result of MCU has not issued yet by Prodia, the previous MCU was conducted in October 2016 e.g. MCU for Rina Asmara (sprayer), Sumiarmi (Sprayer).</p> <p>Based on document review, there were no symptom of chemical poisoning, especially sprayer personnel.</p>	Yes
4.6.12	<p>No work with pesticides shall be undertaken by pregnant or breast-feeding women.</p> <p>- Major compliance –</p>	<p>Estate and Scheme Smallholders: Estate performed monthly pregnancy check for the female sprayers. It was verified from records, field inspections and interviews that no pregnant or breastfeeding woman can work as pesticide operator.</p> <p>Record of pregnancy test is sited for period January – May 2015. Record seen "Berita Acara Tes Kehamilan" available.</p> <p>Scheme smallholders / Cooperative is coordinating their member, using service from PT IIS's spraying team. Same standard applied for sprayers for scheme smallholder's plot. Record seen "Berita Acara Tes Kehamilan".</p>	Yes
<p>Criterion 4.7 An occupational health and safety plan is documented, effectively communicated and implemented.</p> <p><i>Specific Guidance for 4.7.7: The National Interpretation will define the metrics for LTA. For countries where there are no national interpretations, the growers will determine their own metrics.</i></p>			

Criterion / Indicator	Assessment Findings	Compliance
<p>4.7.1</p> <p>A health and safety policy shall be in place. A health and safety plan covering all activities shall be documented and implemented, and its effectiveness monitored.</p> <p>- Major compliance -</p>	<p>Mill:</p> <p>The health and safety policy is available in “Kebijakan Perusahaan” signed by top management 1st December 2014. Chapter of the policy 4 mentioned “...to determine measurable objective and target to prevent accident and occupational disease for all worker and other interested parties, through continuous improvement.” The policy available in Indonesian language and has been communicated to mill management and all staf through health and safety committee.</p> <p>A set of objectives and programmes has been derived from the policy and updated annually. Example of objective and programmes for 2016 available, which consist of two main objectives: minimize accident in mills and create safety culture in work place. Safety and health objectives and targets of 2015 can be achieved as seen in the Annual Mill Performance report, accident and near miss log table.</p> <p>Monitoring of safety and health efectivity hs been done periodically. Record of occupational safety and healthy implementation availabe and has been reported to manpower office on monthly basis. Safety reports for period January – March 2016 has been sent on 10th May 2016.</p> <p>Estate:</p> <ul style="list-style-type: none"> - HIRADC updated if any accidents and/ or new activity. The las update on 14th March 2016 - OHS Program 2016 as documentd in “Objective and program – 2016 PT Inti Indosawit Tungkal Ulu”, including: regular meeting of P2K3, OHS training, emergency response, evaluation of P2K3 perfomances, Socialization of OHS regulation to all employees, rugulary OHS inspection to workplace conditions, and P3K completeness.P2K3 organizational structure has been approved by Departemen of Labor and Transmigration West Tanjung Jabung regency Barat no. 560/4784.3/DSTKT/2016, dated 10 May 2016. - Appointment of OHS expert on behalf Mr Rudi Wijaya accordance with “Keputusan Menteri Ketenagakerjaan” RI No. KEP. 17332/M/DJPPK & K3/XII/2015, dated 09 December 2015 (valid until 08 December 2018) - P2K3 Meeting conducted monthly, e.g e.g. P2K3 meeting on 19/01/2016, attended 9 members, minutes meeting: review meeting December 2015, accident, review risk assessment, the high rate of illness in clinic and emergency response tool checking. - Report of accidents documented in “ Rekaman Kecelakaan Kerja”, where each work accidents investagasted to find the root cause, corrective and preventive actions have also been made to prevent accidents repeated. There were 66 minor accidents that occurred in 2015. 	<p>Yes</p>

Criterion / Indicator	Assessment Findings	Compliance
	<p>Scheme Smallholders:</p> <p>KUD Karya Kita:</p> <ul style="list-style-type: none"> - HIRAC updated if any accidents and / or new activity, the last update for 2015/2016. - OHS program, updated in April 2016 as documented in "Health and safety at work, KUD Karya Kita - 2016" PT. IIS - Tungkal Ulu, which include: the map (fire extinguisher, hydrant, exit route, assembly point, flag evacuation), setting up a team of emergency response, drilling, socialization of road safety for the driver of truck FFB, First aiders, training of basic fire, and training of accident investigation, - OHS Procedure updated in April 2016, for the harvest / pieces of fruit, fertilization and plot maintenance. - The report of accidents documented in "Records of Accidents", there were 6 minor accidents in 2016 until May 2016. <p>KUD Harapan Jaya:</p> <ul style="list-style-type: none"> - HIRAC updated if any accidents and / or new activity, last update for 2015/2016. - OHS program, updated in April 2016 as documented in "Health and safety at work, KUD Karya Kita - 2016" PT. IIS - Tungkal Ulu, which include: The map (fire extinguisher, hydrant, exit route, assembly point, flag evacuation), setting up a team of emergency response, drilling, socialization of road safety for the driver of truck FFB, First aiders, training of basic fire training accident investigation, - OHS Procedure, updated in April 2016, for the harvesting and loose fruit collector, fertilization and upkeep. - The report workplace accidents documented in "Records of Accidents", there are 4 recording occupational accidents occupational accidents were made in cooperation with the health center. - OHS Training was conducted on 20/02/2016, Attended 28 members and villages officer. - In 2016 and in May 2016, generally at in harvesting division. - Records of occupational accidents created in cooperation with the health centre 	

	Criterion / Indicator	Assessment Findings	Compliance
4.7.2	<p>All operations where health and safety is an issue shall be risk 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.</p> <p>- Major compliance -</p>	<p>Mill, Estate and Scheme Smallholders: HIRAC document available for all mill activities and stations in document "Hazard identification & Risk Assessment and Control / Analisa Resiko". Latest update available for April 30th, 2015 and The document includes plan to control the risk, PIC, and target.</p> <p>All plans have been implemented such as:</p> <ul style="list-style-type: none"> - PPE provision for workers: safety shoes, helmet, eyeglass, gloves, ear plug, ear muff, safety belt, masker, rubber gloves for chemical work. Example of PPE provision: On April 2016 company provided safety shoes for all worker, On 29th April 2015, company provides helmets. - Safety signboard - Safety briefing - First aid box (8 locations) <p>Approval of P2K3 structure available no. 560/681/4.3/DSTKT 2015, dated June 2015.</p>	No

Criterion / Indicator	Assessment Findings	Compliance
<p>4.7.3</p> <p>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.</p> <p>- Major compliance -</p>	<p>Mill, Estate and Scheme Smallholder:</p> <p>Based on field visit in Kelompok Tani (Farmer group) 26 - Timbul Jaya; plot no. 1601, it was found workers who conduct pruning without appropriate PPE (Major NC raised)</p> <p>All workers have been trained adequately in safe working practices, as shown by:</p> <ol style="list-style-type: none"> 1. Refreshment of safe working practices for staffs. e.g. Emergency response simulation on Desember 19, 2015, basic fire training on Mei 28, 2015 attended by 38 workers. 2. Routine safety briefing. Confirmation gained from interview with workers in mills. 3. Training for operators. All operators have trained and had "SIO": <ul style="list-style-type: none"> - Boiler operators, 8 operators, all have had SIO. e.g. Mr. AS certificate number: 10.640/PNK3-PUBT/OB-I/V/10 - Welder, 2 operators, all have trained. e.g. Mr. PSS certificate number: S.171/JL/PNK3/IV/2015. - Heavy loaded vehicles, 2 operators, all have had SIO. e.g. Mr. BR (loader operator) holds license No.11.10035-OPK3-PAA-VII/2011 valid until 29th July 2016 - Sterilizer operators, 2 operators, all have had SIO. e.g. Mr. EBU (Sterilizer operator) holds license No.09.380/PNK3-PUBT/OB-I/VI/09 valid until July 29, 2016. - Electrician, 1 trainend operators Mr. HJP (Electrician) No.00291/TK3-LIST/II/2014, , valid until 27th February 2017 <p>Company has provided relevant PPE for workers (see indicator 4.7.2). Nevertheless, observed during field visit at Tungkal Ulu Mill that a number of workers at Tungkal Ulu Mill do not use appropriate and adequate PPE such as:</p> <ol style="list-style-type: none"> 1. workers who was working at high place in WTP station did not use safety harness. 2. Operator in Engine Room (Mr. PM) did not use earplug / ear muff when work in high noise 3. Boiler operator (Mr. AS) did not use earplug / ear muff when work in high noise level. <p>Based on field visit in Kelompok Tani (Farmer group) 26 - Timbul Jaya; plot no. 1601, it was found workers who conduct pruning without appropriate PPE (Major NC raised).</p>	<p>Yes</p>

Criterion / Indicator	Assessment Findings	Compliance
	<p>Corrective Action:</p> <p>Tungkal Ulu Mill has been able to show the eviden to proof:</p> <ul style="list-style-type: none"> - Corrective action has been created in the form of: Corrective Action Plan RSPO ASA4 PT IIS - Tungkal Ulu No.8160894. - Log book briefing pagi dated 7, 15, 21, 22, 25 and 27 July 2016: the mandatory use of PPE - Monitoring the use of personal protective equipment (PPE); the checks carried out in person, for example, in July 2016 on behalf of Mr. PM as engine operator (PPE used engine room: Ear muff, helmets, safety shoes), Mr.HS as opr. boiler (PPE used: Helmet, Ear plug, gloves and safety shoes) - Procurement and handover APD: Inventory: ear muff, while other PPE is given to each employee, the last PPE was given to the boiler operator dated 15 June 2016, such as: ear plugs, engine room, dated 20 June 2016: ear muff. Body Harnnes on 23 May 2016 as much 4 units. - At the time of the verification audit visit dated 12 August 2016 to the engine room and the location of WWTP, it can be seen that the employee / operator has to use appropriate PPE (enginne operator: ear muff and ear plugs). - The Company also issued Memorandum no. 115/MI-PTU/MEMO/07/2016, dated 1 July 2016; regarding the use of PPE shall be signed by the Mill Manager (Mr. Pirma Hutagaol) and instantly disseminated on 1 July 2016, attended by all employees in accordance with the work shifts and can be shown to absenteeism (list of attendance) dated 25 July 2016 which was attended by 26 employees. With the memorandum issued it if in the future there are employees who do not use of PPE will be sanctioned. <p>Scheme smallholders:</p> <ul style="list-style-type: none"> - Handover of personal protective equipment KUD Karya Kita, Farmers Group Timbul Jaya, on 29 June 2016, such as: helmet, gloves, glasses and sarung Egrek. - Training on the use of personal protective equipment KUD Karya Kita, on 29 June 2016 in the office of KUD SP-3, was attended by 16 employees of harvesting and pruning, the attendance list can be shown. - Monitoring / feasibility checklist of personal protective equipment is conducted every month, from January - August 2016 - HIRAC harvest work and bud / pruning use of of PPE: Rubber boots, glasses, helmets and sarung Egrek. - Based on the interview on 11 August 2016 with several employees KUD Karya Kita (Sobirin, Basir, Anang and Tukiati), that after training on the use of PPE on 29 June 2016, has understood the importance of using of PPE to avoid workplace accidents <p>This Major NC was closed on 15/08/2016</p>	

Criterion / Indicator	Assessment Findings	Compliance
<p>4.7.4</p> <p>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.</p> <p>- Major compliance -</p>	<p>Mill, estate and scheme smallholders:</p> <p>The responsible persons have been identified in safety committee structure. The safety committee has been approved through "Surat Keputusan Kepala Dinas Tenaga Kerja dan Transmigrasi Kabupaten Tanjung Jabung Barat No.560/477/4.3/DSTKT/2015 tentang Pengesahan Perubahan Panitia Pembina Keselamatan dan Kesehatan Kerja (P2K3) pada PT Inti Indosawit Subur Tungkal Ulu" dated may 10, 2016.</p> <p>Mill manager and Estate Manager is responsible for implementation of safety management system in mill. Appointed safety officer for daily implementation is Mr. Wiratama, who was trained as safety officer. (official safety training on March 2016, certificate and assignment letter is in process).</p> <p>Safety meeting has been conducted on monthly basis. Latest meeting was held on March 29, 2016 attended by 14 members, discussing accidents occurred in periode of January - March 2016, reviewing HIRAC register, discussing top 10 diseases, review near miss, review on job safety analysis, follow up issues from latest meeting.</p>	<p>Yes</p>
<p>4.7.5</p> <p>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.</p> <p>- Minor compliance –</p>	<p>Mill, estate and scheme smallholders:</p> <p>Procedure for first aid and emergency situation available under "Kesiagaan dan Tanggap Darurat" document, number AA-EMS-447-PR, dated December 2010.</p> <p>A team for emergency response has been established, headed by Mill Manager and Estate Manager Records of accidents maintained properly by safety officers and reported regularly to local authorities.</p> <p>Adequate first aid officer, equipped with first aid kit has been available in workplace. However by the time audit visit was held, some first aid facility does not available properly: first aid box, eyewasher in LB3 storage.</p> <p>Sighted during field visit at Tungkal Ulu Mill that several work places are not equipped with appropriate and adequate safety such as:</p> <ul style="list-style-type: none"> - First aid box in workshop is not completed with appropriate and standard item - Eye washer in temporary hazardous storage is not ready to use <p>(Minor NC raised)</p>	<p>No</p>

Criterion / Indicator		Assessment Findings	Compliance
4.7.6	<p>All workers shall be provided with medical care, and covered by accident insurance.</p> <p>- Minor compliance –</p>	<p>Mill, estate and scheme smallholders: Medical care and insurance had been provided to all workers including non permanent worker. Each estate has a medical clinic providing basic medical services for workers for free. Accident insurance covered by Jamsostek, as mandated by government regulation</p> <p>Evidence available in dokumen "rincian iuran tenaga kerja (form 2.a. jamsostek)" for Tungkal Ulu Mill covering JKK (work accident), JKM (fatality insurance), JHT (Pensions insurance). E.g. For May 2016: 136 workers with total paymnet Rp. 13,xxx,,xxx.-.</p> <p>However, Company has not planned medical surveillance for all workers into health and safety program (Minor NC raised)</p>	No
4.7.7	<p>Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics.</p> <p>- Minor compliance –</p>	<p>Mill, estate and scheme smallholders: The accident records available "Indeks K3 Kebun Tungkal Ulu". E.g. Occupational injuries record for Jan-March 2016, fatality (0), Permanent disabled (0), Lost time (0), Fire (0), Property damage (0), Medical aid (1), near miss log (8).</p> <p>Analysis of list time injury frequency rate, total recordable injury frequently rate, list time injury incident, and average time lost rate available in monthly mill performance report. e.g. fro May 2016: lost time due to injury was 0, lost time due to medical aid was 9 days</p>	Yes
<p>Criterion 4.8 All staff, workers, smallholders and contract workers are appropriately trained.</p>			

Criterion / Indicator	Assessment Findings	Compliance
<p>4.8.1</p> <p>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.</p> <p>- Major compliance –</p>	<p>The company has its own training institution assigned to arrange its training programmes. The training is created annually.</p> <p>Training programs in 2014 in "Program Pelatihan Environmental and sustainability – 2016, such as:</p> <p>Estate:</p> <ul style="list-style-type: none"> - Sustainability Awareness training for RSPO, ISPO and ISSC - HCV Training. - Basic Safety/K3. - Basic Fire. - First Aider. - Pelatihan operator air (Water Treatment) - Safety Use herbisida dan chemical - Pelatihan operator air - Program pelatihan teknis and managerial <p>Mill:</p> <ul style="list-style-type: none"> - Sustainability Awareness training for RSPO, ISPO and ISSC - HCV Training. - Basic Safety/K3. - Basic Fire. - First Aider. - Penanganan Limbah B3 dan Bahan kimia - Pelatihan operator genset - Program pelatihan teknis and managerial <p>Scheme smallholders:</p> <ul style="list-style-type: none"> - Sustainability Awareness training for RSPO, ISPO and ISSC - HCV Training. - Basic Safety/K3. - Basic Fire. - First Aider. - Penanganan limbah B3 dan bahan kimi. - Safety Use herbisida dan chemical. - Program pelatihan teknis and managerial 	<p>Yes</p>

