

**RSPO – SPECIAL ASSESSMENT FOR RSPO SCCS 2014: CPO MILLS
DOWNGRADE**

PT. INTI INDOSAWIT SUBUR – UKUI I POM

**OFFICE:
JALAN MH THAMRIN No.31,
JAKARTA 10230
INDONESIA**

**PLANTATION:
PELALAWAN DISTRICT, RIAU PROVINCE
INDONESIA**

Revised August 2015

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Section 1 Scope of the Certification Assessment

1. Company Details			
RSPO Membership Number	No.1-0022-06-000-00	Date	2006
Company Name	PT. Inti Indosawit Subur - Ukui		
Address	Head Office: Jalan MH. Thamrin No.31, Jakarta 10230 – INDONESIA Plantation: Pelalawan Regency, Riau Province – INDONESIA		
Subsidiary of (if applicable)	PT Inti Indosawit Subur		
Contact Name	Mrs. Asrini Subrata		
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2. Certification Information			
Certificate Number	SPO 633774	Date	01/03/2011 – 29/02/2016
Scope of Certification	Production of CPO and PK at: Ukui I Palm Oil Mill and 1 company-owned estates and 9 cooperatives as scheme smallholders.		
Palm Oil Mill Capacity	90 tons FFB/hour		
Other Certifications			
Certificate Number	Standard(s)	Certificate Issued by	Expiry Date
EU-ISCC-Cert-DE100-20151997	ISCC (Ukui I POM)	SGS	3 rd February 2015 - 2 nd February 2016
ISCC-Plus-Cert-10015085	ISCC Plus (Ukui I POM)	SGS	3 rd February 2015 - 2 nd February 2016

3. Location(s) of Mill & Supply Bases			
Name (Mill / Supply Base)	Location [Map Reference #]	GPS	
		Easting	Northing
Ukui I Palm Oil Mill	Ukui Village, Ukui District, Pelalawan Regency	102° 05' 33" E	00° 13' 34" S
1. Ukui Estate	Ukui Village, Ukui District, Pelalawan Regency	102° 02' 43" - 102° 11' 37" E	00° 10' 5" S - 00° 17' 18" S
2. KUD Sumber Makmur	Bukit Gajah Village, SP 1, Ukui District	102° 09' 26" E	00° 09' 05" S
3. KUD Bina Usaha Baru	Bukit Jaya Village, SP 2, Ukui District	102° 06' 23" E	00° 09' 36" S
4. KUD Bakti	Trimulya Jaya Village, SP 3A, Ukui District	102° 05' 48" E	00° 08' 25" S
5. KUD Karya Bersama	Air Emas Village, SP 3BC, Ukui District	102° 05' 55" E	00° 07' 00" S

6. KUD Sawit Subur	Kampung Baru Village, SP 4, Ukui District	102° 03' 29" E	00° 09' 42" S
7. KUD Bina Sejahtera	Lubuk Kembang Sari Village, SP 5, Ukui District	102° 06' 18" E	00° 12' 07" S
8. KUD Sumber Bahagia	Silikuan Hulu Village, SP 6, Ukui District	102° 06' 31" E	00° 13' 56" S
9. KUD Bukit Potalo	Ukui II Village, SP 6, Ukui District	102° 10' 09" E	00° 08' 41" S
10. KUD Usaha Baru	Redang Seko Village, SP 6, Lirik District, Indragiri Hulu Regency	102° 13' 13" E	00° 10' 57" S

Figure 1. Location of PT. Inti Indosawit Subur - Ukui 1 in Indonesia



Figure 2. Location of PT. Inti Indosawit Subur - Ukui 1 in Riau Province, Indonesia

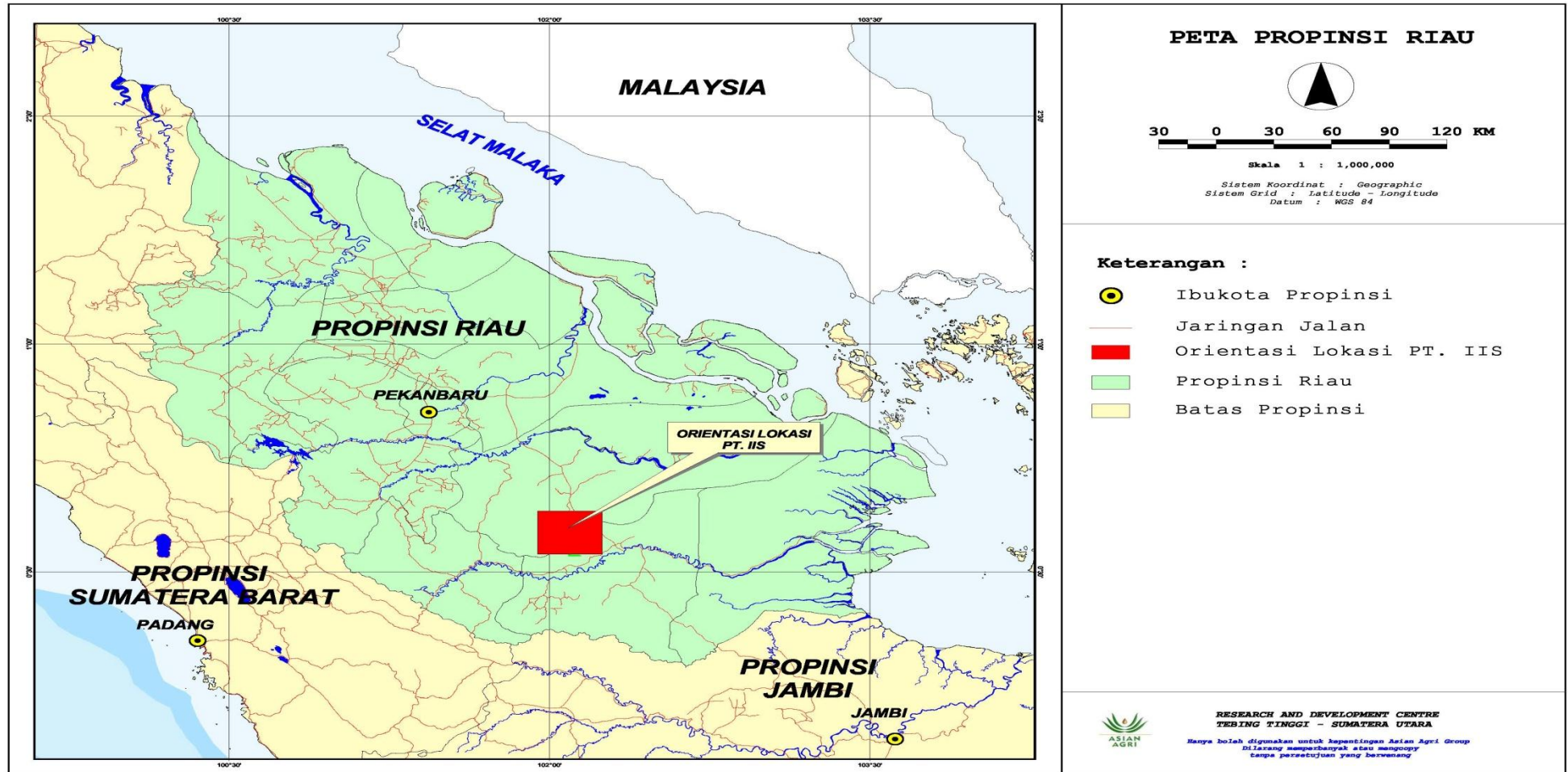
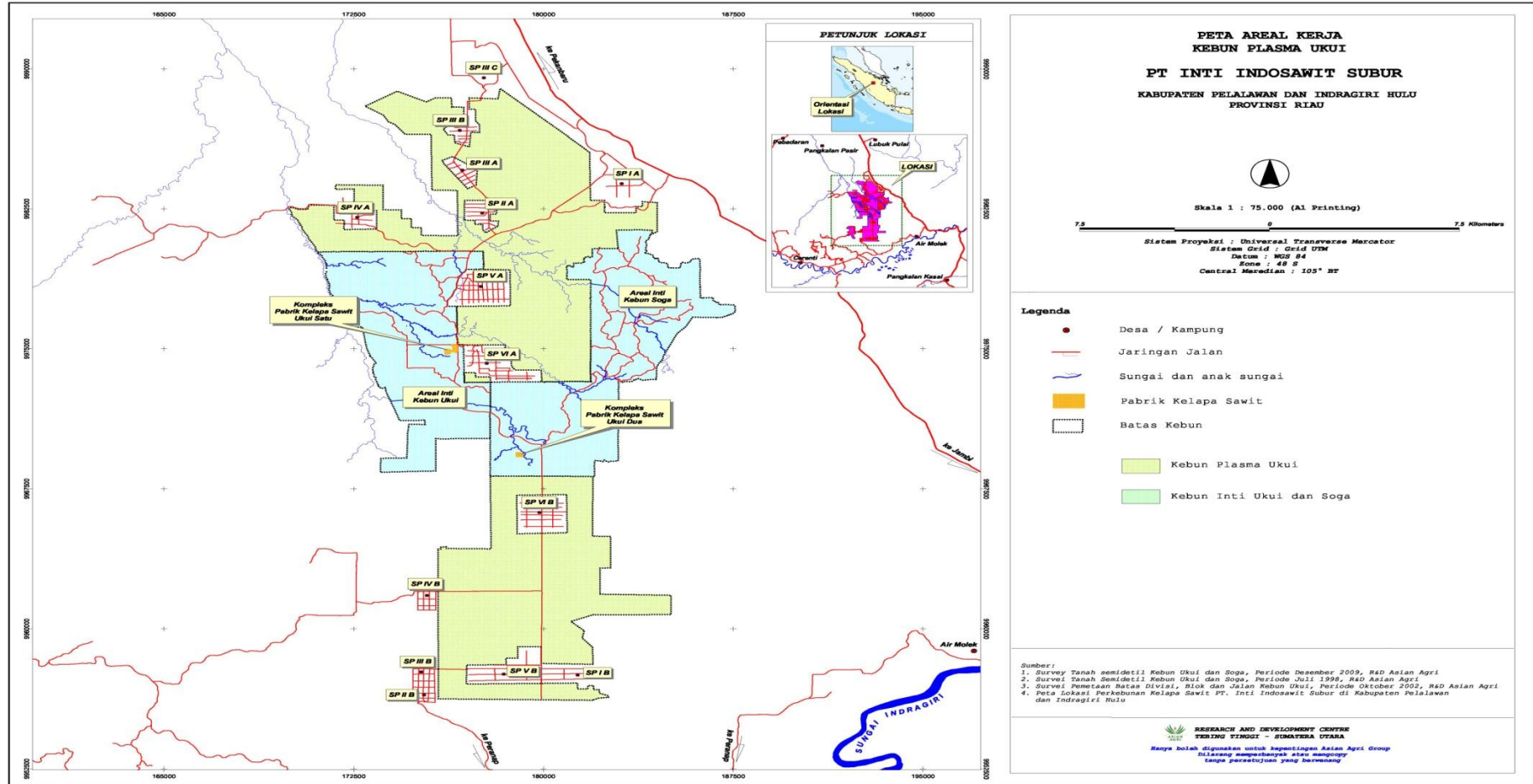