Criterion / Indicator	Assessment Findings	Compliance
	<p>Training realization in 2016:</p> <p>Mill: Sighted document of "Program Pelatihan Environmental & Sustainability tahun 2016 of PT. IIS, Tungkal Ulu Group" covering training plan in Estate, Mill, and Small holder</p> <p>Estate: Relevant training in Mill: Sustainability awareness, High Conservation Value (implemented), Basic safety, Basic fire handling, First aider (PPGD), Hazardous waste handling (implemented), Water Treatment Operator, Genset operator, technical and managerial (implemented).</p> <ul style="list-style-type: none"> - Refresh SOP pupuk, dated 19/02/2016, attended 44 workers. - Caracter Building, 19/03/2016, attended 126 workers - Pelatihan alat fogging on 04/04/2016, attended 33 workers, - Pelatihan Backhoe Loader on 04/04/2016, attended 14 workers. - Pelatihan penanganan limbah B3 dan bahan kimia on 13/04/2016, attended 26 workers. - Pelatihan Sustainability Awereness on 18/04/2016, attended 29 workers, - Pelatihan HPT on 21/05/2016, attended 31 workers. - Pelatihan Hydraulic System on 25/05/2016, attended 8 workers. <p>Based on document review in training program 2015, such as:</p> <ul style="list-style-type: none"> - Pelatihan Penggunaan Pestisida Terbatas on 28/08/2015 by Sygenta, attended 72 participants (attendance list, photograph and training material are available). - Pelatihan HCV on 16/09/2015, attended 28 participants <p>Scheme smallholders: KUD Karya Kita:</p> <ul style="list-style-type: none"> - Training of limited pesticides on 27th June 2015 was conducted by PT. IIS, attended 20 members. - Pelatihan K3 on 16th February 2016, attended 14 members. - Pelatihan Panen dan APD, dated 26th March 2016, attended 17 members. - Pelatihan Pupuk Berimbang, dated 23rd May 2016, attended 30 members. - Pelatihan pengendalian hama dan penyakit, dated 26th September 2015, attended 23 members. 	

	Criterion / Indicator	Assessment Findings	Compliance
		<p>KUD Karya Kita:</p> <ol style="list-style-type: none"> 1. Training of limited pesticides on 27th June 2015 was conducted by PT. IIS, attended 20 members. 2. Pelatihan K3 on 16th February 2016, attended 14 members. 3. Pelatihan Panen dan APD, dated 26th March 2016, attended 17 members. 4. Pelatihan Pupuk Berimbang, dated 23rd May 2016, attended 30 members. 5. Pelatihan pengendalian hama dan penyakit, dated 26th September 2015, attended 23 members. <p>KUD Harapan jaya:</p> <ol style="list-style-type: none"> 1. Training Pestsida (Ulat Api) was conducted on 23/10/2015, attended 20 members. 2. Penyuluhan pemupukan was conducted 10/02/2016, attended 28 members. 3. Pelatihan Pestsida Terbatas was conducted on 03/02/2016, attended 30 members. 4. Pelatihan Panen was conducted on 21/01/2016, attended 30 members. 5. Pelatihan hama dan penyakit was conducted on 02/-02/2016, attended 20 members. 6. Pelatihan APD (PPE) was conducted 29/02/2016, attended 30 members. 7. Sosialisasi Replanting was conducted on 13/06/2016, attended 28 members. 	

Criterion / Indicator	Assessment Findings	Compliance
<p>4.8.2</p> <p>Records of training for each employee shall be maintained.</p> <p>- Minor compliance –</p>	<p>Mill, estate and scheme smallholders:</p> <p>Training for each employee has been updated April 2016 as documented in “Personal Data Training Karyawan PT. IIS – Kebun Tungkal Ulu Asian Agri”, e.g.</p> <ol style="list-style-type: none"> 1. Ririn Rahayu (Clinic Personnel/nurse), she has attended training Sustainability awereness, basic fire on 03/10/2014, K3 (15/10/2014), First Aider (15/10/2014 and 20/10/2014) Hiperkes (28/01/2013 – 01/02/2013), Sosialisasi BPJS (29.12/2014). 2. Sudarsono (Spraying Supervisor), he has attended training basic fire (05/04/2011), Basic Safety (15/03/2011), First Aiders (04/03/2011) and Pelatihan Sprayer (08/11/2014) <p>Sighted in document verification master list of workers in Tungkal Ulu Mills (136 workers) including information on job position and training status. The information is maintained by HRD and KTU of mill.</p> <p>Recorded of training for each employees has been documented in: “Rekap Pelatihan PT. IIS – Tungkal Ulu” and “Personal Data Training” covering data personal, training, date of training, trainer, etc. e.g.</p> <p>Interview in ASA-4 reveals that training on safety working practice has been conducted properly for all workers including hazardous waste handling, safety practice for boiler operators, generators, sterilizer heavy load vehicle, and others.</p>	<p>Yes</p>

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.

Criterion / Indicator		Assessment Findings	Compliance
5.1.1	<p>An environmental impact assessment (EIA) shall be documented.</p> <p>- Major compliance -</p>	<p>Mill and Estate: PT IIS demonstrate Analisis Mengenai Dampak Lingkungan (AMDAL) consist of document ANDAL, RKL and RPL as approved through “Persetujuan Komisi Amdal Departemen Pertanian No.014/Andal/RKL-RPL/BA/V/1995 tentang Persetujuan ANDAL dan RKL-RPL perkebunan Kelapa Sawit dan Pabrik Minyak Kelapa Sawit PT Inti Indosawit Subur” dated 3rd May 1995. The document covers scope of areal of 32,000 Ha consist of Kuala Tungkal Estate 20,000Ha and Muara Bulian Estate 12,000 Ha and palm oil mill capacity 90 Tonnes FFB/hour for Kuala Tungkal and 30 Tonnes FFB/hour for Muara Bulian.</p> <p>Revision on AMDAL document is available for PT IIS – Tungkal Ulu through “Surat Keputusan Bupati Tanjung Jabung Barat No.309, year 2009, dated 6th June 2009, for 4,614.02 ha, consist of 3,503.02 ha (SK. Gubernur Kepala Daerah Tingkat I Propinsi Jambi No.342/1987, dated 19th June 1987) and 1,111 ha (SK. Bupati Tanjung Jabung Barat No.746, year 2006, dated 20th October 2006 tetang izin lokasi untuk keperluan pembangunan perkebunan kelapa sawit atas nama PT. IIS, serta 10,277 ha lahan plasma dan kapasitas pabrik kelapa sawit 60 ton TBS/jam”.</p> <p>Smallholder Scheme: Each KUD visited has copy of Environmental Impact Assessment Document. Smallholders interviewed does understand the environmental impact from their oil palm plantation operation, and also able to demonstrate knowledge of impact mitigation.</p>	Yes
5.1.2	<p>Where the identification of impacts requires changes in current practices, in order to mitigate negative effects, a timetable for change shall be developed and implemented within a comprehensive management plan. The management plan shall identify the responsible person/persons.</p> <p>- Minor compliance –</p>	<p>Mill, Estate and Scheme Smallholders</p> <p>Identification of impact and management plan were detailed in AMDAL and it has been submitted to the authorities regularly (every 6 months), the last implementation of EIA management plan for period June 2015 – December 2016 was submitted on 22nd February 2016 (the evidence of acceptance by authorities is evidence).</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
5.1.3	<p>This plan shall incorporate a monitoring protocol, adaptive to operational changes, which shall be implemented to monitor the effectiveness of the mitigation measures. The plan shall be reviewed as a minimum every two years to reflect the results of monitoring and where there are operational changes that may have positive and negative environmental impacts.</p> <p>- Minor compliance –</p>	<p>Mill, Estate and Scheme Smallholders</p> <p>Identification of impact and monitoring plan were detailed in AMDAL and it has been submitted to the authorities regularly (every 6 months), the last implementation of EIA management plan for period June 2015 – December 2016 was submitted on 22nd February 2016 (the evidence of acceptance by authorities is evidence).</p>	Yes
<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>Information shall be collated in a High Conservation Value (HCV) assessment that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors).</p> <p>- Major compliance -</p>	<p>Estate: PT IIS – Tungkal Ulu has carried out Initial HCV assessment by RSPO's HCV approved assessor from Agriculture University of Bogor, Indonesia on October 2011. The presence of HCVs at PT IIS Tungkal Ulu is mainly under category HCV 1.2 and HCV 4.1 and HCV 6 with total HCV areas of 128.32 Ha; where mostly the identified HCV areas were determined as riparian area. The HCV 1.2 along Benanak river (81.90 ha) was found flora "Pinang Merah/Chyrtotachys lakka).</p> <p>The company has appointed dedicated – trained personnel, Mr. Ar as person in charge for HCV management as specified under Manager Memorandum /EST/KTU/MEMO/V/2014, dated 1st September 2014.</p> <p>Scheme Smallholders: HCV identification in scheme smallholders areas is incorporated in the company HCV identification report, there was identified HCV 6 (5.25 ha)</p> <p>The company has trained the scheme smallholders members for HCV in particular protected RTEs and display HCV and RTEs sign board in cooperative office and interview with members confirmed that they aware and understand to protect HCV areas and RTEs.</p>	Yes

Criterion / Indicator	Assessment Findings	Compliance
<p>5.2.2</p> <p>Where rare, threatened or endangered (RTE) species, or HCVs, are present or are affected by plantation or mill operations, appropriate measures that are expected to maintain and/or enhance them shall be implemented through a management plan.</p> <p>- Major compliance -</p>	<p>Estate and Scheme smallholders:</p> <p>Based on field visit, PT IIS – Tungkal Ulu demonstrate efforts to protect rare species and its habitat through planting of wooden tree, HCV area patrol, flora and fauna monitoring. There were found RTEs during HCV identification, such as: 1 mammals with status Vulnerable (Vu) is “Babi Jenggot” (Sus barbatus) and Beruk (Macaca nemestrina) as well as 1 species mammals with status Endangered is “Trenggiling” (Manis Javanicus).</p> <p>The company has conducted monitoring oh HCV areas and RTEs identification, the last monitoring for period July – December 2015, there was no found RTEs.</p> <p>Management and monitoring of HCV is reported in RKL RPL every six month.</p> <p>The Estates have maintained notice-boards at the entrance to the properties and next to buffer zones or worker housing to prohibit the capture or hunting of fauna and disturbance of vegetation.</p> <p>PT IIS – Tungkal Ulu created posters listing all protected flora and fauna, endangered and threatened species and placed on location accessible to public such as Estate offices, worker housing, village offices as well as entrance way to plantation area.</p> <p>The company also has communicated to the workforce related HCV area, e.g. Socialization of HCV on 27th February 2014, attended 30 workers and 16th June 2014, attended 58 workers.</p> <p>The company has appointed dedicated – trained personnel, Mr. Ar as person in charge for HCV management as specified under Manager Memorandum /EST/KTU/MEMO/V/2014, dated 1st September 2014.</p> <p>The company has trained the scheme smallholders members for HCV in particular protected RTEs and display HCV and RTEs sign board in cooperative office and interview with members confirmed that they aware and understand to protect HCV areas and RTEs.</p>	<p>Yes</p>

	Criterion / Indicator	Assessment Findings	Compliance
5.2.3	<p>There shall be a programme to regularly educate the workforce about the status of these RTE species, and appropriate disciplinary measures shall be instigated in accordance with company rules and national law if any individual working for the company is found to capture, harm, collect or kill these species.</p> <p>- Minor compliance –</p>	<p>Estate and Scheme smallholders: The company also has communicated to the workforce related HCV area, e.g. Socialization of HCV on 9th June 2015, attended 28 workers / teachers and for scheme smallholders members was conducted on 16th September 2015, attended 30 members.</p> <p>Interview of workers and smallholders members confirmed that PT IIS Tungkal Ulu had carried out awareness on HCVs and they able to demonstrate knowledge of HCV areas and RTEs.</p> <p>Scheme smallholders also appointed the responsible person to monitor HCV and RTEs, e.g. in KUD Karya Kita (Mr. Sarmin) as KUD letter no. No. 002/Kpts/KUD-KY/VI/2015 tentang Penunjukan/Pengangkatan Petugas Pengurus Perlindungan Satwa dilindungi, dated 02nd June 2015.</p>	Yes
5.2.4	<p>Where a management plan has been created there shall be ongoing monitoring:</p> <ul style="list-style-type: none"> • The status of HCV and RTE species that are affected by plantation or mill operations shall be documented and reported; • Outcomes of monitoring shall be fed back into the management plan. <p>- Minor compliance –</p>	<p>Estate: The company was conducted monitoring of RTEs monthly as documented in “Daftar Temuan Satwa Liar Bulanan di Areal Lindung” and monitoring of HCV, documented in “Tabel Monitoring Kerusakan Kawasan Lindung” the last report period June – December 2015, there was no found RTEs.</p> <p>The company has implemented management and onitoring of HCV areas, such as: regular patrol, erected sign board, no applied chemical along riparian zones.</p> <p>Scheme smallholders: The HCV personil has conducted monitoring of HCV and RTEs monthly and reported, based on review RTEs monitoring report in May 2016, there was no found RTEs.</p>	Yes
5.2.5	<p>Where HCV set-asides with existing rights of local communities have been identified, there shall be evidence of a negotiated agreement that optimally safeguards both the HCVs and these rights.</p> <p>- Minor compliance –</p>	<p>Inti dan Smallholder Scheme; All HCV and conservation areas within the company and smallholders areas.</p>	Yes

Criterion 5.3
 Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.