Figure 3. location of PT. Inti Indosawit Subur - Ukui 1 and supply bases.



4. Description of Supply Base								
Estate		Mature (Ha)	Immature (Ha)	HCV (Ha)	Infrastructure & Other (Ha)	Total Planted (Ha)	Total Hectareage	% of Planted
Ukui I POM								
1. Ukui Estate		4,271	0	142	54	4,271	4,467	95,6%
Scheme Smallholder	Number of members	Mature (Ha)	Immature (Ha)	HCV (Ha)	Infrastructure & Other (Ha)	Total Planted (Ha)	Total Hectareage	% of Planted
2. KUD Sumber Makmur		781	1,562	0	0	1,562	1,562	100%
3. KUD Bina Usaha Baru		308	616	0	0	616	616	100%
4. KUD Bakti		224	448	0	0	448	448	100%
5. KUD Karya Bersama		432	864	0	0	864	864	100%
6. KUD Sawit Subur		454	908	0	0	908	908	100%
7. KUD Bina Sejahtera		618	1,236	0	0	1,236	1,236	100%
8. KUD Sumber Bahagia		603	1,206	0	0	1,206	1,206	100%
9. KUD Bukit Potalo		247	494	0	0	494	494	100%
10. KUD Usaha Baru		247	494	0	0	494	494	100%
Sub-total		3,914	7,828	0	0	7,828	7,828	100%
Outgrowers*		11	n/a	n/a	n/a	n/a	n/a	n/a
Total		12,099	0	142	54	12,099	12,295	98,4%

* Number of FFB supplier/outgrower with agreement; Outgrowers excluded from certification scope.

5. Plantings & Cycle									
Estate	Age (Years)					FFB Tonnage / Year			
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30	Estimated (Previous Year)	Actual (This Year)	Forecast (Next Year)	
Ukui I POM									
1. Ukui Estate		0	0	343	2,243	1,685	115,959	114,717	111,229
2. KUD Sumber Makmur		0	0	0	1,406	156	39,378	34,831	38,213
3. KUD Bina Usaha Baru		0	0	0	12	604	14,437	13,816	11,527
4. KUD Bakti		0	0	0	0	448	10,752	10,033	8,411
5. KUD Karya Bersama		0	0	0	160	704	22,904	22,003	17,771
6. KUD Sawit Subur		0	0	0	0	908	23,608	19,145	23,469
7. KUD Bina Sejahtera		0	0	0	60	1,176	30,157	28,768	31,786
8. KUD Sumber Bahagia		0	0	0	802	404	28,838	26,764	30,215

9. KUD Bukit Potalo	0	0	494	0	0	10,930	9,960	9,925
10. KUD Usaha Baru	0	0	494	0	0	8,042	7,972	9,919
Subtotal	0	0	1,331	4,683	6,085	305,005	288,009	292,465
Outgrowers*	n/a	n/a	n/a	n/a	n/a	100,000	77,518	65,000
Total	0	0	1,331	4,683	6,085	405,005	365,527	357,465

* Outgrowers excluded from the certification scope;

6.Certified Tonnage									
Mill	Estimated (Previous Year)			Actual (This Year)			Forecast (Next Year)		
	FFB	CPO	PK	FFB	CPO	PK	FFB	CPO	PK
Ukui I POM	305,005	66,364	17,233	288,009	62,555	15,408	292,465	63,636	16,086
Subtotal Certified	305,005	66,364	17,233	288,009	62,555	15,408	292,465	63,636	16,086
Outgrowers*	100,000	21,758	5,650	77,518	16,836	4,147	65,000	11,765	3,575
Total	405,005	88,122	22,883	365,527	79,391	19,555	357,465	75,401	19,661

* Outgrowers excluded from the certification scope;

Section 2 Assessment Process

Certification Body:

BSI Services Malaysia Sdn Bhd.,
Accreditation Certificate No. RSP0- ACC- 019

B-08-01 (East), Level 8, Block B, PJ8,
 No.23, Jalan Barat, Seksyen 8,
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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 has a Regional Office in Singapore and an Office in Kuala Lumpur.

PT Inti Indosawit Subur – Ukui wishes to downgrade the supply chain module of Ukui I Palm Oil Mill from Identity Preserved into Mass Balance. The special assessment was carried out on 14th August 2015. The purpose of this special assessment is to downgrade the status of supply chain on Ukui I POM of PT Inti Indosawit Subur – Ukui Group from Identity Preserved into Mass Balance. The assessment programme is included as Appendix B. BSI evaluates Ukui I Palm Oil Mill implementation of RSP0 Supply Chain Requirement 2014 for CPO Mills: Module E – Mass Balance (MB).

BSI was using RSP0 P&C Generic Standard 2013 and RSP0 Supply Chain Requirement 2014 for CPO Mill during the assessment. The methodology for collection of objective evidence was through review of documentation and monitoring data and records. BSI only assessed the document related to the changes of supply chain system in the palm oil mill; since the certification unit has been assessed against RSP0 P&C Generic Standard 2013 and RSP0 Supply Chain Requirement 2014 for CPO Mills: Module D – Identity Preserved early in 2015.

There were no outstanding major nonconformities for the assessment. Therefore audit team can made positive recommendation to continue certification for PT Inti Indosawit Subur – Ukui I Palm Oil Mill and its supply base. Specific for Ukui I Palm Oil Mill, the mill is able to demonstrate changes and all aspects of Mass Balance supply chain standard.

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

1.Assessment Program					
Name (Mill / Supply Base)	Year 1	Year 2	Year 3	Year 4	Year 5
Ukui I POM	X	X	X	X	X
1. Ukui Estate	X	X	X	X	X

2. Sampled KUD as scheme smallholders	X	X	X	X	X
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Tentative Date of Next Visit (Re-Certification) : 01/12/2015

Total No. of Mandays: 11 Mandays

BSI Assessment Team:

Pratama Agung Sedayu – (Lead Auditor)

He graduated from University of Jenderal Soedirman on 2008, majoring in Social Economic of Agriculture. He involved in RSPO certification since 2009 as a team member covering assessment against RSPO P&C in Indonesia and Malaysia. He completed the ISO 9001, ISO 14001, OHSAS 18001 Lead Auditor Course, HCV Identification and Management; ISPO Lead Auditor endorsed Course and RSPO Lead Auditor Course. During this assessment, he assessed on the aspects of estate and mill best practices, environment and health and safety as well as RSPO Supply Chain for CPO Mills.

Nanang Muallib – Team member

He holds a Bachelor degree in Forestry Technology from Bogor Agriculture University, 1999. He has 4 years experience worked in the Forest plantation company in Indonesia, and has experiences involves in the several RSPO certification audits as team member. He has attended the 5 days RSPO P&C Certification System Assessment Training held by PT Mutuagung Lestari on 2009 as well as 5 days ISO 9001 auditor training on 2009. He has been approved as an HCV Assessor under RSPO Scheme. He has been involved in many assessment related to the Forestry and Sustainable oil palm certification in Indonesia. He has experienced involves in RSPO certification assessments more than 15 different oil palm organizations (including mills and estates) in Indonesia. He is also familiar with RSPO P&C Certification assessment and qualified as audit team member. During this assessment, he assessed on the aspect of Legal, HCV identification and management, and also social community engagement and stakeholders consultation.

Warsito - Team member

He graduated from Universitas Nusa Bangsa on 1999, Forestry Faculty. He involved in RSPO & ISPO certification since 2013 as a team member covering assessment against RSPO P&C in Indonesia. Warsito have extensive experience in forestry assessment. He completed the ISPO Lead Auditor Training, Training for HCV Assessment. During this assessment, he assessed on the aspects of social.

Accompanying Persons:

- Nil -

Section 3 Assessment Findings

3.1 Details of audit results are provided in the following checklist:

3.1.1 RSPO P&C 2013 for Mill and Company-owned Estate

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>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>Company regularly reported the progress. Sample taken: Health and safety committee report submitted to Manpower office in 30th December 2014; Plantation Progress report submitted to Plantation Service Pelalawan on 1st September 2014.</p>	Comply
1.1.2	<p>Records of requests for information and responses shall be maintained.</p> <p>- Major compliance -</p> <p>Company maintains the record of response upon information request under information logbook. Sample taken from Ukui Estate: Letter from Plantation Service Pelalawan No.525/Dishutbun-PPP/2014/1049 dated 16th September 2014 related to review and measurement of smallholder plot responded in 19th September 2014.</p>	Comply

Criterion / Indicator	Assessment Findings	Compliance
Criterion 1.2: Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.		
1.2.1 Publicly available documents shall include, but are not necessarily limited to: <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>	The company has determined list of publicly available document, such as: all documents related to land permit (Izin Lokasi, Izin Usaha Perkebunan, Land title rights), RKL/RPL, SIA, policies, HCV, OSH, CSR programmes, complaint documents, grievance, complaint and compensation mechanism, audit reports, etc. A number of documents are determined to be available for public, with approval from management: <ol style="list-style-type: none"> 1. Laporan RKL-RPL (environmental management and monitoring report); 2. Laporan neraca limbah B3 (hazardous waste balance report); 3. Laporan limbah cair dan padat (solid and liquid waste report); 4. Laporan penggunaan air permukaan dan air bawah tanah (Underground and surface water usage report); 5. Laporan P2K3 (health and safety report); 6. Wajib lapor tenaga kerja (manpower report); 7. Laporan Perkembangan usaha perkebunan (plantation business progress report); 8. Laporan hasil monitoring high conservation value (high conservation value monitoring report); 9. Laporan pemantauan dan pencegahan kebakaran lahan (land fire monitoring and prevention activity report); 10. Laporan hasil MCU karyawan (employee’s medical check-up result); 11. Laporan emisi udara (air emission test report); 12. Laporan analisa fisik dan kimia sungai (river water’s physical and chemical test result). 	Comply
Criterion 1.3: Growers and millers commit to ethical conduct in all business operations and transactions.		

Criterion / Indicator		Assessment Findings	Compliance
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>Company is able to shows company policy - Kebijakan Perusahaan signed 12th October 2012. However the policy does not stated the policy to uphold code of ethical conduct. Furthermore, based on interview with sampled workers, they have not received communication/dissemination of such policy.</p> <p>NC Minor identified.</p>	NC Minor
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	<p>Evidence of compliance with relevant legal requirements shall be available.</p> <p>- Major compliance –</p>	<p>PT IIS maintained SOP for compliance with legal indicators and its changes. The Legal Department of PT IIS's Head office issued a Memorandum for all units under PT IIS management to update latest applicable regulation. PT IIS has evaluated the changes with the latest regulation. New regulations related to hazardous waste have been evaluated – compliance in progress.</p> <p>Sample of legal documents were checked in the mill and estates. Land ownership (such as land title/HGU, location permit, etc) documents are valid. No changes in the HGU certificate as at current. Mill machineries inspection, manpower report, health and safety compliance report and environmental monitoring/measurement reports confirm compliance to the legal requirements.</p> <p>Estate Land ownership: <i>Land title see 2.2.1</i></p> <p>Plantation Business Permit: Izin Usaha Perkebunan-Budidaya (IUP-B) based on Surat Keputusan Bupati Pelalawan No.Kpts.525.3/Dishutbun/2013/446 dated 29th May 2013 for 3,003.73 Ha. Ijin Usaha Perkebunan-Pengolahan (IUP-P) for PT Inti Indosawit Subur dated 29th May 2013.</p>	Comply