Criterion / Indicator	Assessment Findings	Compliance
<p>5.3.1</p> <p>All waste products and sources of pollution shall be identified and documented.</p> <p>- Major compliance –</p>	<p>Mill and Estate:</p> <p>Waste and pollution sources have been identified and documented, including used lubricant and filter, old battery, used laboratory chemical, clinical/medical waste, mill effluent, EFB, smoke, dust, fiber and shell, empty agrochemical container, boiler ash, scrap iron, used tires, waste water and domestic household refuse. Record of identification was presented in "Evaluasi Aspek Dampak Lingkungan" EMS-431-003-LT issued 11th June 2015.</p> <p>The company started at the beginning this year to re-cycle anorganic waste where the company builded the waste storage.</p> <p>Scheme Smallholders:</p> <p>Waste product and sources of pollution is identified and documented in "Identifikasi Sumber Polusi", update June 2015, and consist of activities/pollution sources, identified pollution, impac</p>	<p>Yes</p>
<p>5.3.2</p> <p>All chemicals and their containers shall be disposed of responsibly.</p> <p>- Major compliance -</p>	<p>Mill:</p> <p>The company store hazardous waste in temporary storage with permit No.660/476/IX/BLHD/2014, dated 23rd September 2014 by Bupati Tanjung Jabung Barat and disposed the hazardous waste to the registered collectors (PT. Berkah Anugerah Ilahi) approval from Environmental Ministry No. 89 year 2011 dated May 5th 2011. Transported by registered transporter (PT. Shali Riau Lestari) approval from Environmental Ministry No.237 year 2011, dated 8th November 2011).</p> <p>SOP available in document number AA-KL-06-EFP regarding Handling of Hazardous Waste (B3).</p> <p>Contarct between company and PT. Berkah Anugerah Ilahi number 162/SPK/IISJMB-SRL-BAI/III/2016 dated March 20th, 2016. Contract with PT. Shali Riau Lestari as transporet Number 059/SRL-PKU/MOU/II/2016, dated 9th February 2016.</p> <p>Log book and balance of hazardous waste in Mills available properly and reported regularly to Local Authorities on April 11th, 2016. Example of balance for periode of January – March 2016 is as follows:</p> <ol style="list-style-type: none"> 1. Delivered to registered third party: Used lubricant 330 liter, Contaminated lubricant (70 liter), Used electronic material (0 pcs), used oil filter (24 pcs), Used Chemical Container (120 pcs), Used battery (3 pcs), Used bulb (9 pcs). 2. Stock in storage as per May 2016: Used lubricant (216 liter), Contaminated lubricant (70 liter), Used electronic material (0 pcs), used oil filter (12 pcs), Used Chemical Container (140 pcs), Used battery (0 pcs), Used bulb (4 pcs), contaminated fabrics (13 pcs). 	<p>Yes</p>

Criterion / Indicator	Assessment Findings	Compliance																																											
	<p>Estate and Scheme smallholders: The company store hazardous waste in temporary storage with permit from BLHD Kabupaten Tanjung Jabung Barat no. 660/487/IX/BLHD/2009, valid until 28 September 2019. The company disposed the hazardous waste / chemical and their containers to the registered collector (PT. Shali Riau Lestari (approval permit from Environmental Ministry no. 237 Tahun 2011 – valid until 7th November 2016) and agreement PT. Shali Riau Lestari and PT. IIS no. 030/SRL-PKU/MOU/III/2015.</p> <p>Sample taken: Hazardous waste is disposed to register collector (PT. Shali Riau Lestari):</p> <table border="1"> <thead> <tr> <th>Date</th> <th>Manifest no.</th> <th>Type of Hazardous waste</th> <th>Quantity</th> </tr> </thead> <tbody> <tr> <td rowspan="4">08/09/2016</td> <td>0004902</td> <td>Used Filter</td> <td>2 drums</td> </tr> <tr> <td>0004903</td> <td>Used Accu</td> <td>20 pcs</td> </tr> <tr> <td>0004817</td> <td>Empty container pesticides</td> <td>4 drums</td> </tr> <tr> <td>0004904</td> <td>Medical waste</td> <td>0.5 drum</td> </tr> <tr> <td rowspan="8">31/03/2016</td> <td>0004902</td> <td>Used oil</td> <td>5 drums</td> </tr> <tr> <td>0006455</td> <td>Used oil</td> <td>9 drums</td> </tr> <tr> <td>0006466</td> <td>Used Accu</td> <td>29 pcs</td> </tr> <tr> <td>0006467</td> <td>Medical waste</td> <td>0.5 drum</td> </tr> <tr> <td>0006463</td> <td>Contaminated oil</td> <td>2 drums</td> </tr> <tr> <td>0006465</td> <td>Empty container pesticide</td> <td>6 drums</td> </tr> <tr> <td>0006455</td> <td>Used Filter</td> <td>2 drums</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table> <p>Each type of hazardous waste also is recorded in storage and balancing stock is monitored regularly, balancing stock is available in "Gudang Limbah B3.</p>	Date	Manifest no.	Type of Hazardous waste	Quantity	08/09/2016	0004902	Used Filter	2 drums	0004903	Used Accu	20 pcs	0004817	Empty container pesticides	4 drums	0004904	Medical waste	0.5 drum	31/03/2016	0004902	Used oil	5 drums	0006455	Used oil	9 drums	0006466	Used Accu	29 pcs	0006467	Medical waste	0.5 drum	0006463	Contaminated oil	2 drums	0006465	Empty container pesticide	6 drums	0006455	Used Filter	2 drums					
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	Criterion / Indicator	Assessment Findings	Compliance
5.3.3	<p>A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented.</p> <p>- Minor compliance –</p>	<p>Mill: Waste and pollution sources have been identified and documented, including used lubricant and filter, old battery, used laboratory chemical, clinical/medical waste, mill effluent, EFB, smoke, dust, fiber and shell, empty agrochemical container, boiler ash, scrap iron, used tires, waste water and domestic household refuse.</p> <p>Record of identification was presented in "Evaluasi Aspek Dampak Lingkungan" EMS-431-003-LT issued 11th June 2015. The company started at the beginning this year to re-cycle anorganic waste where the company builded the waste storage.</p> <p>Estate and Scheme smallholders: Waste management plan is documented in "Rencana pengelolaan Limbah". Waste management consists of medical waste, domestic waste, and hazardous waste to reduce pollution into the environment.</p> <p>Hazardous and medical waste is disposed to the register collector, while domestic waste disposed to the landfill, organic and anorganic waste is separated in linesite, organic waste to the landfill and some of anorganic waste is collected in "Bank Sampah" for re-cycle purposes.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
Criterion 5.4			
Efficiency of fossil fuel use and the use of renewable energy is optimised.			
5.4.1	<p>A plan for improving efficiency of the use of fossil fuels and to optimise renewable energy shall be in place and monitored.</p> <p>- Minor compliance -</p>	<p>Mill, Estate and Scheme smallholders:</p> <ol style="list-style-type: none"> 1. Company policy on December 2014: Monitoring of emission and exploration of mitigation of GHG emission through renewable energy usage. 2. Procedure on solid waste usage for renewable energy in document number AA-KL-05-EFP dated Feb 1, 2008 regarding Handling of Non B3 Industrial Waste. <p>Fossil fuel use records are maintained, and the trends is analyzed. e.g. Fossil fuel usage up to May 2016 (5 months) is 69,626 liter. Recent 5 months trend is increasing due to shortage of FFB supply (renewable energy) from estate as effect of prolonged dry season in year 2015.</p> <p>Energy use records include accurate measurements of renewable energy use per tonne of FFB processed. Company already maximise the renewable energy use. All the shell and fibre is consumed internally as boiler fuel.</p> <p>Mill is in progress of establishing Biogas Plant with capacity of 2.4 MW, projected to be finished in year 2017.</p>	Yes
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.			
5.5.1	<p>There shall be no land preparation by burning, other than in specific situations as identified in the 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions.</p> <p>- Major compliance -</p>	<p>Mill, Estate and Scheme smallholders:</p> <p>Based on field visit in replanting area, it was noted no any open burning.</p>	Yes
5.5.2	<p>Where fire has been used for preparing land for replanting, there shall be evidence of prior approval of the controlled burning as specified in 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions.</p> <p>- Minor compliance -</p>	<p>Mill, Estate and Scheme smallholders:</p> <p>Based on field visit in replanting area, it was noted no any open burning.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
Criterion 5.6			
Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.			
5.6.1	<p>An assessment of all polluting activities shall be conducted, including gaseous emissions; particulate/soot emissions and effluent (see Criterion 4.4).</p> <p>- Major compliance -</p>	<p>Mill, Estate and Scheme smallholders:</p> <p>The company has conducted assessment on all source of pollution has been identified through:</p> <ol style="list-style-type: none"> 1. Environmental Impact Assessment, identified major and significant sources of pollution at mill such as: boiler emission, generator emission, POME, 2. GHG inventory, in accordance to RSPO standard of GHG inventory. The document mentions various sources of pollution: landuse change (land clearing for plantation), fertilizer (Amonium nitrate, Ground Magnesium Limestone, Ammonium Sulphate, Urea, AC, Kieserite, MOP, GRP, TSP), POME, electricity, Fuel, EFB. 	Yes
5.6.2	<p>Significant pollutants and greenhouse gas (GHG) emissions shall be identified, and plans to reduce or minimise them implemented.</p> <p>- Major compliance -</p>	<p>Mill, Estate and Scheme smallholders:</p> <p>For calculation of GHG emission, management unit has prepared all relevant and important records such as: GHG calculation standard by RSPO, fertilizer uses, fossil fuel uses, alternative energy uses, land clearing records, soil type ma to identify existance of peat, tree planting data, electricity uses, POME production, etc.</p> <p>Plan for mitigation has been incorporated in waste management procedures, such as: use of renewable energy, tree planting, organic fertilizer, etc. Tungkal Ulu Mill is also in progress of establishing Biogas Plant with capacity of 2.4 MW. The plant is projected to be finished in year 2017.</p> <p>As mentioned in indicator 4.4.3, POME treatment has been recorded under following records: Layout of 10 units of pond with total capacity of 89,074 m³, SOP of WWTP operations, SOP of Land application, POME quality monitoring and reporting.</p>	Yes

Criterion / Indicator	Assessment Findings	Compliance																																																																													
<p>5.6.3 A monitoring system shall be in place, with regular reporting on progress for these significant pollutants and emissions from estate and mill operations, using appropriate tools.</p> <p>- Minor compliance -</p>	<p>Mill, Estate and Scheme smallholders: System for monitoring of emission available in: Periodic environmental monitoring plan (6 month) according to EIA document covering: boiler emission, generator emission. Method and equipemnt used for emission monitoring refers to applicable national standard of emission monitoring as determined by EIA study. Latest monitoring done in second half of 2015 by an accredited laboratory "Binalab – North Sumatera.</p> <p>Result of emission monitoring are reported to local authorities twice in a year. Latest report available for second half of year 2016. Sample of the monitoring result are as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Par</th> <th>Generator 1</th> <th>Generator 2</th> <th>Threshold*</th> </tr> </thead> <tbody> <tr> <td>Sox</td> <td>74,8</td> <td>78,9</td> <td>800</td> </tr> <tr> <td>Nox</td> <td>69,5</td> <td>89,3</td> <td>1000</td> </tr> <tr> <td>Particulate</td> <td>68,5</td> <td>69,2</td> <td>150</td> </tr> <tr> <td>Opacity</td> <td>28</td> <td>25</td> <td></td> </tr> <tr> <td>CO2</td> <td>8,6</td> <td>8,3</td> <td></td> </tr> <tr> <td>O2</td> <td>12</td> <td>13</td> <td></td> </tr> <tr> <td>Noise</td> <td>62,6</td> <td>66,3</td> <td>85</td> </tr> </tbody> </table> <p>Threshold: KepmenLH 13/2009</p> <p>Result of Boiler emission Test</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Par</th> <th>Boiler 1</th> <th>Boiler 2</th> <th>Boiler 3</th> <th>Threshold*</th> </tr> </thead> <tbody> <tr> <td>Sox</td> <td>94.2</td> <td>101</td> <td>89.1</td> <td>600</td> </tr> <tr> <td>Nox</td> <td>100</td> <td>95</td> <td>78.4</td> <td>800</td> </tr> <tr> <td>NH3</td> <td>0,04</td> <td>0.04</td> <td>0.05</td> <td>1</td> </tr> <tr> <td>HCl</td> <td>1.6</td> <td>1.7</td> <td>1.2</td> <td>5</td> </tr> <tr> <td>HF</td> <td>1.07</td> <td>1.32</td> <td>1.44</td> <td>8</td> </tr> <tr> <td>Particulate</td> <td>157</td> <td>124</td> <td>135</td> <td>300</td> </tr> <tr> <td>Opacity</td> <td>17</td> <td>18</td> <td>20</td> <td>30</td> </tr> <tr> <td>Noise</td> <td>69.1</td> <td>70.9</td> <td>72.2</td> <td>85</td> </tr> </tbody> </table> <p>Threshold: Kepmen LH 07/2007</p>	Par	Generator 1	Generator 2	Threshold*	Sox	74,8	78,9	800	Nox	69,5	89,3	1000	Particulate	68,5	69,2	150	Opacity	28	25		CO2	8,6	8,3		O2	12	13		Noise	62,6	66,3	85	Par	Boiler 1	Boiler 2	Boiler 3	Threshold*	Sox	94.2	101	89.1	600	Nox	100	95	78.4	800	NH3	0,04	0.04	0.05	1	HCl	1.6	1.7	1.2	5	HF	1.07	1.32	1.44	8	Particulate	157	124	135	300	Opacity	17	18	20	30	Noise	69.1	70.9	72.2	85	<p>Yes</p>
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Criterion / Indicator		Assessment Findings	Compliance
		Green house gas calculation and inventory using standard method from RSPO (Palm GHG calculator). Result of inventory has been shared with RSPO secretariate. In addition, The company has prepared a strategy in effort to reduce and mitigate pollution and emission. Monitoring of pollution and emission quality for plantation has been planned and implemented, e.g. air quality ambient for boiler and Genset, water quality test for river (upstream and downstream), effluent water quality, noise, etc, e.g.	
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. - Major compliance -	Mill and Estate: Social Impact Assessment available and mentioned within frame references of AMDAL. SEIA was prepared by Lemlit Unja. Tungkal Ulu Group prepared SIA assessment by including scheme smallholding through Bogor Agriculture University dated June 2011 as supplement to AMDAL document. Scheme smallholders: Copy of AMDAL and Social Impact Assessment is available at KUD.	Yes
6.1.2	There shall be evidence that the assessment has been done with the participation of affected parties. - Major compliance -	Mill, Estate and Scheme smallholders: In the social impact assessment document, it is described that the social impact assessment prepared through interviews, focus group discussion and questionnaire filling. The targeted audience is local communities, surrounding villages, smallholder members and employees of PT Inti Indosawit Subur – Tungkal Ulu.	Yes
6.1.3	Plans for avoidance or mitigation of negative impacts and promotion of the positive ones, and monitoring of impacts identified, shall be developed in consultation with the affected parties, documented and timetabled, including responsibilities for implementation. - Major compliance -	Mill, Estate and Scheme smallholders: Social impact assessment document has prepared a study covering relation between company and the social-economic interaction with the surrounding stakeholders, perception; hope, of local communities, land ownership structures, negative and positive impacts. The plantation and scheme smallholders have prepared social management plan, covering a number of activities such as FFB sortation standard, road maintenance programme, smallholder organization empowerment, replanting saving, training and communication, manpower legality, etc	Yes

Criterion / Indicator		Assessment Findings	Compliance
6.1.4	<p>The plans shall be reviewed as a minimum once every two years and updated as necessary, in those cases where the review has concluded that changes should be made to current practices. There shall be evidence that the review includes the participation of affected parties.</p> <p>- Minor compliance –</p>	<p>Mill, Estate and Scheme smallholders: Social program evaluated on 6-monthly basis. This evaluation process presented in the “Laporan RKL/RPL”. The social program implemented by company reported for period July – December 2014 to Kabupaten Tanjung Jabung Barat.</p>	Yes
6.1.5	<p>Particular attention shall be paid to the impacts of smallholder schemes (where the plantation includes such a scheme).</p> <p>- Minor compliance –</p>	<p>Mill and Estate: The social impact assessment does take a particular proportion for Smallholder development, in the social impact assessment document.</p> <p>Scheme smallholders: Cooperative leaders and smallholders interviewed states that social management plan was prepared in coordination with PT IIS. The social management plan has been continuously implemented.</p>	Yes
<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.</p>			

Criterion / Indicator		Assessment Findings	Compliance
6.2.1	<p>Consultation and communication procedures shall be documented.</p> <p>- Major compliance -</p>	<p>Estate:</p> <p>The company has developed a mechanism of consultation and communication as outlined in "SOP Penanganan Permintaan Informasi Stakeholder (No. SOP; AA-GL-5008.1-R1), dated 22 August 2011, which outlines a process of corporate response to any request of information that submitted by stakeholders, including the timing of information request within 14 days after receiving the information. Retention time of the records informasi is 3 years after meeting.</p> <p>The organization has updated the master list document on 1 June 2016 which regulated a specific, including the retention time for each document, e.g. retention time for "SK Pelepasan Kawasan Hutan from Menteri Kehutanan No. 494/Kpts-II1991, kept by the company for a period "continuous", and Document of "Pendaftaran LKS Birpartit" kept for 3 years.</p> <p>Smallholder Scheme:</p> <p>Schemesmallholders has mechanisms of communication, consultation and complaints issued on 3rd January 2011, that outlines the flow chart of process of delivering information from stakeholder including complaint and consultation/communication. The Mechanismes of communication, consultation and complain are available in KUD's office.</p>	Yes
6.2.2	<p>A management official responsible for these issues shall be nominated.</p> <p>- Minor compliance -</p>	<p>Mill and Estate:</p> <p>The company has appointed Mr Sukardi (assistan Humas PT IIS Tungkal Ulu) by letter from Region Head Plt 3 Jambi No. 012/HR-RO3/Memo/01/2014 dated January 29, 2014, concerning to assignment territory that describes the territory of Mr Sukardi including PT IIS Tungkal Ulu and PT IIS Muara Bulian. The assignment letter since on February 1, 2014.</p> <p>Smallholder Scheme:</p> <p>KUD Karya Kita has appointed Mr Asral Yasman as the officer responsible for communicating with stakeholders as in assignment letter No 001/Kpts/KUD-KK/VI/2014 dated June 2, 2014. And KUD Harapan Jaya has appointed Mr. Nasrul as officer that responsible for communicating with stakeholder as in letter of assignment No 002/Kpts/KUD-HJ/II/2014, dated February 2, 2014.</p>	Yes