Criterion / Indicator		Assessment Findings	Compliance
		<p>Mill machineries licenses/permit: Ukui I POM demonstrates valid and updated licenses for all mill machineries: Boiler Takuma No.3 N-1300 No.566/BL/DINNAKERTRANS/003/2012, latest inspection by PT Jesindo Mandiri on 11 October 2014, next inspection 11 October 2016; Weighbridge No.2 Avery Weigh Tronic No.510.302/Metro/1363/V/2014 – Surat Keterangan Hasil Pemeriksaan dated 2nd May 2014, next inspection 22nd April 2015; Vertical Sterilizer No.1 No.566/Sterilizer/DISNAKERTRANS/0064/2012, latest inspection on 11 October 2014, next on 11 October 2016; Back Pressure Vessel No.566/BPV/DISNAKERTRANS/0063/2012 latest inspection on 11 October 2014, next on 11 October 2015; Electrical installation No.132/L-IL/PPLWN/2006 latest inspection on 11 October 2014, next inspection on 11 October 2015; Steam turbine 1, No.222/TU-M/PL/2004, latest inspection 11 October 2014, next inspection on 11 October 2015; Air Compressor No.B.88/BT-M/VI/1997, latest inspection 11th October 2014;</p>	
2.1.2	<p>A documented system, which includes written information on legal requirements, shall be maintained.</p> <p>- Minor compliance –</p>	<p>The company has updated the regulations that must be complied provided in Indonesian Legislation and international laws or its ratification. PT IIS demonstrate a list of all applicable regulations, which was evaluated and reviewed. Date of latest review on 1st January 2015.</p>	Comply

Criterion / Indicator		Assessment Findings	Compliance
2.1.3	A mechanism for ensuring compliance shall be implemented. - Minor compliance –	Company has a procedure to achieve compliance with relevant regulations under SOP-AA-GL-5001.1-R0. Evaluation against applicable regulations carried out on regular basis. A number of compliance against applicable regulation is in progress. PT IIS demonstrate document “Evaluasi Kepatuhan Hukum”. The document has included the Permenkes No.416 tahun 1990 and PP No.82 tahun 2001. Company compliance in form of evaluation and test of water quality drinking water, river water, analysis on soil physic and chemical, underwater analysis, analysis on water physical and chemical. Date of latest review on 1 st January 2015.	Comply
2.1.4	A system for tracking any changes in the law shall be implemented. - Minor compliance –	The company has established mechanism to track if any change of regulation and evaluation will be reviewed accordingly.	Comply
Criterion 2.2			
The right to use the land is demonstrated, and is not legitimately contested by local people who can demonstrate that they have legal, customary or user rights.			
2.2.1	Documents showing legal ownership or lease, history of land tenure and the actual legal use of the land shall be available. - Major compliance -	Company is able to demonstrate the legal ownership of the land: PT IIS Ukui Group holds three HGU which was checked and verified during the previous annual surveillance. a. Ukui Estate: 1. HGU No.16 issued by “Kantor Pertanahan Kabupaten Pelalawan” on 11 th March 2010 based on “SK Kepala BPN No.115/HGU/BPNRI/2009” dated 8 th September 2009 for 299.51 Ha as per “Surat Ukur”/measurement minutes No.01/AirHitam/2010. The HGU valid up to 11 th March 2045. 2. HGU No.01 issued by “Kantor Pertanahan Kabupaten Kampar” on 18 th December 1989 based on “SK Kepala BPN No.04/HGU/1989” dated 27 th April 1989 for 6,727.4 Ha as per “Surat ukur”/measurement minutes No.53/1988. HGU is valid until 31 st December 2019.	Comply

Criterion / Indicator		Assessment Findings	Compliance
		Plantation Business Permit: Izin Usaha Perkebunan-Budidaya (IUP-B) based on Surat Keputusan Bupati Pelalawan No.Kpts.525.3/Dishutbun/2013/446 dated 29 th May 2013 for 3,003.73 Ha. Ijin Usaha Perkebunan-Pengolahan (IUP-P) for PT Inti Indosawit Subur dated 29 th May 2013.	
2.2.2	Legal boundaries shall be clearly demarcated and visibly maintained. - Minor compliance –	Plantation PT Inti Indosawit Subur performs regular monitoring for all HGU poles, on 6-monthly basis and reported under “Laporan hasil Monitoring Pemeriksaan Patok Batas”. Record shows monitoring carried out in 16-21 st June 2014 and 17-18 th December 2014 for all-54 boundary poles. Field visit and verification to boundary poles No.49 and No.47 neighboring with Bagan Limau village suggest the boundaries are clear and visibly maintained. Moat is separated plantation boundary with neighboring communities.	Comply
2.2.3	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). - Minor compliance –	There is no land dispute noted, based on document review and public consultation. The plantation was developed along with the scheme smallholder – surrounding the plantation. There was no land compensation since area designation was clean and clear.	Comply
2.2.4	There shall be an absence of significant land conflict, unless requirements for acceptable conflict resolution processes (see Criteria 6.3 and 6.4) are implemented and accepted by the parties involved. - Major compliance –	There is no land conflict noted, based on document review and public consultation. The plantation was developed along with the scheme smallholder – surrounding the plantation. There was no land compensation since area designation was clean and clear.	Comply

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 –	There is no land dispute/land conflict noted, based on document review and public consultation. The plantation was developed along with the scheme smallholder – surrounding the plantation. There was no land compensation since area designation was clean and clear.	Comply
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 -	PT Inti Indosawit Subur-Ukui does not instigate violence in maintaining peace and order for current and planned operation. All complaint, grievance, dispute are resolved through meeting and mediation. Based on interview with local community of surrounding villages, there has never been conflict with company. The relationship between company and local community is in good condition.	Comply
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 –	Based on document review and stakeholder consultation, there is no legal, customary and/or user right overlapped with area of Ukui Estate and Soga Estate. The surrounding area is scheme smallholder’s oil palm area.	Comply

Criterion / Indicator		Assessment Findings	Compliance
2.3.2	<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> <p>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;</p> <p>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;</p> <p>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> <p>- Minor compliance –</p>	<p>PT IIS's Ukui group has not acquired any new land. PT IIS's Ukui does not restrict local peoples' access through the main Estate roads. This was confirmed during interview with company representative and stakeholder consultation with local community. Based on PT IIS's area statement documents, interview with communities and public consultation meeting on January 2015 there is no land conflict noted and/or reported between company and surrounding community.</p>	Comply
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>- Minor compliance –</p>	<p>PT IIS's Ukui group has not acquired any new land. There is no land dispute/land conflict noted, based on document review and public consultation.</p> <p>PT Inti Indosawit Subur provide all relevant information related to their land ownership status, grievance mechanism and compensation progress.</p>	Comply

Criterion / Indicator		Assessment Findings	Compliance
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>- Major coimpliance -</p>	<p>PT Inti Indosawit Subur is able to demonstrate that local communities are represented and participated during the meeting with stakeholder, discussing the social-economic and environmental planning. The meeting involving all relevant stakeholders, institution and representative of surrounding communities.</p>	Comply
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>			
3.1.1	<p>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>The company has prepared budget plan for 3 year (2015 – 2017) and reviewed annually. The budget available under “Program Kerja Tiga Tahun Ke Depan Anggaran 2015” demonstrating working plan for 2015 -2017. Within 3 years plan, company cascaded into hectare of planted area, production forecast, and yield per hectare. The budget is incorporating operational cost such as weed control, fertilizer application, pest and disease monitoring and controlling, palm upkeep, infrastructure upkeep, road and bridge maintenance, etc. The other cost incurred is harvesting and FFB transportation cost.</p> <p>Ukui 1 POM demonstrated 3 years plan “Rencana Kerja Perusahaan untuk 3 tahun (2015-2017)”. The planning consist OER average, production cost (Rp/ton CPO), FFB received, CPO production, kernel production, shell production - (from Ukui Estate, Plasma and outgrower). Budgeted OER, KER and OER PKO for 2015: OER CPO 21.76%, KER 5.50%, OER PKO 44.0%; for 2016: CPO 21.7%, KER 5.45%, OER PKO 44.0%;</p>	Comply

Criterion / Indicator		Assessment Findings	Compliance
3.1.2	<p>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.</p> <p>- Minor compliance -</p>	<p>PT IIS shows "Rencana Replanting" for each estate. Ukui estate planned to have replanting in 2015, a review for the replanting programme has been made available.</p>	Comply
PRINCIPLE 4: USE OF APPROPRIATE BEST PRACTICES BY GROWERS AND MILLERS			
<p>Criterion 4.1 Operating procedures are appropriately documented, consistently implemented and monitored.</p>			
4.1.1	<p>Standard Operating Procedures (SOPs) for estates and mills shall be documented.</p> <p>- Major compliance -</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>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.</p> <p>The procedure complemented with work instructions indicating specific parameter/requirement for each process/activities.</p> <p>Document seen: Mill Policy Manual.</p> <p>Additional SOP for Supply Chain: Traceability AA-MPM-OP-1400.17-R3, dated 23rd October 2013; COP Proses Produksi Kernel Crushing Plant PUS/SOP-SKP/01.R0, dated 1st May 2014. The SOP consist off several work instruction comprise of receiving palm kernel, start up kernel intake and bunker kernel silo, operating pressing expeller KCP, operating leaf filter, storage of PKE in warehouse, bund wall operation, sedimentation pond cleaning, pressing expeller machine breakdown, measurement of kernel and CPKO stock,</p>	Comply

Criterion / Indicator		Assessment Findings	Compliance
4.1.2	<p>A mechanism to check consistent implementation of procedures shall be in place.</p> <p>- Minor compliance –</p>	<p>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>Ukui 1 palm oil mill visited by internal audit team, purpose of visit to control quality of process. Mill managers are responsible for daily monitoring and reporting of mill production, quality and supply chain.</p> <p>Ukui estate visited by plantation advisor. Estate managers and each managerial level are responsible for daily monitoring of plantation upkeep, production, infrastructure reliability, and other field activities.</p>	Comply
4.1.3	<p>Records of monitoring and any actions taken shall be maintained and available, as appropriate.</p> <p>- Minor compliance –</p>	<p>PT Inti Indosawit Subur maintains record of all plantation and mill monitoring activities. The records covers wide range of plantation activities from replanting, palm upkeep, fertilizer application, pest and disease monitoring and control, weed control, harvesting performance, etc. Example: Field supervisor/mandor recorded the implementation of harvesting activities while harvest overseer checks the FFB quality.</p> <p>Each mill demonstrates records of FFB receiving and grading, FFB processing result, mill machineries monitoring and maintenance result, processing quality, CPO dispatches and other record. Mill shows record of Mill Operation Summary 2014, comprise of throughput, nett FFB processed, CPO production, OER, Oil losses, kernel, KER, Kernel Losses, processing cost. Information is crop and production, mill utilization, Quality and Process Control, manpower use, and mill machineries maintenance cost.</p> <p>Sampled record: Ukui I POM daily report “Laporan Harian Pabrik” dated 31st December 2014, consist of FFB received, FFB processed, Production, Shipping/dispatch and CPO stock; Daily and Monthly preventive maintenance record from December 2014 in each station.</p>	Comply

Criterion / Indicator		Assessment Findings	Compliance
4.1.4	<p>The mill shall record the origins of all third-party sourced Fresh Fruit Bunches (FFB).</p> <p>- Major compliance -</p>	<p>Ukui I POM is able to demonstrate a system to trace down and record origins of all third party sourced FFB.</p> <p>Ukui I POM: The record of outgrowers is available under "Laporan Harian Pabrik". Example: On 31st December 2014, Ukui I POM received total 4,339 ton from SP 1; 3,005 ton from SP 2; 407 ton from SP3A; 1,810 ton from SP3 BC; 1,455 ton from SP 4; 1,919 ton from SP 5; 6,605 ton from SP6; 35,487 ton from KUD Air Hitam Jaya; 491 ton from Dwi Karya; 21,600 ton from APSSA and 395 ton from Sahabat Jaya – Total 77,517 tons from third party FFB source.</p>	Comply
<p>Criterion 4.2 Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.</p>			
4.2.1	<p>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.</p> <p>- Minor compliance –</p>	<p>PT Inti Indosawit Subur has procedures to maintain soil fertility in general. The procedures comprise of fertilizer application and cover crop planting. PT IIS follows these procedures; leaf samplings are taken annually to accurately capture palm nutrient requirement (both macro and micro nutrient) and serve as source for fertilizer recommendation – fertilizer application (anorganic, compost, POME application, empty fruit bunch) follows fertilizer recommendation. Another effort is to plant legume cover crop.</p> <p>Soil analysis is conducted once every 7 years. Fertilizer recommendation 2015 approved by Head R&D Laboratorium ASIAN AGRI Group on December 2014.</p>	Comply
4.2.2	<p>Records of fertiliser inputs shall be maintained.</p> <p>- Minor compliance –</p>	<p>Records of fertilizer inputs are maintained. Fertilizer application recorded and updated on daily basis under Plantation Manajemen System-document, explains type of fertilizer and progress up to date.</p> <p>Sample taken: In Ukui estate (Afdeling V), up to 31st December 2014 – 162,250 kg from recommendation of 167,250 kg (3.98 kg/palm) ZA fertilizer have been applied; in Afdeling III, up to 31st December 2014 – 415,522 kg from recommendation of 415,758 kg (3,05 kg/palm) of MOP fertilizer have been applied.</p>	Comply

Criterion / Indicator		Assessment Findings	Compliance
4.2.3	There shall be evidence of periodic tissue and soil sampling to monitor changes in nutrient status. - Minor compliance –	Semi detail soil survey carried out once in 6 years by “Pusat Riset dan Pengembangan Asian Agri”. The latest soil survey carried out in May 2010 – reported inside document “Laporan Survey Semi Detail Areal Perkebunan Kelapa Sawit PT Inti Indo Sawit Subur”. Foliar analysis carried out on annual basis by by “Pusat Riset dan Pengembangan Asian Agri”. The result documented under “Oil Palm Leaf Nutrient Analysis Ukui and Soga Estate”. The latest foliar analysis carried out in August 2014 and the result used as consideration for Fertilizer recommendation 2015.	Comply
4.2.4	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. - Minor compliance –	PT Inti Indosawit Subur is able to demonstrate nutrient recycling strategy, applying palm by-product (such as empty fruit bunches) as organic matter source, palm oil mill effluent for land application as liquid fertilizer. Example: Based on field visit to block C89G, estate is applying POME for land application (as liquid fertilizer); EFB application on block D89B;	Comply
Criterion 4.3			
Practices minimise and control erosion and degradation of soils.			
4.3.1	Maps of any fragile soils shall be available. - Major compliance -	PT Inti Indosawit Subur has a semi detailed soil map for each estate. The soil map indicating the soil type, slope, drainage level, and limiting factors – in order to determine the land suitability at each soil complex. Based on semi-detail soil survey map and field visit – there is 490 Ha area with limiting factors of topography >30% and 1,888 Ha area with limiting factors of topography and poor drainage. This is further determines management strategy for area with specific soil requirements. Company procedure for land clearing stated that no land clearing should performed on area with slope >40%.	Comply