6.2.3	Criterion / Indicator	Assessment Findings	Compliance
	<p>A list of stakeholders, records of all communication, including confirmation of receipt and that effort are made to ensure understanding by affected parties, and records of actions taken in response to input from stakeholders, shall be maintained.</p> <p>- Minor compliance -</p>	<p>Mill and Estate:</p> <p>The organization have a list of stakeholders that updated every year, the last updated of stakeholders list on 25th April 2016, that PT IIS Tungkal Ulu has established communication with stakeholders, consist of:</p> <ol style="list-style-type: none"> 38 stakeholders both in village and subdistrict, e.g. head of Merlung district, head of Renah district, head of Muara Papalik district, Merlung village, head of Merlung village, head of Adi Puwo village, head of KUD, etc. 18 stakeholders in province, e.g: governor of Jambi, Dinas Perkebunan Provinsi Jambi, BLHD Provinsi Jambi, Dinas Kehutanan Provinsi Jambi, Pengadilan Hubungan Industrial Provinsi Jambi, Jambi Independent, Jambi Ekspres, Gapki, Apindo provinsi Jambi, etc 10 stakeholders in Tanjung Jabung Barat district, e.g: Dinas Perkebunan Kabupaten Tanjung Jabung Barat, Kantor BPN Kabupaten Tanjung Jabung Barat, BLHD Kabupaten Tanjung Jabung Barat etc. <p>The record of communication and consultation are documented by Humas Division, as available in "Buku Agenda Surat kelaur PT IIS Tungkal Ulu Estate and Buku Tamu" for oral communication, such as:</p> <ul style="list-style-type: none"> "Buku Surat Keluar", there are 92 type of outgoing mail during period January – June 2016. "Buku Tamu" there are 9 types oral communication since 2015 to 2016, e.g. communication with Gapoktan in Pulau Pauh village on January 2016 for RAT invitation. <p>Smallholder Scheme:</p> <p>KUD Karya Kita:</p> <p>KUD Karya Kita has developed "Name List of KUD Stakeholder" and always updated, such as in List of Stakeholders in June 2016 are indentified 30 stakeholder, e.g: Kepala Desa Bukit Harapan, BRI Unit Merlung, LSM Lembaga Pembantu Perlindungan Tenaga Kerja, PUSKUD Jambi, Dinas Perkebunan Kabupaten Tanjung Jabung Barat, etc.</p> <p>Record of communication is documented in "Buku Permintaan Informasi External", in 2016 there were noted 10 communication both incoming and outgoing mail.</p>	<p>Yes</p>

Criterion / Indicator		Assessment Findings	Compliance
		<p>KUD Harapan Jaya: KUD Harapan jaya has developed list of stakeholder in "Name List of KUD Stakeholder", the last updated in May 2016 are indentified 35 stakeholder, e.g: Kepala Desa Kemang Manis, BRI Unit Rantau Badak, LSM Lembaga Pembantu Perlindungan Tenaga Kerja, PUSKUD Jambi, Dinas Perkebunan Kab. Tanjung Jabung Barat, etc.</p> <p>Record of communication is documented in "Buku Permintaan Informasi External", in 2016 there were noted 15 communications both incoming and outgoing mail.</p>	
<p>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.</p>			
6.3.1	<p>The system, open to all affected parties, shall resolve disputes in an effective, timely and appropriate manner, ensuring anonymity of complainants and whistleblowers, where requested.</p> <p>- Major compliance -</p>	<p>The company has developed a mechanism to handling complains consist of "Prosedur Penanganan Keluhan dari Eksternal" as regulated in Document No. SOP AA-GL-5005-RO 01, meanwhile to handling of internal complains are regulated through "Mekanisme Penyampaian Keluhan dan Penyelesaian Keluhan Karyawan", as in document in SOP No. SOP. AA-HR-308 0.5-RO).</p> <p>The company also has developed "Mekanisme Jaminan Pelapor dan Pengungkapan Kasus" that complied by Humas Division of PT IIS Tungkal Ulu on June 12, 2015. In those mechanisms describes a policy to confidentiality of the reporter or wistleblowers if requested.</p> <p>Smallholder Scheme: KUD Sawit Kita dan KUD Harapan Jaya have mecanismes of communication, consultation and complaints that describes a flow chart of processes for delivering from information from stakedholder including to handing complaints and communication/consultation.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
6.3.2	<p>Documentation of both the process by which a dispute was resolved and the outcome shall be available.</p> <p>- Major compliance -</p>	<p>The company has documented for each complaints or disputes, such as:</p> <p>a. External complaint is documented in Logbook "Komplain dan Aspirasi Masyarakat", in 2015, there were 9 complaints/communications received, e.g. fro Merlung village dated 20th February 2015 related "permohonan bantuan" as letter No. 474/159/2020/2015 and it has been addressed by the company on 18th March 2015.</p> <p>b. Employee or Internal complaints is documented in monitoring log book, there were 15 complaints/communication were received in 2015, e.g. from Mr Iin Priyono on 16th February 2016, related to house maintenance (Form AA-308.5/01-HR), it has been followed up by the company through improvement that were complited on 16th February 2015 accordance form AA-308.5/02-HR signed by employee who complaint to manager.</p> <p>Smallholder Scheme: Record of complaints is documented in "Buku Rekaman Keluhan, Penanganan dan Pelaporan", in 2016 there were 10 incoming complaints, it were been response appropriately.</p>	Yes
<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..</p>			
6.4.1	<p>A procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, shall be in place.</p> <p>- Major compliance –</p>	<p>Estate: PT IIS Tungkal Ulu has mechanism for identification and compensation calculation was based on Land Conflict handling, SOP No.AA- GL- 5003.1- R1. The SOP comprise of land conflict mechanism and land compensation, with the participation of affected communities.</p> <p>Scheme smalholders: Each KUD has a mechanism to handle land conflict under Communication and Consultation Mechanism, involving KUD chairman and meeting with all KUD members.</p>	Yes

	Criterion / Indicator	Assessment Findings	Compliance
6.4.2	<p>A procedure for calculating and distributing fair compensation (monetary or otherwise) shall be established and implemented, monitored and evaluated in a participatory way, and corrective actions taken as a result of this evaluation. This procedure shall take into account: gender differences in the power to claim rights, ownership and access to land; differences of transmigrants and long-established communities; and differences in ethnic groups' proof of legal versus communal ownership of land.</p> <p>- Minor compliance –</p>	<p>Estate: PT IIS Tungkal Ulu has mechanism for identification and compensation calculation was based on Land Conflict handling, SOP No.AA- GL- 5003.1- R1. The SOP comprise of land conflict mechanism and land compensation, with the participation of affected communities, included calculation compensation.</p> <p>There were no land disputes.</p> <p>Scheme smalholders: Each KUD has a mechanism to handle land conflict under Communication and Consultation Mechanism, involving KUD chairman and meeting with all KUD members.</p>	Yes
6.4.3	<p>The process and outcome of any negotiated agreements and compensation claims shall be documented, with evidence of the participation of affected parties, and made publicly available.</p> <p>- Major compliance –</p>	<p>Estate: PT IIS Tungkal Ulu documented the process and outcome of resolved compensation. These documents are available for public, with management approval.</p> <p>There were no noted land disputes</p> <p>Scheme smallholders: Each cooperative/KUD sampled has a form to record compensation. However, there is no compensation since smallholder oil palm blocks established. The land given by government under PIR-Trans programme. Therefore, no land compensation process to customary land owner or previous legal owner, since the land was state land. All smallholder members of cooperative granted with land rights/SHM</p>	Yes

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	Criterion / Indicator	Assessment Findings	Compliance																								
	<p>Documentation of pay and conditions shall be available.</p> <p>- Major compliance -</p>	<p>Estate: The company determines minimum wages based on the Government regulation every year, the minimum wages in 2015 as regulated in "Surat Keputusan Governor of Jambi no. 460/KEP.GUB/DISSOSNAKERTRANS/2015, dated 30th October 2015 is Rp. 1,906,650,-/month which effective from 1st January 2016.</p> <p>Based on review of payments slip, there is no worker paid below minimum wages, e.g. payment slip in April 2016</p> <table border="1" data-bbox="817 499 1877 767"> <thead> <tr> <th data-bbox="817 499 1090 531">Name</th> <th data-bbox="1090 499 1471 531">Kustini (PHL)</th> <th data-bbox="1471 499 1877 531">Fitriana (PHL)</th> </tr> </thead> <tbody> <tr> <td data-bbox="817 531 1090 563">Basic Salary</td> <td data-bbox="1090 531 1471 563">21 day @76,256 = 1,601,586</td> <td data-bbox="1471 531 1877 563">18 day @76,256 = 1,372,788</td> </tr> <tr> <td data-bbox="817 563 1090 595">OT</td> <td data-bbox="1090 563 1471 595">-</td> <td data-bbox="1471 563 1877 595">-</td> </tr> <tr> <td data-bbox="817 595 1090 627">Premi/Fee</td> <td data-bbox="1090 595 1471 627">86,000</td> <td data-bbox="1471 595 1877 627">91,000</td> </tr> <tr> <td data-bbox="817 627 1090 659">Deduction</td> <td data-bbox="1090 627 1471 659"></td> <td data-bbox="1471 627 1877 659"></td> </tr> <tr> <td data-bbox="817 659 1090 691">BPJS</td> <td data-bbox="1090 659 1471 691">16,016</td> <td data-bbox="1471 659 1877 691">16,016</td> </tr> <tr> <td data-bbox="817 691 1090 722">Ketenagakerjaan</td> <td data-bbox="1090 691 1471 722"></td> <td data-bbox="1471 691 1877 722"></td> </tr> <tr> <td data-bbox="817 722 1090 754">BPJS Kesehatan</td> <td data-bbox="1090 722 1471 754"></td> <td data-bbox="1471 722 1877 754"></td> </tr> </tbody> </table> <p>Basic Salary above excluded rice allowance: 15 kg/employees, wife 9 kg, children 7.5 kg/each for 3 children (rice price; Rp. 8.350/kg in April 2016)</p> <p>Based on review document of list payment, it was found that the company has paid salary as regulated by government.</p> <p>Scheme Smallholders: KUD Manunggal Jaya The coopretatives determines minimum wages based on the Government regulation every year, the minimum wages in 2015 as regulated in "Surat Keputusan Governor of Jambi no. 460/KEP.GUB/DISSOSNAKERTRANS/ 2015, dated 30th October 2015 is Rp. 1,906,650,-/month which effective from 1st January 2016.</p> <p>Mill: For 2016, the company determines minimum wages based on the Government regulation "Surat keputusan Gubernur Jambi no. 460/Kep. Gub/DISSOSNAKERTRANS/2015 dated 30th October 2015 is Rp. 1,906,000, -/month (SKU-Lepas) and Agreement BKS – PPS and Pengurus Daerah FSP.PP-SPSI, dated march 8, 2015 Rp. 1,937,000 (SKU Harian dan Bulanan)</p>	Name	Kustini (PHL)	Fitriana (PHL)	Basic Salary	21 day @76,256 = 1,601,586	18 day @76,256 = 1,372,788	OT	-	-	Premi/Fee	86,000	91,000	Deduction			BPJS	16,016	16,016	Ketenagakerjaan			BPJS Kesehatan			<p>Yes</p>
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	Criterion / Indicator	Assessment Findings	Compliance
		<p>Based on review of payments slip, there is no worker paid below minimum wages as determined above, e.g:</p> <ol style="list-style-type: none"> 1. Payment slip in May 2015 for Mr. BR (SKU Bulanan) is Rp. 2,117,000 (Basic salary) + overtime + rice allowance + production allowance - BPJS, total is Rp. 3,420,911. 2. Mr. TA (SKU Harian), basic salary Rp. 64,657 per day (31 days) + overtime + production premi - BPJS , total Rp. 3,196,921. 3. Mr. KES (Temporary workers): basic salary Rp. 76,266 (25 days) + production premi - BPJS (Total salary is Rp. 4,400,595). 	

Criterion / Indicator	Assessment Findings	Compliance
<p>6.5.2</p> <p>Labour laws, union agreements or direct contracts of employment detailing payments and conditions of employment (e.g. working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc.) shall be available in the languages understood by the workers or explained carefully to them by a management official.</p> <p>- Major compliance -</p>	<p>Mill:</p> <p>Worker Agreement (PKB) between company and labour union is referred in working regulation, Worker Agreement was registered by Dirjen Pembinaan Hubungan Industrial dan Jaminan Sosial Tenaga Kerja No. Kep.88/PHIJSK-PKKAD/PKB/VI/2015, dated 18th June 2015 (Valid 21st April 2015 - 20th April 2017) Based on document review, it was noted that term and condition, such as working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc, are covered in PKB and contracts which have been signed by labour union.</p> <p>All employees also has signed contract with detail term and condition, included temporary workers, e.g.</p> <ol style="list-style-type: none"> 1. Contract with employee Mr. KES, no IIS/PTU/SPK-WT/VIII/2015 as PKWT started July 1, 2015 until June 30, 2016. Mr. KES works as Non Permanent Daily Worker for more than 3 months with 25 working days per month. 2. Contract with employee Mr. PPL, number IIS/PTU/SPK-WT/VIII/2015 as PKWT started July 1, 2015 until June 30, 2016. Mr. PPL works as Non Permanent Daily Worker for more than 3 months with 25 working days per month. <p>Contract with employee Mr. Rhm, number 001/SPK/PTU/I/2014 as Permanent Staff on January 30th, 2014. Complete clauses and signed by both parties.</p> <p>Estate:</p> <p>Worker Agreement (PKB) between company and labour union is referred in working regulation, Worker Agreement was registered by Dirjen Pembinaan Hubungan Industrial dan Jaminan Sosial Tenaga Kerja No. Kep.88/PHIJSK-PKKAD/PKB/VI/2015, dated 18th June 2015 (Valid 21st April 2015 - 20th April 2017) Based on document review, it was noted that term and condition, such as working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc, are covered in PKB and contracts which have been signed by labour union.</p> <p>All employees also have signed contract with detail term and condition, included temporary workers, e.g. contract with Mrs. Maimunah Lubis, no 01/GM/SPK-KSN/VII/2015, dated 01st July 2015, Edisam Saputra Saragih; contract no. 01/GM/SPK-KSN/I/2016, dated January 2016, Saparuddin, contract no. 01/GM/SPK-KSN/I/2016, dated January 2016.</p> <p>Scheme Smallholders:</p> <p>Contract between KUD and workers is available and signed by both parties, the KUD workers only 1 -3 staffs.</p>	<p>Yes</p>

Criterion / Indicator		Assessment Findings	Compliance
6.5.3	<p>Growers and millers shall provide adequate housing, water supplies, medical, educational and welfare amenities to national standards or above, where no such public facilities are available or accessible.</p> <p>- Minor compliance –</p>	<p>Mill and Estate: Sighted in field visit to mill housing complex that adequate facilities has been available for mill workers, including: housing for staff, housing for workers (permanent and temporary), electricity from mill grid, clean water supply from water treatment plant (available for entire year), medical service in company's clinic, primary level education facility, religion and worshipsment facility, and sport.</p> <p>Revealed from interview with sample 10 workers from grading station, water treatment plant, enginer room, boiler, as well as mill emplasment resident, that so far no serious complaint regarding provision of basic facility by company.</p> <p>Scheme Smallholders: The KUD does not provide housing, water supply, electricity, etc, since their workers living in their own house which located in surrounding scheme smallholders plots.</p>	Yes
6.5.4	<p>Growers and millers shall make demonstrable efforts to monitor and improve workers' access to adequate, sufficient and affordable food.</p> <p>- Minor compliance –</p>	<p>Mill, estate and Scheme Smallholders: The company preparing traditional market within the company areas and also 2 cooperatives which prepare basic need for workers and traditonal market in each KUD is provided by local government.</p>	Yes

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.

Criterion / Indicator		Assessment Findings	Compliance
6.6.1	<p>A published statement in local languages recognising freedom of association shall be available.</p> <p>- Major compliance –</p>	<p>Mill and Estate: Freedom of association policy is written in Bahasa Indonesia, so that all employees can understand as stated in "Kebijakan Perusahaan", dated 01st December 2014 "Menghormati hak setiap karyawan untuk membentuk atau menjadi serikat pekerjasesuai dengan keinginannya dan untuk melakukan tawar menawar secara kolektif"</p> <p>This policy has been informed to all employees and being placed into public area easlily accessed.</p> <p>The company also has involved to form labour union for workers, named "PUK SPSI PT. GM/SSL" .</p> <p>Scheme Smallholders: Freedom of association policy documented in "Kebijakan Koperasi", which state that: Menghormati hak setiap karyawan untuk membentuk atau menjadi anggota serikat pekerja sesuai dengan keinginannya dan untuk melakukan tawar menawar secara kolektif"</p>	Yes
6.6.2	<p>Minutes of meetings with main trade unions or workers representatives shall be documented.</p> <p>- Minor compliance –</p>	<p>Estate and Mill: There is labor union namely "Serikat Pekerja Mandiri". Latest meeting of SPM was held on June 10th, 2016 attended by 9 officials of SPM. Discussion topics covers the following : status of daily worker, electricity shortage, medical availability, etc.</p> <p>Scheme Smallholders: There is no labour union is scheme smallholders / KUD level, however the KUDs given to the workers to become labour union members freely.</p>	Yes
<p>Criterion 6.7 Children are not employed or exploited.</p>			

Criterion / Indicator	Assessment Findings	Compliance
6.7.1 There shall be documentary evidence that minimum age requirements are met. - Major compliance –	<p>Mill and Estate: Sighted company’s policy dated 1st January 2014 which stated that Children (under 18 years) are not allowed to work in any process and activities in company. There are numbers of children worker prohibition signboards installed at public spaces, estate, mill, as well as scheme smallholder’s office.</p> <p>Updated employee data on May 2016 shows that Minimum age requirement are met. Age distribution are as follows: 18-20: 4 ; 21-25: 16; 26-30: 22; 31-35: 21; 36-40: 27; 41-45: 15; 46-50: 8; 51-55: 5. This has been confirmed with field visit to Tungkal Ulu Mill and Estates.</p> <p>Scheme smallholders: Child labour policy is documented in “Kebijakan Koperasi” which state that: “Melarang anak anak bekerja dalam setiap kegiatan KUD” (It is not allowed all children to work in every activities/processes in the KUD).</p> <p>Based on field visit, there was no found children worked in KUD and farmer’s plantation</p>	Yes
<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.</p>		
6.8.1 A publicly available equal opportunities policy including identification of relevant/affected groups in the local environment shall be documented. - Major compliance –	<p>Mill and Estate: Equal Opportunity policy is written in Bahasa Indonesia, so that all employees can understand as stated in “Kebijakan Perusahaan”, dated 01st December 2014 “Memperlakukan karyawan secara adil, baik dalam hal penerimaan, penilaian, kondisi dan lingkungan kerja, serta keterwakilan tanpa memandang ras, suku, kasta, asal negara, agama/kepercayaan, cacat, jender, orientasi seksual, keanggotaan serikat pekerja, afiliasi politik dan/atau umur.</p> <p>Scheme smallholders: Child labour policy is documented in “Kebijakan Koperasi” which state that: “Memperlakukan karyawan secara adil, baik dalam hal penerimaan, penilaian, kondisi dan lingkungan kerja, serta keterwakilan tanpa memandang ras, suku, kasta, asal negara, agama/kepercayaan, cacat, jender, orientasi seksual, keanggotaan serikat pekerja, afiliasi politik dan/atau umur”</p> <p>This policy has been informed to all employees and being placed into public area easily accessed.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
6.8.2	Evidence shall be provided that employees and groups including local communities, women, and migrant workers have not been discriminated against. - Major compliance –	Mill, estate and Scheme smallholders: Interviews of male and female workers confirmed that the company anti-discrimination policy was strictly enforced. They were not aware of any cases of discrimination, e.g. document review of salary payment did not find any evidence of discrimination.	Yes
6.8.3	It shall be demonstrated that recruitment selection, hiring and promotion are based on skills, capabilities, qualities, and medical fitness necessary for the jobs available. - Minor compliance –	Mill, estate and Scheme smallholders: The company has procedure hiring workers regulated that hiring and promotion of workers based on skill, work experiences, and job evaluation. This fair treatment also mentioned in Company Regulation and company policy. Implementing of the policy, e.g. the company was conducted medical check up for 14 temporary staffs who will be promoted as permanent staffs. Interview with Mr. PM (one candidate) showed that the recruitment process is fair and no indication of discrimination. The company complies to regulation of minimum age has been determined 18 years. Employee data seen that no employee under 18 years old working at mill. This has been confirmed with field visit to Tungkal Ulu Mill and Estates.	Yes
Criterion 6.9 There is no harassment or abuse in the work place, and reproductive rights are protected.			

	Criterion / Indicator	Assessment Findings	Compliance
6.9.1	<p>A policy to prevent sexual and all other forms of harassment and violence shall be implemented and communicated to all levels of the workforce.</p> <p>- Major compliance –</p>	<p>Mill and Estate: The company has policy to prevent sexual harassment and violence against women in “Kebijakan Perusahaan dated 1 December 2014”.</p> <p>The policy is prominently displayed on notice boards at the Mills and the Estates muster areas. Interviews of female staff, workers and union representatives confirmed that the company implemented the sexual harassment policy.</p> <p>The Company has conducted socialization to employees either through socialization directly or through committees eg gender socialization to employees Tungkal Ulu Gardens on June 9, 2015, which was attended by 28 participants.</p> <p>Scheme Smallholders: The KUD has policy to prevent sexual harassment and violence against women in “Kebijakan KUD” which stated “Mencegah pelecehan seksual dan berbagai bentuk kekerasan terhadap perempuan serta melindungi hak hak reproduksinya” (prevent sexual harassment and violence as well as protect reproductive rights for women)</p> <p>The policy is prominently displayed on notice boards at the Mills and the Estates muster areas. Interviews of female staff, workers, union representatives, and scheme smallholders confirmed that the company and scheme smallholders mplemented the sexual harassment policy.</p> <p>Sosialization of KUD policy conducted on 13th August 2015 held at KUD SP7 and Clubhouse which was attended by 43 participants.</p>	Yes

Criterion / Indicator	Assessment Findings	Compliance
<p>6.9.2</p> <p>A policy to protect the reproductive rights of all, especially of women, shall be implemented and communicated to all levels of the workforce.</p> <p>- Major compliance –</p>	<p>Mill and Estate: The company has policy to protect the reproductive rights in “Kebijakan Perusahaan dated 1st December 2014”.</p> <p>The policy is prominently displayed on notice boards at the Mills and the Estates muster areas. Interviews of female staff, workers and union representatives confirmed that the company implemented the sexual harassment policy.</p> <p>The Company has conducted socialization to employees either through socialization directly or through committees eg gender socialization to employees Tungkal Ulu Gardens on June 9, 2015, which was attended by 28 participants.</p> <p>Scheme Smallholders: The KUD has policy to protect the reproductive rights in “Kebijakan KUD” which stated “Mencegah pelecehan sexual dan berbagai bentuk kekerasan terhadap perempuan serta melindungi hak hak reproduksinya” (prevent sexual harassment and violence as well as protect reproductive rights for women)</p> <p>The policy is prominently displayed on notice boards at the Mills and the Estates muster areas. Interviews of female staff, workers, union representatives, and scheme smallholders confirmed that the company and scheme smallholders implemented the sexual harassment policy.</p> <p>Sosialization of KUD policy conducted on 13th August 2015 held at KUD SP7 and Clubhouse which was attended by 43 participants.</p>	<p>Yes</p>

	Criterion / Indicator	Assessment Findings	Compliance
6.9.3	<p>A specific grievance mechanism which respects anonymity and protects complainants where requested shall be established, implemented, and communicated to all levels of the workforce.</p> <p>- Minor compliance –</p>	<p>Mill and Esate:</p> <p>Mechanism for complaints management where it needs to protect its confidentiality for complaint submitter was found in company policy's draft as in one of points of this policies stated that: "To provide appropriate information for those who inquiry it and to proted its confidentiality for whistleblower cases in accordance to law regarding environmental and social issue, food safety, health and safety work, so that it enables them to more participate to the decision making processes for improving company's performance.</p> <p>Standard Operating Procedure, No. SOP: XX-HR-308.5-RO; Revision: 0, Desember 11th 2009: Employees complaints: submission and settlement</p> <p>Mechanism for complaints management where it needs to protect its confidentiality for complaint submitter was found in company policy's draft as in one of points of this policies stated that: "To provide appropriate information for those who inquiry it and to protect its confidentiality for whistleblower cases in accordance to law regarding environmental and social issue, food safety, health and safety work, in order tp enables them to more participate to the decision making processes for improving company's performance.</p> <p>Based on interviews with the Gender Committee members indicated that they had a good understanding associated with the grievance mechanism and has an annual program both routine and non-routine, including counseling to women employees and sosialization of their rights.</p>	Yes
<p>Criterion 6.10 Growers and millers deal fairly and transparently with smallholders and other local businesses.</p>			

	Criterion / Indicator	Assessment Findings	Compliance
6.10.1	<p>Current and past prices paid for Fresh Fruit Bunches (FFB) shall be publicly available.</p> <p>- Minor compliance –</p>	<p>Mill:</p> <p>In accordance with Agreement Letter between PT. IIS and scheme smallholder, determination of FFB price from scheme smallholder refers to price determination by local authority of Jambi Province through pricing committee (working group) "Rapat Kelompok Kerja Penetapan Harga TBS Provinsi Jambi". The price is updated and announced regularly every week by using the following formula:</p> $K \{(CPOprice \times R-CPO) + (Kernelprice \times R-kernel)\}.$ <p>e.g. result of pricing committee meeting for period of May 27, 2016 until June 2, 2016: CPO price Rp 7,773.8, PK price Rp. 6.352,07, "K" index 89.55, price for 10-20 planting years is Rp 1,823.09, price for 21-24 planting years us 1,768.73</p> <p>Current and past prices paid for FFB has been made publicly, through display of the FFB price in Mill's notice board and smallholders able to access the FFB price by phone.</p> <p>Based on interview with FFB supplier, company provided FFB price changes regularly. The current FFB price placed on mill's notice board, so easy to update. No significant objection / complaint regarding price determination.</p> <p>Scheme smallholders:</p> <p>KUD's staff is in coordination with company to update the latest FFB price. The latest FFB price placed on cooperative office and updated accordingly.</p>	Yes

	Criterion / Indicator	Assessment Findings	Compliance
6.10.2	<p>Evidence shall be available that growers/millers have explained FFB pricing, and pricing mechanisms for FFB and inputs/services shall be documented (where these are under the control of the mill or plantation)</p> <p>- Major compliance -</p>	<p>Mill: As previously mentioned, FFB pricing mechanism regulated independently by working group/committee. The meeting held on weekly basis involving government representatives, plantation companies' representative, and smallholders/cooperative members.</p> <p>The guidance for FFB price calculation and structure s per "Peraturan Menteri Pertanian No.14/Permentan/OT.140/2/2013 tentang Pedoman Penetapan Harga Pembelian TBS kelapa sawit produksi pekebun" and "Peraturan Gubernur Jambi No.36 tahun 2011 dan Keputusan Gubernur Jambi No.206/KepGub/Disbun/2014 tentang pembentukan Tim Penetapan dan Pemantauan Harga Pembelian TBS produksi Pekebun di Provinsi Jambi".</p> <p>The price information from Plantation Agency can be accessed freely by public. In addition, the company has also provided copy of price determination to</p> <p>The explanation on the FFB pricing formula and based on interview with smallholders, they understood of FFB pricing mechanism and no complaint was noted regarding FFB price.</p> <p>Scheme smallholders: KUD's staff and smallholder members confirmed, they understood the FFB price that is determined twice monthly by a Committee consisting of Provincial Government, Palm Oil Producers and Smallholder Cooperative Representatives. Head of cooperatives meet with PT IIS weekly and are involved in the negotiation of prices for FFB transport and premium for FFB quality.</p>	Yes
6.10.3	<p>Evidence shall be available that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent.</p> <p>- Minor compliance -</p>	<p>Mill and Scheme smallholders: Based on document review, contract/agreement prepared with consent from both parties. Contracts are counter signed by both parties as proof of understanding, and each party keep the copy.</p> <p>All clauses in contract are considered to be fair and transparant. From stakeholder consultations, company's partner/supplier admitted no coercion and/or any use of force from both side. Each party enters into agreement with consent.</p>	Yes
6.10.4	<p>Agreed payments shall be made in a timely manner.</p> <p>- Minor compliance -</p>	<p>Mill and Scheme smallholders: Payment for FFB purchasing from farmer/parcel owner of scheme smallholders made through collective account in each cooperatives. The Cooperative management than will distribute to each farmer group (KT) and farmers group distribute the payment to each parcel owners. Revealed from interview with third party FFB supplier/contractor that so far PT IIS Tungkal Ulu always pays on time as per agreement.</p>	Yes

Criterion / Indicator	Assessment Findings	Compliance
Criterion 6.11		
Growers and millers contribute to local sustainable development where appropriate		
6.11.1	<p>Contributions to local development that are based on the results of consultation with local communities shall be demonstrated.</p> <p>- Minor compliance -</p> <p>Mill and Estate: The company has a commitment in providing donation and aid to surrounding communities in form of CSR program. The CSR program comprise of education, religious activity, farming, infrastructure and health. The CSR programme 2016. Consist of 27 projects are grouped in 6 activities.</p> <p>The company has implemented CSR program in 2016, e.g.</p> <ul style="list-style-type: none"> - Donation for SD Permata Agri in Merlung village dated 27 February 2016, as in document of BAP No. 16/CSR/KTU/3d/2016. - Donation of medical equipment for Puskermas Merlung dated 11 April 2016, as in BAP No. 17/CSR/KTU/3d/2016. - Donation of construction materiel for church in Lampisi village dated 26 April 2016, as in BAP No. 22/CSR/KTU/4a/2016. - Donation to Pulau Pauh village dated 29 February 2016 as in BAP No. 27/CSR/KTU/5z/2016. <p>Scheme Smallholders: Record of local contribution is available in KUD, e.g. in KUD Karya Jaya, contribution for "Karang Taruna" activities (Rp. 2,052,450) and road maintenance in village (Rp. 1,368,300,) and ik KUD Harapan Jaya; ocal contribution has determined for each member is Rp. 20,000/month.</p>	Yes
6.11.2	<p>Where there are scheme smallholders, there shall be evidence that efforts and/or resources have been allocated to improve smallholder productivity.</p> <p>- Minor compliance -</p> <p>PT IIS Tungkal Ulu has a specific department to help management and handle the development of scheme smallholders. The department consists of manager, assistant manager and 6 assistants, with other worker such as supervisor.</p> <p>Training for scheme smallholders provided as part of capacity building. The training comprises of HCV, oil palm BMP, pest and disease, environmental aspect-impact (AMDAL), social impact, agrochemical handling, fertilizer application, etc.</p>	Yes
Criterion 6.12		
No forms of forced or trafficked labour are used.		
6.12.1	<p>There shall be evidence that no forms of forced or trafficked labour are used.</p> <p>- Major compliance -</p> <p>Mill, Estate and Scheme smallholders: Based on the result of interview with Labor Union management, worker, local government confirmed that there was no indication the company did the practice of forced labor and human trafficking.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
6.12.2	Where applicable, it shall be demonstrated that no contract substitution has occurred. - Major compliance –	Mill, Estate and Scheme smallholders: Based on the result of interview with Labor Union management and document verification of “Surat Perjanjian Kerja” shown that there was no indication substitution contract practiced.	Yes
6.12.3	Where temporary or migrant workers are employed, a special labour policy and procedures shall be established and implemented. - Minor compliance – 081381753307	Mill, Estate and Scheme smallholders: The agreement for temporary workers is available and signed by workers. There was no noted migrant worker.	Yes
Criterion 6.13 Growers and millers respect human rights			