Criterion / Indicator		Assessment Findings	Compliance
4.3.2	<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>Company procedure for land clearing stated that no land clearing should performed on area with slope >40%.</p> <p>Company has a procedure for soil and water conservation – considering the slope. The procedure is conserving through cover crop, EFB application, frond stacking, platform, silt pit, terrace contour and stop bund.</p> <p>Specific for low-laying area, the strategy is to maintain cover crop, drainage ditch and frond stacking.</p> <p>Based on semi-detail soil survey map and field visit – there is 1,888 Ha area with limiting factors of topography and poor drainage. For these areas, management has developed drainage network.</p>	Comply
4.3.3	<p>A road maintenance programme shall be in place.</p> <p>- Minor compliance –</p>	<p>Road maintenance programme is evident. PT Inti Indosawit Subur is able to show the progress of road maintenance up to December 2014.</p> <p>Actual road maintenance for 2014 is road stoning 73,099 meters, mechanical maintenance 10,150 meters, manual maintenance 1,490,266 meters, culvert repaired 879 units and harvesting access 93 unit.</p>	Comply
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>Based on semi-detail soil survey map and field visit – there is no indication of peat soil in the plantation of PT Inti Indosawit Subur.</p> <p>From the same document, there is 1,888 Ha area with restriction of topography and poor drainage. For these areas, management has developed drainage network.</p>	Comply
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>Based on semi-detail soil survey map and field visit – there is no indication of peat soil in the plantation of PT Inti Indosawit Subur.</p> <p>From the same document, there is 1,888 Ha area with restriction of topography and poor drainage. For these areas, management has developed drainage network.</p>	Comply

Criterion / Indicator		Assessment Findings	Compliance
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>PT Inti Indosawit Subur is practicing plantation best management practice to conserve soil and water. Implementation seen:</p> <p>a. Frond stacking align with contour line to minimize erosion impact on block D89H and D89D;</p> <p>b. Soft fern are conserved in block D89H, D89D, D89A, D89B and D89E Ukui Estate to increase soil fertility and minimizing erosion impact;</p> <p>c. EFB application 370 kg/palm in block D89H and D89D Ukui Estate to improve soil nutrient and minimizing surface run off;</p> <p>d. Contour terrace of 15,636 meter to minimize soil erosion;</p> <p>e. Upkeep and repair of silt pit to minimize surface run off;</p> <p>f. Development of drainage ditch for area with poor drainage;</p>	Comply
<p>Criterion 4.4 Practices maintain the quality and availability of surface and ground water.</p>			
4.4.1	<p>An implemented water management plan shall be in place.</p> <p>- Minor compliance –</p>	<p>The water management plan is detailed in the RKL/RPL - Environmental Management and Monitoring Plan. Underground water extraction is monitored; surface water quality is monitored on regular basis.</p> <p>PT Inti Indosawit Subur is implementing good agriculture practices through minimizing management in river riparian, planning Vertizer grass to minimize erosion and protecting water source in plantation.</p> <p>PT Inti Indosawit Subur maintains the permit for ground water and regularly monitors the water quality.</p> <p>Each estate has budget for the water consumption (for agricultural practices and domestic use). Ukui I palm oil mill has budgeted the water use per tonne FFB processed.</p>	Comply

Criterion / Indicator		Assessment Findings	Compliance
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>- Major compliance -</p>	<p>PT Inti Indosawit Subur is maintaining and protecting the water courses. Management has sets aside the area for river buffer zone, in line with requirement written in environmental management plan and environmental monitoring plan – RKL/RPL and relevant government regulation. This is implemented on the field; In Ukui and Soga estate management does not apply agrochemical for palm located near river/water course, management also planted <i>Mucuna bracteata</i> to minimize surface run-off. Hard wood species planted around water reservoir of Ukui I POM.</p> <p>The monitoring of water quality carried out each semester, taking water samples from downstream and upstream of river, monitoring wells near land application area, monitoring wells outside the area and surrounding community wells. The quality of palm oil mill effluent sampled from trap pit each month. The sample testing carried out in cooperation with accredited laboratory.</p> <p>The water test results from monitoring wells and surrounding community wells meet quality standards required by “Peraturan Menteri Kesehatan No.416/1990” related to clean water quality. As for the water quality test from Pemantang river and trap pit meet “Peraturan Pemerintah No.82/2001” related to Control over water pollution and “Peraturan Menteri Lingkungan Hidup No.51/1995” related to quality standard of liquid waste from industrial activities.</p>	Comply
4.4.3	<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>Each palm oil mill is having waste water treatment plant, with microbiology method to maintain BOD level below quality standards – prior application to land application area.</p> <p>Ukui I mill effluent quality monitoring for land application carried out every month with accredited laboratory. Based on test results sampled period of January – November 2014, all parameter is meeting relevant regulation Peraturan Menteri Lingkungan Hidup No.28/2009 and No.29/2009.</p>	Comply
4.4.4	<p>Mill water use per tonne of Fresh Fruit Bunches (FFB) (see Criterion 5.6) shall be monitored.</p> <p>- Minor compliance –</p>	<p>Ukui I POM recorded the water use in the process. The record for 2014 shows mill water use is on average of 1.07 m³/ton FFB process in Ukui I POM. Dynamic water consumption is noted with explanation, due to fluctuation in amount of FFB processed.</p>	Comply
<p>Criterion 4.5 Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques.</p>			

Criterion / Indicator		Assessment Findings	Compliance
4.5.1	<p>Implementation of Integrated Pest Management (IPM) plans shall be monitored.</p> <p>- Major compliance -</p>	<p>PT Inti Indosawit Subur is able to demonstrate a comprehensive Integrated Pest Management plan. The guidelines are covered by pest and disease procedure – “SOP Pengendalian Hama dan Penyakit AA-APM-OP-1100.10-R1”. The procedure explains pest and disease monitoring system, frequency of monitoring, type of pest disease, data analysis and recommended action plan to control pest/disease infestation.</p> <p>The pest management plan are implemented consistently. For example: Ukui estate shows leaf eating pest census (each month) for period 2014; rat census (once every 2 months) for 2014; barn owl boxes census (every 3 months); Oryctes census – no signs of attack; Ganoderma infestation census (annual basis) for 2014.</p> <p>Maintenance and upkeep of beneficial plant – <i>Turnera subulata</i> and <i>Cassia tora</i> in Ukui Estate.</p>	Comply
4.5.2	<p>Training of those involved in IPM implementation shall be demonstrated.</p> <p>- Minor compliance –</p>	<p>PT Inti Indosawit Subur is able to demonstrate the provision of pest management training for all relevant employees. Training recorded” “Pelatihan Klinik Hama dan Penyakit Tanaman” dated 22nd October 2014. Ukui and Soga Estate sent the assistants and pest & disease overseer to attend the training.</p>	Comply
<p>Criterion 4.6 Pesticides are used in ways that do not endanger health or the environment.</p>			
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>The use of pesticide is under strict requirement; only in the case of pest attack surpass the economic threshold. The justification of pesticide used is explained under company procedure.</p> <p>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 (<i>Musa spp</i>), <i>Aystasia</i>. 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.</p> <p>Interview with herbicide sprayer, they understand the target species and active ingredients to control them. Sprayer is shows knowledge on minimizing chemical impact on beneficial weed.</p>	Comply

Criterion / Indicator		Assessment Findings	Compliance
4.6.2	Records of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications) shall be provided. - Major compliance -	PT Inti Indosawit Subur is not applying pesticide currently. Records of herbicide use are available and maintained at each Estate. The records shows the total chemical used (in kg and/or liters), the active ingredients used, LD50, total area treated (in Ha), and active ingredients used per area treated and per ton FFB produced.	Comply
4.6.3	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. - Major compliance -	PT Inti Indosawit Subur is implementing regular pest and disease monitoring as early warning system. Based on document review and interview with managers, there is no prophylactic use of pesticide. PT Inti Indosawit Subur is only using herbicide to control weed.	Comply
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. - Minor compliance –	Paraquat is not restricted in Indonesia. PT Inti Indosawit Subur demonstrates data the use of paraquat over time. Record seen in Ukui Estate: a. In 2010 budget for paraquat 2,867 liters - actual 266 liters; b. In 2011 budget for paraquat 952 liters - actual 202 liters; c. In 2012 budget for paraquat 492 liters - actual 160 liters; d. In 2013 budget for paraquat 491 liters - actual 47 liters; e. In 2014 budget for paraquat 470 liters - actual 516 liters; a minor nonconformity is raised: <i>During period of 2010 - 2014, Ukui Estate has established budget for paraquat - showing declining trend on yearly basis. However in 2014, the actual use of paraquat increased significantly, exceeding 2014 budget and compared to 2013.</i>	NC Minor

Criterion / Indicator		Assessment Findings	Compliance
4.6.5	<p>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>Agcochemical are 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> <p>Based on record review and interview with sampled employees, chemical storekeeper in Ukui and Soga Estate as well as sprayers in Ukui and Soga estate have participated in Limited pesticide usage training dated 8th November 2013.</p>	Comply
4.6.6	<p>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>The storage for all pesticide is in good condition. A standard storage system appears to be implemented across PT Inti Indosawit Subur. Double lock storage dedicated for WHO class II chemical is practised. The storage is equipped with sufficient air ventilation to provide air circulation. Hazard signs, emergency shower, second containment, spill kit, appropriate PPE (face shield, permeable gloves, apron and mask) is available and ready for use.</p> <p>Working instruction for pre-mixing, stacking and storing pesticide is current, MSDS is also readily available.</p> <p>Empty pesticide container was triple rinsed before sent for temporary hazardous waste storage.</p>	Comply
4.6.7	<p>Application of pesticides shall be by proven methods that minimise risk and impacts.</p> <p>- Minor compliance –</p>	<p>The use of pesticide is under strict requirement; only in the case of pest attack surpass the economic threshold. The procedures for pesticide and herbicide application/handling have been implemented since 2008. Company has not received any complaint from local community and/or other stakeholders related to case of pollution from pesticide/herbicide application – to date; verified.</p> <p>Company is protecting the employees with regular monitoring/medical check up.</p>	Comply

Criterion / Indicator		Assessment Findings	Compliance
4.6.8	<p>Pesticides shall be applied aerially 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>There is no aerial application of pesticide throughout PT Inti Indosawit Subur.</p>	Comply
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>Company is providing training for pesticide storekeepers in limited pesticide use, MSDS and emergency procedures. Chemical storekeeper has been trained with limited pesticide use and understands the procedure for emergency situation such as leak and spillage. MSDS is available at premises.</p> <p>Based on record review: Chemical storekeeper Ukui and Soga Estate as well as sprayers in Ukui and Soga estate have participated in Limited pesticide usage training dated 8th November 2013.</p>	Comply
4.6.10	<p>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>PT Inti Indosawit Subur has a procedure for disposal of empty chemical container under “SOP Pestisida dan Pengelolaannya AA-APM-OP-1100.11-R1”. The procedure explains pesticide classification, safety guideline in pesticide use, identification of intoxication and handling.</p> <p>Chemical storekeeper in Ukui estate and Soga estate understood the procedure and re-use of ex-chemical empty container. The empty containers are triple rinsed before sent to hazardous waste storage and/or re-use as pre-mixed water container to the field.</p>	Comply
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>PT Inti Indosawit Subur is able to demonstrate programmed medical checkup for chemical storekeeper, spraying mandors, sprayer gangs, fertilizer mandors and fertilizer applicators. The medical checkup provided covers blood test, urine test and spirometric test every 6 months.</p> <p>Record shows all sprayers and fertilizer applicator in Ukui Estate has undergone medical checkup in cooperation with Focus Clinical Laboratory, Pekanbaru.</p>	Comply

Criterion / Indicator		Assessment Findings	Compliance
4.6.12	No work with pesticides shall be undertaken by pregnant or breast-feeding women. - Major compliance -	There is no pregnant and/or breast-feeding female worker is permitted to conduct chemical-related work in PT Inti Indosawit Subur. Based on document review on pregnancy test January – December 2014 in Ukui estate shows no pregnant/breast-feeding female worker is applying agrochemical. Based on interview with female workers, no pregnant/breast-feeding female workers allowed to conducting chemical-related work.	Comply
<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>			
4.7.1	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. - Major compliance -	PT Inti Indosawit Subur has an Occupational Health and Safety Policy, lined out in the Company Policy signed on 26 th November 2012. Ukui estate and Ukui I mill has a health and safety program. Internal audit is carried out to monitor health and safety performance. The internal audit for health and safety is incorporated under Internal Audit ISPO-RSPO-ISCC. Latest internal audit dated 12 th May 2014	Comply
4.7.2	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. - Major compliance -	PT Inti Indosawit Subur is able to demonstrate risk assessment for Ukui estate and Ukui I mill. The health and safety programme is available. Observation raised: <i>Care should be taken to consistently identify all activities, all location and determination of consequences in HIRADC, to review the residual risk after implementation of risk control</i>	Comply

Criterion / Indicator		Assessment Findings	Compliance
4.7.3	<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>PT Inti Indosawit Subur provides safe working practices training for all workers at estates and mills; including sprayers, fertilizer applicators, harvesters, FFB loading crew and upkeep workers. Company provided adequate and appropriate protective equipment for all workers at place of works, in line with the risk assessment.</p> <p>Example: Sprayer gangs using goggles, respirators, apron, overall suit, gloves, and rubber boot; Engine room operator wears helmet, ear plugs, mask, and safety shoes.</p> <p>Record seen: At Ukui I POM, emergency situation training dated 18th October 2014, attended by 8 safety officers.</p>	Comply
4.7.4	<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>PT Inti Indosawit Subur has a safety committee and safety officer at each estate and mill. The safety committee holds a monthly meeting to discuss the health and safety performance, including health and safety programme, monthly performance, accident records and investigation, as well as risk assessment review.</p> <p>In Ukui I POM, safety committee has been acknowledged through decree from manpower office No.KPTS.565/DTKT-WAS/2014 dated 19th May 2014. Back in November 2014, minutes of meeting dated 3rd November 2014 discuss the OHS performance on October 2014. The minutes explain accident record, simulation/training conducted, socialization of BPJS – social insurance.</p>	Comply
4.7.5	<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>Ukui I was able to demonstrate procedure for first aid and emergency situation under “Penanganan Keadaan Darurat – Pertolongan Pertama pada Kecelakaan” AA-447-001-FM-R1 – December 2014. The team for emergency situation has been established – as part of safety committee.</p> <p>PT Inti Indosawit Subur is able to demonstrate adequate first aid officer, equipped with first aid kit.</p> <p>However, a minor nonconformity identified: <i>Company was not able to demonstrate presence of licensed first aider, as required by PerMeNaKer No.15 tahun 2008.</i></p>	NC Minor