Criterion / Indicator	Assessment Findings	Compliance
<p>6.13.1 A policy to respect human rights shall be documented and communicated to all levels of the workforce and operations (see Criteria 1.2 and 2.1).</p> <p style="margin-left: 20px;">- Major compliance -</p>	<p>Mill an Estate: Sighted during document observation a Human Rights policy documented in "Company Policy / Kebijakan Perusahaan", issued in 1st December 2014 by top management of PT. IIS.</p> <p>The policy stated "Respect the human rights and treats all employee justly and fair in all aspects including recruitment, assessment of wor condition and environment, and representatively, regardless etchnical, caste, nations, religion/ believe, disability, gender, sexual orientation, unin membership, political affiliation, and or age"</p> <p>The company has communicated this policy to all level of worker, e.g. socialization on 11th March 2015, attended 27 workers in Mill and on 6th January 2015, attended by 106 wokers and 9th June 2015 attended by 20 workers in Estate.</p> <p>This policy has also been made available for everybody through poster and pamflet, put on wall at the office.</p> <p>There is no indication of violence or abuse on human right arise from interview with stakeholder local government and workers.</p> <p>Smallholder Scheme: KUDs has a policy to respect for human rights by treating all employees and members of the Cooperative equitably, both in terms of reception, assessment, working conditions and environment as well as representation regardless of race, caste, religion/belief, disability, gender, sexual orientation, union membership, political and age.</p> <p>KUD also has communicated this policy through ocialization, e.g. on 13th August 2015 in KUD SP7 and Clubhouse wich was attended 43 members.</p>	<p>Yes</p>
<p>PRINCIPLE 7: RESPONSIBLE DEVELOPMENT OF NEW PLANTINGS (N/A – No any new planting)</p> <p><i>There is no new planting planting after 2005, the completed planting in 2003.</i></p>		
<p>PRINCIPLE 8: COMMITMENT TO CONTINUAL IMPROVEMENT IN KEY AREAS OF ACTIVITY</p>		
<p>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.</p>		

	Criterion / Indicator	Assessment Findings	Compliance
8.1.1	<p>The action plan for continual improvement shall be implemented, based on a consideration of the main social and environmental impacts and opportunities of the grower/mill, and shall include a range of Indicators covered by these Principles and Criteria.</p> <p>As a minimum, these shall include, but are not necessarily be limited to:</p> <ul style="list-style-type: none"> • Reduction in use of pesticides (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 the supply base; - Major compliance – 	<p>A continuous improvement plan has been prepared and internal audit conducted to identify environmental and social activities, such as:</p> <ul style="list-style-type: none"> - Installed a biogas power plant, currently under construction and it will be commenced 2017. - Efficiency fertilizer usage with applied fertilizer on stacking frond. - Applied EFB ashes as fertilizer, fibre and shell are burned in boiler for electricity. - Planting beneficial plant for natural predator. - CSR program - Reserve HCV areas - etc. 	Yes

Appendix "B"
Time Bound Plan

Name of Mill	Address	Time bound for certification	Status as of March 2015
Buatan I	Delik & Pangkalan Kerinci Village, Bunut Langgam District, Pelalawan Regency, Riau	2010	Certified on 16 September 2010
Buatan II	Delik & PangkalanKerinciVillage, Bunut Langgam District, Pelalawan Regency, Riau	2010	Certified on 16 September 2010
Ukui I	Ukui Village, Ukui District, Pelalawan Regency, Riau	2010	Certified on 1 March 2011
Ukui II	Ukui Village, Ukui District, Pelalawan Regency, Riau	2010	Certified on 1 March 2011
Tungkal Ulu	Pulau Pauh / Penyabungan / MerlungVillage, Tungkal Ulu District, Tanjung Jabung Regency, Jambi	2011	Certified on 15 August 2012
Muara Bulian	Singoan / Bukit Sari / BulianJayaVillage, Muara Bulian / Pematang Hari Regency, Jambi	2011	Certified on 28 August 2012
Topaz	PetapahanVillage, Tapung District, Kampar Regency, Riau	2013	Certified on 30 March 2015
Taman Raja	Lubuk Bernai / Kampung Baru / Pelabuhan Dagang / Pematang Pauh Vilage, Tungkal Ulu District, Tanjung Jabung Regency, Jambi	2013	Certified on 20 February 2015
Segati	Langkan / Penarikan / Tambak / SotoVillage, Langgam District, Pelalawan Regency, Riau	2014	Main Audit in December 2014.
Tanah Datar	Tanah Datar Petatal Village, Talawi District, Asahan Regency, North Sumatera	Brought Forward from 2015 to 2013	Certified on 18 th May 2015
Aek Nabara	S1-S3 / Sukadame Village, Bilah Hulu / Kota Pinang District, Labuhan Batu Regency, North Sumatera	Brought Forward from 2015 to 2013	Certified on 6 March 2015
Teluk Panjie	Teluk Panjie Village, Kampung Rakyat District, Labuhan Batu Regency, North Sumatera	Brought Forward from 2015 to 2013	Certified on 21 April 2015
Peranap	Simelinyang / Pauh Ranap / Sengkilo Village, Peranap District, Indragiri Hulu Regency, Riau	Brought Forward from 2016 to 2013	Certified on 7 January 2015
Bungo Tebo	Tuo Sumai / Sungai Rambai Village, PWK Sumai / Tebo Ulu District, Bungo Tebo Regency, Jambi	2016	Certified on 3 rd December 2015
Tanjung Selamat	Kampung Padang Village, Bilah Hilir District, Labuhan Batu Regency, North Sumatera	2017	Certified on 26 th May 2015
Gunung Melayu I	RahuningVillage, Bandar Pulau District, Asahan Regency, North Sumatera	2017	Certified on 7 th September 2015

Gunung Melayu II	GontingMahalaVillage, Bandar Pulau District, Asahan Regency, North Sumatra	2017	Certified on 8 th July 2015
Negri Lama I	Negri Lama Seberang Village, Bilah Hilir District, Labuhan Batu Regency, North Sumatra	Brought Forward from 2018 to 2013	Certified on 6 th April 2015
Negri Lama II	Negri Lama Seberang Village, Bilah Hilir District, Labuhan Batu Regency, North Sumatra	2018	Certified on 3 rd December 2015
Buatan	Delik & Pangkalan Kerinci Village, Bunut Langgam District, Pelalawan Regency, Riau	2010	Certified on 16 September 2010
Ukui & Soga	Ukui Village, Ukui District, Pelalawan Regency, Riau	2011	Certified on 1 March 2011
Buatan (Plasma)	Kerinci Kanan, Pangkalan Kerinci, Dayun Village, Siak & Pelalawan Regency, Riau	2011	Certified on 13 March 2012
Ukui (Plasma)	Ukui & Lubuk Batu Jaya District, Pelalawan & Inhu Regency, Riau	Brought forward from 2012 to 2011	Certified on 11 June 2012
Tungkal Ulu	Pulau Pauh/Penyabungan/Merlung Village, Tungkal Ulu District, Tanjung Jabung Regency, Jambi	2011	Certified on 15 August 2012
Muara Bulian	Singoan/Bukit Sari/ Bulian Jaya Village, Muara Bulian/Pemayang District, Batang Hari Regency, Jambi	2011	Certified on 28 August 2012
Buatan (KKPA)	Kerinci Kanan, Pangkalan Kerinci, Dayun District, Siak & Pelalawan Regency, Riau	2012	Certified on 17 January 2013
Tungkal Ulu (Plasma)	Renah Mendalo, Merlung, Muara Papalik District, Tanjung Jabung Barat Regency, Jambi	2012	Certified on 11 July 2013
Muara Bulian (Plasma)	Maro Sebo Ilir District, Batanghari Regency, Jambi	2012	Certified on 12 July 2013
Muara Bulian (KKPA)	Maro Sebo Ilir District, Batanghari Regency, Jambi	2012	Certified on 12 July 2013
Topaz & Seed Garden	Petapahan Village, Tapung District, Kampar Regency, Riau	2013	Certified on 30 March 2015
Taman Raja & Badang	Lubuk Bernai / Kampung Baru / Pelabuhan Dagang / Pematang Pauh Village, Tungkal Ulu District, Tanjung Jabung Regency, Jambi	2013	Certified on 20 February 2015
Segati	Langkan / Penarikan / Tambak / Sotol Village, Langgam District, Pelalawan Regency, Riau	2014	Public Notification conduct in October 2014. Main Audit in Dec 2014
Penarikan & Gondai	Pangkalan Sarik / Baru Village, Langgam / Siak Hulu District, Pelalawan / Kampar Regency, Riau	2014	Main Audit in December 2014

Penarikan (KKPA)	Pangkalan Sarik / Baru Village, Langgam / Siak Hulu District, Pelalawan / Kampar Regency, Riau	2014	Moved to 2016
Gunung Sahilan (KKPA)	Gunung Sahilan Village, Lipat Kain District, Pelalawan Regency, Riau	2014	Moved to 2016
Bahilang	Bahilang Village, Tebing Tinggi District, Serdang Bedagai Regency, North Sumatra	Brought Forward from 2015 to 2013	Certified 18 th May 2015
Tanah Datar	Tanah Datar Petatal Village, Talawi District, Asahan Regency, North Sumatra	Brought Forward from 2015 to 2013	Certified 18 th May 2015
Aek Nabara	S1-S3 / Sukadame Village, Bilah Hulu / Kota Pinang District, Labuhan Batu Regency, North Sumatra	Brought Forward from 2015 to 2013	Certified on 6 March 2015
Teluk Panjie	Teluk Panjie Village, Kampung Rakyat District, Labuhan Batu Regency, North Sumatra	Brought Forward from 2015 to 2013	Certified on 21 April 2015
Peranap	Simelinyang / Pauh Ranap / Sengkilo Village, Peranap District, Indragiri Hulu Regency, Riau	Brought Forward from 2016 to 2013	Certified on 7 January 2015
Bungo Tebo	Tuo Sumai / Sungai Rambai Village, PWK Sumai / Tebo Ulu District, Bungo Tebo Regency, Jambi	Brought Forward from 2016 to 2014	Certified 3 rd December 2015
Peranap (Plasma)	Simelinyang / Pauh Ranap / Sengkilo Village, Peranap District, Indragiri Hulu Regency, Riau	2016	Certified 19 th August 2016
Bungo Tebo (Plasma)	Tuo Sumai / Sungai Rambai Village, PWK Sumai / Tebo Ulu District, Bungo Tebo Regency, Jambi	2016	-
Tanjung Selamat	Kampung Padang Village, Bilah Hilir District, Labuhan Batu Regency, North Sumatra	Brought Forward from 2017 to 2014	Certified 26 th May 2015
Pangkalan	Sennah Village, Bilah Hilir District, Labuhan Batu Regency, North Sumatra	Brought Forward from 2017 to 2014	Certified 26 th May 2015
Sentral & Batu Anam	Gonting Mahala Village, Bandar Pulau District, Asahan Regency, North Sumatra	Brought Forward from 2017 to 2014	Certified 8 th July 2015
Pulau Maria	Rahuning Village, Bandar Pulau District, Asahan Regency, North Sumatra	Brought Forward from 2017 to 2014	Certified 7 th September 2015
Negri Lama	Negri Lama Seberang Village, Bilah Hilir District, Labuhan Batu Regency, North Sumatra	Brought Forward from 2018 to 2013	Certified on 6 April 2015
Aek Kuo	Aek Korsik Village, Aek Natas District, Labuhan Batu Regency, North Sumatra	Brought Forward from 2016 to 2013	Certified on 6 April 2015

Appendix "C"
RSP0 Certificate Details

PT Inti Indosawit Subur – Tungkal Ulu
Jl. MH. Thamrin No. 31
Jakarta
10230
INDONESIA

Certificate Number : RSP0 594422
 Date of Certificate : 15/08/2012
 End of certificate : 14/08/2017

Applicable Standards: RSP0 Principles & Criteria: 2013; RSP0 Supply Chain Certification Standard 2014: Supply Chain Certification requirement for CPO Mills – Module E Mass Balance (MB)

TUNGKAL ULU PALM OIL MILL AND SUPPLY BASE					
Location Address		Pulau Pauh, Penyabungan, Merlung Village, Tungkal Ulu District, Tanjung Jabung Regency, Jambi Province, INDONESIA			
GPS Location		102° 58' 53" E - 1° 18' 01" S			
FFB Tonnage Total		341,514 MT			
CPO Tonnage Total		71,717 MT			
PK Tonnage Total		17,075 MT			
Certified CPO Tonnage Total		53,939 MT			
Certified PK Tonnage Total		13,042 MT			
Certified Own estates FFB Tonnage		99,181 MT			
Certified Smallholder FFB Tonnage		142,333 MT			
Estate	Number of smallholder	Mature (Ha)	Immature (Ha)	Total Land-use Titles (Ha)	Annual FFB Production (MT)
1. Own estate: Tungkal Ulu Estate	-	4,396	0	4,556	99,181
2. Scheme smallholders					
KUD Bina Usaha	450	910	0	910	20,194
KUD Sawit Kita	509	1,028	0	1,028	21,762
KUD Karya Kita	579	1,168	0	1,168	26,984
KUD Karya Jaya	400	810	0	810	19,744
KUD Panca Mukti	385	792	0	792	5,476
KUD Sari Bumi	377	764	0	764	1,645
KUD Manunggal Jaya	104	208	0	208	3,238
KUD Sawit Mulia	676	1,362	0	1,362	7,021
KUD Argo Makmur	560	1,130	0	1,130	24,953
KUD Harapan Jaya	560	1,130	0	1,130	11,316
Subtotal	4,600	9,302	0	9,302	142,333
TOTAL		13,698	0	13,858	241,514

Appendix "D"
Assessment Plan

Date	Time	Subjects	Haeruddin	Nanang Muallib	Bukit Bagja
			PRSCO LA	PRSCO-SA	PRSCO-OHS/EMS
Monday, 13/06/2016	11.05 – 12.30	Flight Jakarta – Jambi by GA 132	√	√	√
		Travelling Jambi – Estate by Car	√	√	
Tuesday, 14/05/2016	08.00 – 08.30	Opening Meeting: Presentation by PT. IIS – Tungkal Ulu Presentation by BSI Indonesia	√	√	√
	08.30 – 12.00	Field Visit: Tungkal Ulu Estate Herbicide application programmes, harvesting, fertilising operations, terracing, road maintenance, Barn owl, beneficial plant, Landfill, housing complex, Storage, workshop, diesel tanks, clinic, etc (including interview with sprayer team and harvester).	√		
		Field Visit: Tungkal Ulu Estate Boundary stones, HCV areas, riparian zone, road maintenance and other facilities in line-site, (Tempat Penitipan Anak, school, school bus, etc), and interview with labour union, Gender Committee, local contractors, NGO, etc.		√	
		Document Review: Tungkal Ulu Mill General information, time bound plan and partial certification verification, RSPO P & C.			√
	12.00 – 14.00	Lunch			
	14.00 – 17.00	Field Visit: Tungkal Ulu Estate Herbicide application programmes, harvesting, fertilising operations, terracing, road maintenance, Barn owl, beneficial plant, Landfill, housing complex, Storage, workshop, diesel tanks, clinic, etc (including interview with sprayer team and harvester) - Continued	√		
		Document Review: Tungkal Ulu Estate			
	Document review and Stakeholder interview: Labour union, Gender committee, local contractors, NGO, etc (Continued)		√		

Date	Time	Subjects	Haeruddin	Nanang Mualib	Bukit Bagja
			PRSCO LA	PRSCO- SA	PRSCO- OHS/EMS
		Field Visit: Tungkal Ulu Mill PPE, safe working environment, walk ways, signs, EFB, POME treatment, emissions, diesel tanks, fire extinguishers, first aiders and boxes, workshop, storage, Clinic, housing complex, interview with mill's workers, etc			√
Wednesday, 15/06/2016	08.00 – 12.00	Document Review: Tungkal Ulu Estate			√
		Stakeholder Interview: Interview with local government (BLH, BPN, Disnakertrans and Dinas Perkebunan)		√	
		Document review: Tungkal Ulu POM RSPO SCCS	√		
	12.00 – 14.00	Lunch			
	14.00 -17.00	Document Review: Tungkal Ulu Estate	√		√
Stakeholder Interview: Interview with local government (BLH, BPN, Disnakertrans and Dinas Perkebunan)			√		
Thursday, 16/06/2016	08.00 – 17.00	Document review and Field Visit: KUD Manunggal Jaya (9 samples)		√	√
		Document Review and field visit: KUD Karya Kita (6 samples)	√		
Friday, 17/06/2016	08.00 – 17.00	Document Review and field visit: KUD Karya Kita (18 samples)	√	√	√
Saturday, 18/06/2016	08.00 – 16.00	Document Review and field visit: KUD Harapan Jaya (22 samples)	√	√	√
	16.00 – 16.30	Preparing Closing Meeting	√	√	√
	16.30 – 17.00	Closing Meeting	√	√	√
		Trip to Jambi			

Appendix "E"
Stakeholder Contacted

No.	Institution
1	Local Contractor (CV. Bina Makmur)
2	Head of Labour Union (PUK SPSI)
3	Dinas Tenaga Kerja Kabupaten Tanjung Jabung <i>(Labour Department of Tanjung Jabung Regency)</i>
4	Badan Lingkungan Hidup Kabupaten Tanjung Jabung <i>(Environmental Department of Tanjung Jabung Regency)</i>
5	Dinas Perkebunan Kabupaten Tanjung Jabung <i>(Plantation Department of Tanjung Jabung Regency)</i>

Appendix "F"
RSPO SCCS, 2014 – FOR CPO Mills (MODULE E): MASS BALANCE

Criterion E.1. Definition			
	Requirement	Evidence	Compliance
E.1.1	Certification for CPO mills is necessary to verify the volumes of certified and uncertified FFB entering the mill and volume sales of RSPO certified producers. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. In that scenario, the mill can claim only the volume of oil palm products produced from processing of the certified FFB as MB.	<p>Pabrik Tungkal Ulu (PTU) Facility use mass balance system as it is taking delivery of FFB from uncertified growers in addition to those from its own certified supplier.</p> <p>Based on procedure "Traceability" no. AA-MPM-OP-1400.17-R4 updated 23rd April 2015 and "Book Keeping" no. AA-MPM-OP-1400.18-R4 updated 23rd April 2015 described that FFB received from certified areas will be marked "Sustainable FFB" and FFB from non certified area is marked as "Non certified FFB" and only claim as "MB" in supply chain model.</p>	Yes

Criterion E.2. Explanation																					
	Requirement	Evidence	Compliance																		
E.2.1	The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the 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 should then be recorded in each subsequent annual surveillance report.	<p>For latest surveillance period, CB has recorded estimation of tonnage of CPO and PK product that can be produced by PTU mill, based on actual CPO and PK production in the previous period. The figures has been submitted to the RSPO E-trace PTU Mill.</p> <p>Summary of projection year Aug 2015 – Aug 2016 and actual production of PTU is as follows:</p> <table border="1" style="margin-left: 20px;"> <thead> <tr> <th>Description</th> <th>Projection (MT)</th> <th>Actual (MT)*</th> </tr> </thead> <tbody> <tr> <td>Total FFB</td> <td>308,596</td> <td>141.228.276</td> </tr> <tr> <td>Certified own FFB</td> <td>106,342</td> <td>100,580</td> </tr> <tr> <td>Certified Smallholder FFB</td> <td>120,293</td> <td>101,022</td> </tr> <tr> <td>Certified CPO</td> <td>52,237</td> <td>44,718</td> </tr> <tr> <td>Certified PK</td> <td>12,386</td> <td>10,833</td> </tr> </tbody> </table> <p>*Starting Aug 15th (certification period up to May 2016)</p> <p>The figure shows that there was no over production of CPO and PK within the recent certificate period. In ASA-4 assessment, the actual production of CPO and PK is recorded in daily, monthly and annual basis.</p>	Description	Projection (MT)	Actual (MT)*	Total FFB	308,596	141.228.276	Certified own FFB	106,342	100,580	Certified Smallholder FFB	120,293	101,022	Certified CPO	52,237	44,718	Certified PK	12,386	10,833	Yes
Description	Projection (MT)	Actual (MT)*																			
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Certified CPO	52,237	44,718																			
Certified PK	12,386	10,833																			
E.2.2	The mill must also meet all registration and reporting requirements for	The company has fulfilled all registration and reporting requirements for the MB supply chain through the RSPO supply chain managing organization (e-trace). Active e-	Yes																		

	<p>the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).</p>	<p>trace account available for the period of August 15/08/2015 – 14/08/2016.</p> <p>Records of CPO and PKO transaction during certification period available in e trace account. All transactions matches with CPO and PK sales contract and delivery notes.</p> <p>Sales contract document completed with the supply chain code "Mass Balance".</p>	
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Criterion E.3. Documented procedures			
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	Requirement	Evidence	Compliance
E.3.1	The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:		
	a) Complete and up to date procedures covering the implementation of all the elements in these requirements	<p>The company has implemented a supply chain and traceability procedure under "Traceability" no. AA-MPM-OP-1400.17-R4 and "Book Keeping" no. AA-MPM-OP-1400.18-R4, updated 23rd April 2015</p> <p>The procedure explains in all aspects of supply chain and traceability scope in Gunung Melayu POM, starting from FFB harvesting, FFB delivery to Palm Oil Mill; FFB receiving and processing in Palm Oil Mill, CPO and PK production and reporting; CPO and PK dispatch from Palm Oil Mill and receiving in storage tank for export, Shipping instruction and preparation, CPO stock balancing post-shipping.</p>	Yes
	b) The name 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 procedures for the implementation of this standard.	<p>Based on Prosedur "Traceability" no. AA-MPM-OP-1400.17-R4, updated 23rd April 2015, the company has appointed Mill Manger as responsible person for handling supply chain implementation in PTU.</p> <p>Based on interview, Mill manager (Mr. PH) can demonstrate awareness and knowledge regarding supply chain procedures and requirement and has been trained.</p> <p>Relevant operators such as weighbridge operators (Mrs. SMG), production / mass balance clerk, production assisstant can demonstrate awareness on mass balance system and procedures.</p>	Yes
E.3.2	The site shall have documented procedures for receiving and processing certified and non-certified FFBs.	<p>Supply chain and traceability procedure under "Traceability" no. AA-MPM-OP-1400.17-R4 and "Book Keeping" no. AA-MPM-OP-1400.18-R4, updated 23rd April 2015.</p> <p>Based on procedure "Traceability" no. AA-MPM-OP-1400.17-R4 updated 23rd April 2015 and "Book Keeping" no. AA-MPM-OP-1400.18-R4 updated 23rd April 2015 described that FFB received from certified areas will be marked "Sustainable FFB" and FFB from non certified area is marked as "Non certified FFB" and only claim as "MB" in supply chain model.</p>	Yes

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Criterion E.4. Purchasing and goods in			
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	Requirement	Evidence	Compliance
E.4.1	The site shall verify and document the tonnage and sources of certified and the tonnage of non-certified FFBs received.	<p>The company has impelented verification and documentation for all incoming FFB, such as:</p> <ol style="list-style-type: none"> 1. FFB delivery note that contain information: delivery note number, note serial number, date of delivery, date of harvest, planting year, estate / hamaparan, number of bunch, estimated weight, vehicle number, departure hour, arrival hours at the plant, signature of FFB clerks, security, and transporters, stamp "Sustainable" for certified sources. 2. Weigh Tickets: ticket number, commmodity, source (esate and block), weighing code (in and out), weight (in, out, deduction, netto), date, hour, number of bunch, sortation, transporting type, vehicle number, driver, barcode, signed by operator and driver. 3. Summary of daily production that contains: incoming and processed fruit, CPO output, product quality, delivery of palm oil and kernel. <p>Sample of verification for Certified Smallholder (SP1)</p> <ol style="list-style-type: none"> 1. Delivery Order of FFB from Field: <ul style="list-style-type: none"> - Letter head: "Kelompok Tani 17 "Sakura Jaya, SPI 1 Desa Cinta Damai" - Stamp: Hamparan 17 - SP. No: 001081. - Date: 14/06/2016 - Truck: BH 8654 EU - Quantity: 300 bunches - Stamp: "Sustainable". 2. Wight Bridge: <ul style="list-style-type: none"> - Ticket Number: PTUA216102891 - Commodity: TBS-Plasma-Sust. - Date: 14/06/2016 - Origin: SP1, KT. 17 - SP. No: 001081. - Truck: BH 8654 EU - Netto: 8,321 kg <p>Sample of verification for non certified source:</p> <ol style="list-style-type: none"> 1. Delivery Order of FFB from Field: <ul style="list-style-type: none"> - Letter head: "Surat Pengantar TBS" - Stamp: Asosiasi Tani Bersama - Date: 14/06/2016 - Truck: BH 8420 EU - Quantity: 300 bunches - ... 2. Wight Bridge: <ul style="list-style-type: none"> - Ticket number: PTUA51610425 - Commodity: TBS luar - Date: 14/06/2016 - Origin: Asosiasi Tani Bersama - Netto: 10,253 kg 	Yes

		- ...	
E.4.2	The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.	<p>This has been regulated in procedure "Book Keeping" no. AA-MPM-OP-1400.18-R4, updated 23rd April 2015, 6.5. "Head of Environment and sustainability will inform CB if there is an over production of certified tonnage.</p> <p>Data verification shows that there was no overproduction within last certification period as shown in E.21 clause.</p>	Yes

Criterion E.5. Record keeping

	Requirement	Evidence	Compliance																																																																																																
E.5.1	a. 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.	<p>The company has recorded all incoming FFB, CPO and PK production, and CPO and PK deliveries on a daily basis. The daily data are then incorporated into monthly data and balance of CPO production. Available records are:</p> <ul style="list-style-type: none"> Incoming FFB verification records Daily production summary that calculate incoming FFB, processed, CPO and PK production, and delivery of CPO and PK. Balancing of CPO and PK production, stock and despatch, both for claimed as certified and non non certified, on three monthly basis as documented in "CPO/PK Production and sales balance". <p>Example of balancing table for January – March 2016:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2"></th> <th colspan="3">FFB received (Kg)</th> </tr> <tr> <th>Certified</th> <th>Non - cert</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>January</td> <td>10,126,639</td> <td>6,530,589</td> <td>16,657,226</td> </tr> <tr> <td>Feb</td> <td>8,285,529</td> <td>6,914,311</td> <td>15,199,840</td> </tr> <tr> <td>March</td> <td>8,785,816</td> <td>7,188,762</td> <td>15,974,578</td> </tr> </tbody> </table> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2"></th> <th colspan="3">CPO Initial Stock</th> </tr> <tr> <th>Certified</th> <th>Non - cert</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>January</td> <td>204,892</td> <td>250,648</td> <td>455,540</td> </tr> <tr> <td>Feb</td> <td>552,028</td> <td>-129,978</td> <td>422,050</td> </tr> <tr> <td>March</td> <td>480,166</td> <td>-47,126</td> <td>432,990</td> </tr> </tbody> </table> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2"></th> <th colspan="3">CPO Production</th> </tr> <tr> <th>Certified</th> <th>Non - cert</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>January</td> <td>2,339,482</td> <td>1,274,678</td> <td>3,614,160</td> </tr> <tr> <td>Feb</td> <td>1,948,396</td> <td>1,365,224</td> <td>3,313,620</td> </tr> <tr> <td>March</td> <td>1,030,361</td> <td>1,401,999</td> <td>3,432,360</td> </tr> </tbody> </table> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2"></th> <th colspan="4">CPO Delivery</th> </tr> <tr> <th>RSPO Certified</th> <th>Non - cert</th> <th>ISCC</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>January</td> <td>1,993,040</td> <td>1,024,030</td> <td>877,020</td> <td>3,894,990</td> </tr> <tr> <td>Feb</td> <td>0</td> <td>1,745,850</td> <td>1,601,200</td> <td>3,347,110</td> </tr> <tr> <td>March</td> <td>0</td> <td>1,276,990</td> <td>2,189,110</td> <td>3,366,100</td> </tr> </tbody> </table> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2"></th> <th colspan="3">CPO Final Stock</th> </tr> <tr> <th>Certified</th> <th>Non - cert</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>January</td> <td>204,892</td> <td>250,646</td> <td>455,540</td> </tr> <tr> <td>Feb</td> <td>562,028</td> <td>-129,978</td> <td>422,050</td> </tr> </tbody> </table>		FFB received (Kg)			Certified	Non - cert	Total	January	10,126,639	6,530,589	16,657,226	Feb	8,285,529	6,914,311	15,199,840	March	8,785,816	7,188,762	15,974,578		CPO Initial Stock			Certified	Non - cert	Total	January	204,892	250,648	455,540	Feb	552,028	-129,978	422,050	March	480,166	-47,126	432,990		CPO Production			Certified	Non - cert	Total	January	2,339,482	1,274,678	3,614,160	Feb	1,948,396	1,365,224	3,313,620	March	1,030,361	1,401,999	3,432,360		CPO Delivery				RSPO Certified	Non - cert	ISCC	Total	January	1,993,040	1,024,030	877,020	3,894,990	Feb	0	1,745,850	1,601,200	3,347,110	March	0	1,276,990	2,189,110	3,366,100		CPO Final Stock			Certified	Non - cert	Total	January	204,892	250,646	455,540	Feb	562,028	-129,978	422,050	Yes
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		March	393,279	-4,969	388,310	
	b. All volumes of palm oil and palm kernel oil that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO.	<p>Based on daily accounting on RSPO mass balance, the company using RSPO-based accounting system and conversion ratios, as seen in document "Book Keeping – Mass Balance CPO & PK", updated monthly.</p> <p>The book kept daily record of: incoming FFB, processed FFB, CPO stock, CPO production, PK production, CPO / PLK delivery, and CPO/PK stock.</p> <p>All delivered volumes of palm oil and palm kernel oil are deducted from such material accounting system. During 2015-2016 certificate period, there is 8,429.36 tonnes of certified CPO shipping and 9,175.92 tonnes of certified PK.</p>				Yes
	c. The site can only deliver Mass Balance sales from a positive stock. Positive stock can include product ordered for delivery within three months. However, a site is allowed to sell short.(ie product can be sold before it is in stock.)	Based on review 3 monthly basis, there was no CPO delivery from negative stock.				Yes
E.5.2	In cases where a mill outsources activities to an independent (not owned by the same organization) palm kernel crush, the crush still falls under the responsibility of the mill and does not need to be separately certified. The mill has to ensure that the crush is covered through a signed and enforceable agreement.	No outsourcing				N/A

Appendix "G"
 Location Map of PT Inti Indosawit Tungkal Ulu

Figure 1 Location of PT Inti Indosawit Subur – Tungkal Ulu in Indonesia

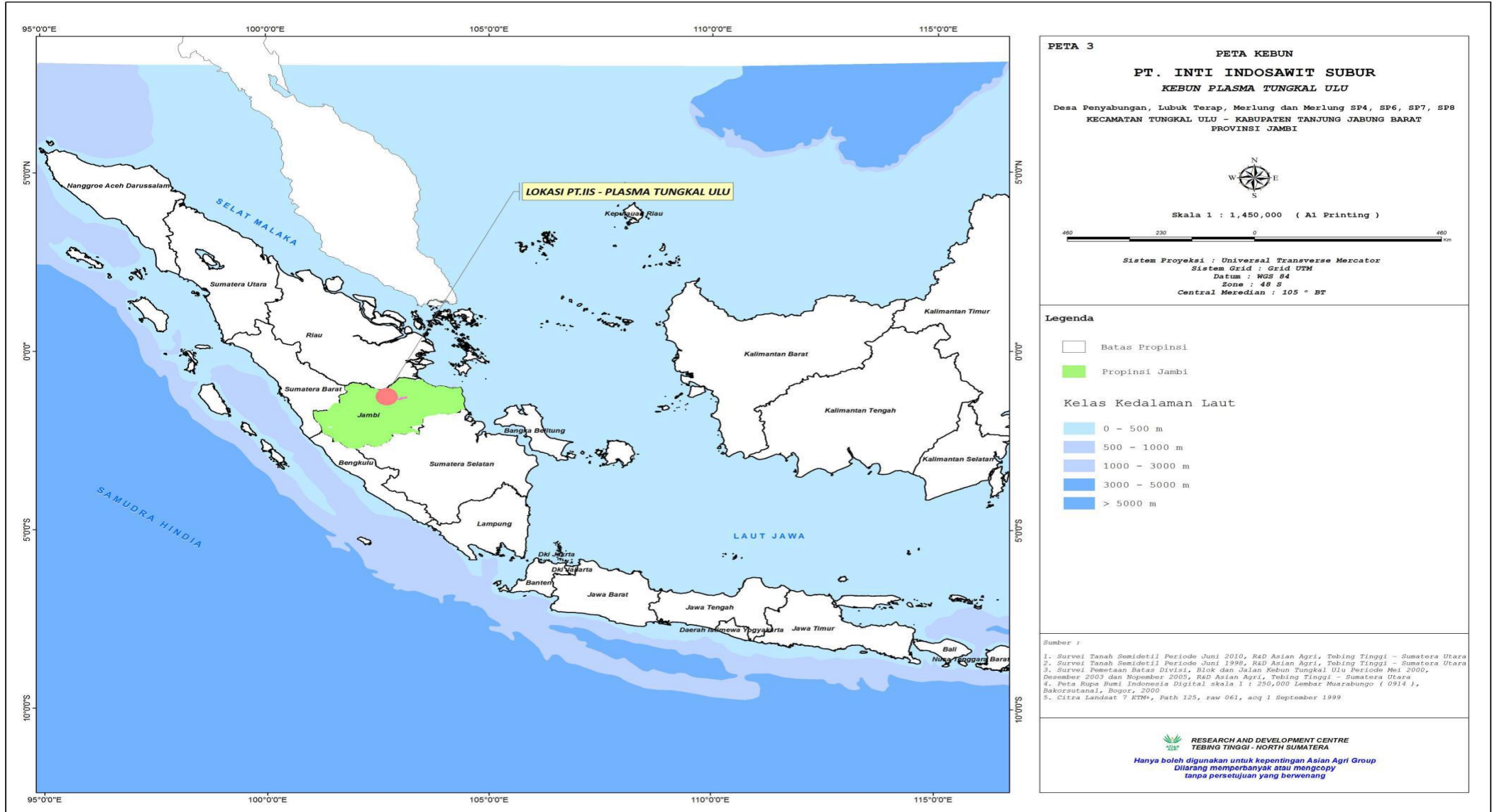


Figure 2. Location of PT Inti Indosawit Subur – Tungkal Ulu in Riau Province, Indonesia.

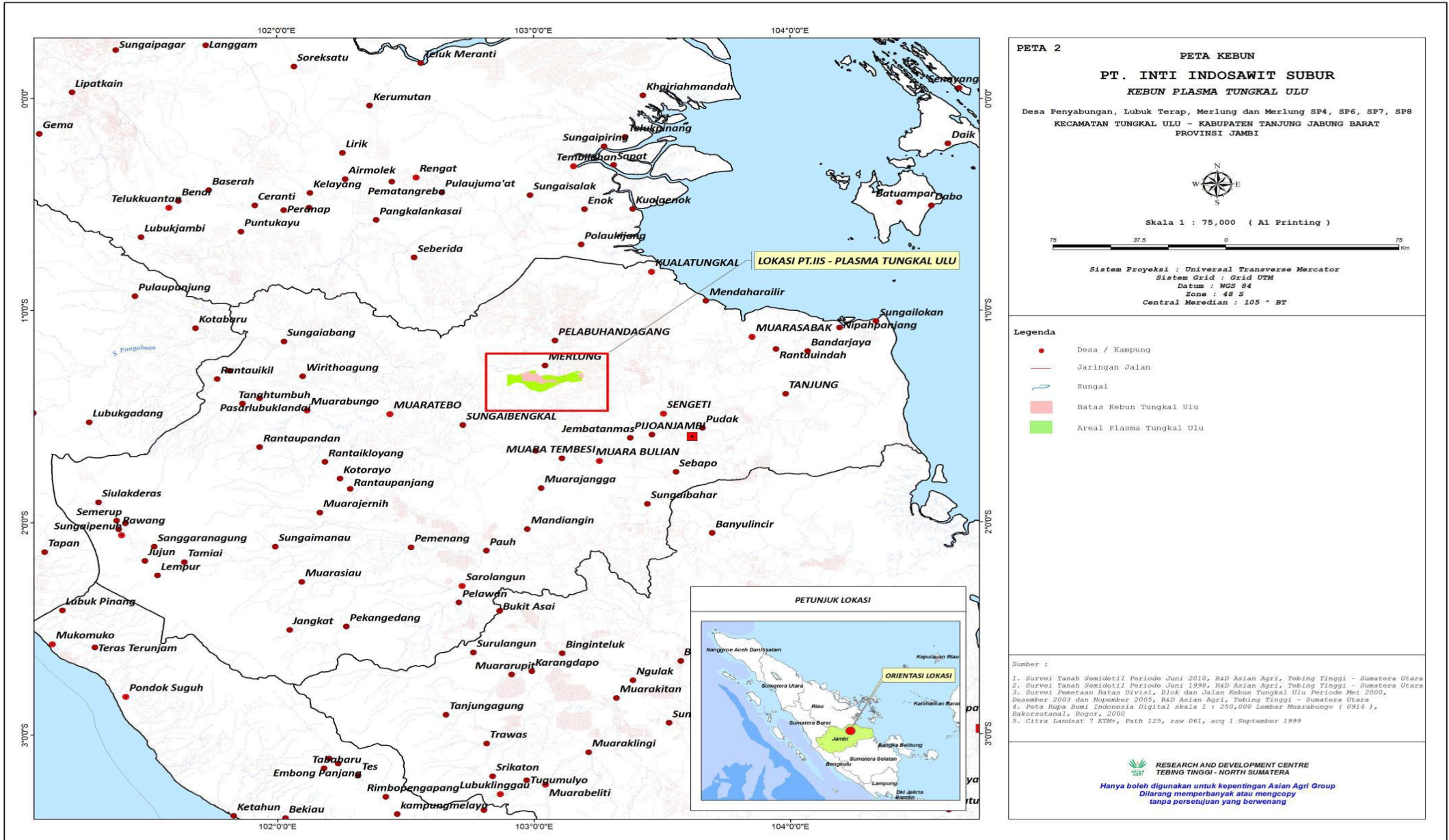
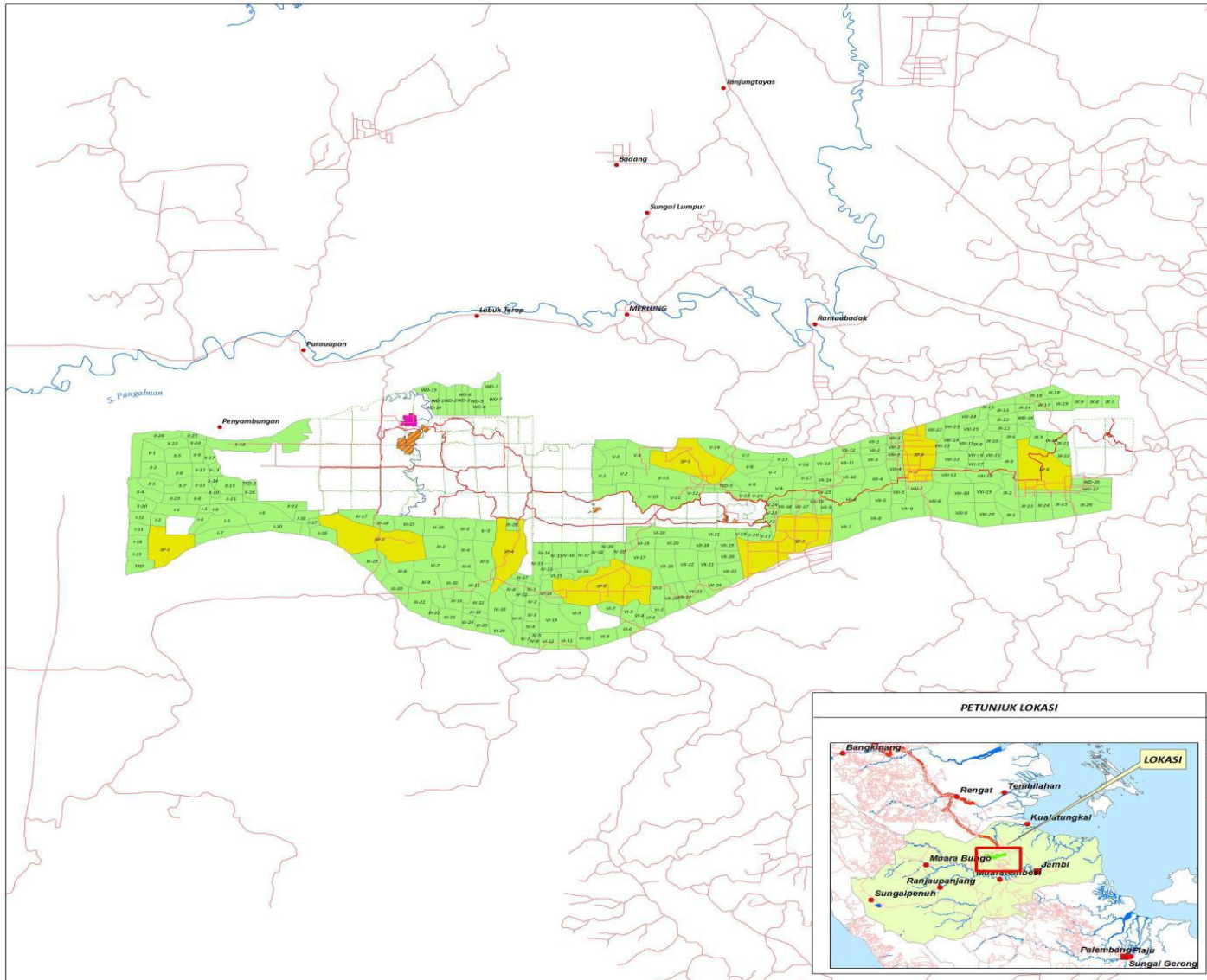


Figure 3. Location of Location of PT Inti Indosawit Subur – Tungkal Ulu and neighbouring entities



PETA 1

PETA KEBUN

PT. INTI INDOSAWIT SUBUR

KEBUN PLASMA TUNGKAL ULU

Desa Penyambungan, Lubuk Terap, Merlung dan Merlung SP4, SP6, SP7, SP8
 KECAMATAN TUNGKAL ULU – KABUPATEN TANJUNG JABUNG BARAT
 PROVINSI JAMBI

N
 W —+— E
 S

Skala 1 : 75,000 (A1 Printing)

7 3.5 0 7
 Km

Sistem Proyeksi : Universal Transverse Mercator
 Sistem Grid : Grid UTM
 Datum : WGS 84
 Zone : 48 S
 Central Meridian : 105 ° BT

Legenda

- Desa / Kampung
- Jaringan Jalan
- Sungai
- Batas Kebun Tungkal Ulu
- Areal Plasma Tungkal Ulu
- Pabrik Kelapa Sawit Tungkal Ulu
- Komplek Perumahan Staf dan Karyawan Kebun Tungkal Ulu

Sumber :

1. Survei Tanah Semidetil Periode Juni 2010, R&D Asian Agri, Tebing Tinggi – Sumatera Utara
2. Survei Tanah Semidetil Periode Juni 1999, R&D Asian Agri, Tebing Tinggi – Sumatera Utara
3. Survei Pemetaan Batas Divisi, Blok dan Jalan Kebun Tungkal Ulu Periode Mei 2000, Desember 2003 dan Nopember 2005, R&D Asian Agri, Tebing Tinggi – Sumatera Utara
4. Peta Rupa Bumi Indonesia Digital skala 1 : 250,000 Lembar Muarabungo (0914), Bakorsutansl, Bogor, 2000
5. Citra Landsat 7 ETM+, Path 125, row 061, acq 1 September 1999

RESEARCH AND DEVELOPMENT CENTRE
 TEBING TINGGI - NORTH SUMATERA

Hanya boleh digunakan untuk kepentingan Asian Agri Group
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Appendix "H"
Abbreviation used

AMDAL	Analisis Mengenai Dampak Lingkungan (Social and Environmental Impact Assessment)
BOD	Biological Oxygen Demand
BPN	Badan Pertahanan Nasional (National Land Authority)
BSI	British Standard Institution
CPO	Crude Palm Oil
CSR	Corporate Social Responsibility
EFB	Empty Fruit Bunch
FFB	Fresh Fruit Bunch
GPS	Global Positioning System
HCV	High Conservation Value
HGU	Hak Guna Usaha (Land) title for commercial use
IPM	Integrated Pest Management
ISO	International Standards Organisation
ISPO	Indonesia Sustainable Palm Oil Foundation
ISCC	International Carbon Certification System
IUP	Izin Usaha Perkebunan (Plantation Licence)
KER	Kernel Extract Ratio
MB	Mass Balance
OER	Oil Extract Ratio
P2K3	Panitia Pembina Kesehatan dan Keselamatan Kerja
PK	Palm Kernel
PKO	Palm Kernel Oil
PKB	Perjanjian Kerja Bersama (Worker Agreement)
POM	Palm Oil Mill
PPE	Personal Protective Equipment
PT	Perseroan Terbatas (Limited Company)
RKL	Rencana Pengelolaan Lingkungan (Environmental Management Plan)
RPL	Rencana Pemantauan Lingkungan (Environmental Monitoring Plan)
RSPO	Rountable Sustainable Palm Oil
SEIA	Social & Environmental Impact Assessment
SIA	Social Impact Assessment
SCCS	Supply Chain Certification System
SOP	Standard Operation Procedure