Criterion / Indicator		Assessment Findings	Compliance
4.7.6	All workers shall be provided with medical care, and covered by accident insurance. - Minor compliance –	PT Inti Indosawit Subur have provided clinic for all workers. Referral are made to nearest hospital should the case is severe/critical. Company also providing social and accident insurance in form of Jamsostek – for all workers. However, a minor nonconformity is identified: <i>Company cannot demonstrate provision of medical check up for all workers, once a year - at minimum; as required under regulation. Out of 151 workers in Ukui I POM, only 46 workers have undergone medical check up on 10-13th June 2014.</i>	NC Minor
4.7.7	Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics. - Minor compliance –	The accident records are maintained, indicating the lost time. The accident investigation reports are available and maintained. Example: In Ukui I POM, incident log records the date of incident, location, description of incident and action taken. In 2014, eleven (11) accidents and ten (10) near misses reported.	Comply
Criterion 4.8			
All staff, workers, smallholders and contract workers are appropriately trained.			
4.8.1	A formal training programme shall be in place that covers all aspects of the RSPO Principles and Criteria, and that includes regular assessments of training needs and documentation of the programme. - Major compliance –	PT Inti Indosawit Subur has prepared the training need, with help from Training Center Buatan. The training program is tailored to requirement for each level of employee covers common basic training, specialized training and skill training. In order to assess training need, employee individual assessment form is to be filled out by the line manager and sent back to training center. Feed back given through invitation for training, as planned by training center. Other type of training conducted in coordination with relevant government office/bureau such as limited pesticide training, heavy machinery operator training or first aid training.	Comply
4.8.2	Records of training for each employee shall be maintained. - Minor compliance –	PT Inti Indosawit Subur maintains training record of each employee.	Comply

Criterion / Indicator		Assessment Findings	Compliance
PRINCIPLE 5: ENVIRONMENTAL RESPONSIBILITY AND CONSERVATION OF NATURAL RESOURCES AND BIODIVERSITY			
Criterion 5.1			
Aspects of plantation and mill management, including replanting, that have environmental impacts are identified, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.			
5.1.1	An environmental impact assessment (EIA) shall be documented. - Major compliance -	PT Inti Indosawit Subur is able to demonstrate environmental impact assessment in AMDAL document as per "SK Menteri Pertanian No.013/ANDAL/HA/V/95" dated 5 th May 1995 for area of study 17,781.47 Ha for Buatan and 19,247.64 Ha for Ukui. In complement, environmental management and monitoring plan - RKL/RPL as per "Surat Keputusan Menteri Pertanian No.03/RKL-RPL/BA/IV/1996" dated 4 th April 1996.	Comply
5.1.2	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. - Minor compliance -	PT Inti Indosawit Subur demonstrates "Program Manajemen Lingkungan 2015", reviewed and evaluated on annual basis. As well, PT IIS has "RKL/RPL (Rencana Pengelolaan Lingkungan/Rencana Pemantauan Lingkungan) – Environmental management and monitoring plan". These plans are implemented and reported to environmental office each semester. There is no change in PT Inti Indosawit Subur operation. Additional environmental aspect-impact from kernel crushing plant (operating since 2013) has been addressed into "Laporan upaya Pengelolaan Lingkungan dan Upaya Pemantauan Lingkungan" – environmental management and monitoring effort. The report was approved by Environmental Agency- Kabupaten Pelalawan under "Surat keputusan No.660/BLHAM/2012/180" dated 22 nd February 2012.	Comply

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>Program Manajemen Lingkungan 2015 is available, indicating the plan to mitigate significant impact, the monitoring plan, person in charge and time frame.</p>	Comply
<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>PT Inti Indosawit Subur is able to demonstrate HCV identification report. HCV Identification was conducted by Faculty of Forestry - Institut Pertanian Bogor in 2010 "Dokumen Identifikasi dan Analisis Keberadaan Nilai Konservasi Tinggi (NKT) di Areal Perkebunan Kelapa Sawit di Kebun Ukui dan Soga". The HCV identification team leader is RSPO HCV assessor.</p> <p>Total HCV areas for all estates was identified 142.168 Ha, consist of HCV 1.1, HCV 1.2, HCV 1.3, HCV 2.3, HCV 4.1 and HCV 6. The HCV identification reports have taking into consideration the wider landscape – as reviewed under HCV 2.1, and found to be not present.</p>	Comply

Criterion / Indicator		Assessment Findings	Compliance																														
		<p>Those HCV identification assessments were consulted to the affected stakeholders and records maintained, sample: "Konsultasi Publik Kajian Keberadaan Nilai Konservasi Tinggi PT Inti Indosawit Subur dated 24th April 2014 – attended by 21 persons.</p> <p>The HCV identification report was peer reviewed by WWF on 25-27th October 2010.</p> <p>HCV Ukui Estate</p> <table border="1"> <thead> <tr> <th>HCV</th> <th>Status</th> <th>Ha</th> </tr> </thead> <tbody> <tr> <td>River/Sungai Air Hitam Kiri</td> <td>1.1, 1.2, 1.3, 4.1</td> <td>73.079</td> </tr> <tr> <td>River/Sungai Air Hitam Kanan</td> <td>1.1, 1.2, 1.3, 4.1</td> <td>22.984</td> </tr> <tr> <td>Tributary/Anak Sungai Air Hitam Atas</td> <td>1.1, 1.2, 4.1</td> <td>15.926</td> </tr> <tr> <td>Tributary/Anak Sungai Air Hitam Kiri</td> <td>1.1, 1.2, 4.1</td> <td>14.031</td> </tr> <tr> <td>Tributary/Anak-Anak Sungai Napuh</td> <td>1.1, 1.2, 4.1</td> <td>6.891</td> </tr> <tr> <td>Lake/Danau (Rawa) Bengkuang</td> <td>1.1, 1.2, 1.3, 4.1</td> <td>1.925</td> </tr> <tr> <td>Water reservoir/ Kolam (Danau) Ukui 1 POM</td> <td>1.1, 4.1</td> <td>3.367</td> </tr> <tr> <td>Protected forest/Hutan Makam Keramat</td> <td>1.2, 1.3, 2.3, 6</td> <td>3.965</td> </tr> <tr> <td>Total</td> <td></td> <td>142.168</td> </tr> </tbody> </table>	HCV	Status	Ha	River/Sungai Air Hitam Kiri	1.1, 1.2, 1.3, 4.1	73.079	River/Sungai Air Hitam Kanan	1.1, 1.2, 1.3, 4.1	22.984	Tributary/Anak Sungai Air Hitam Atas	1.1, 1.2, 4.1	15.926	Tributary/Anak Sungai Air Hitam Kiri	1.1, 1.2, 4.1	14.031	Tributary/Anak-Anak Sungai Napuh	1.1, 1.2, 4.1	6.891	Lake/Danau (Rawa) Bengkuang	1.1, 1.2, 1.3, 4.1	1.925	Water reservoir/ Kolam (Danau) Ukui 1 POM	1.1, 4.1	3.367	Protected forest/Hutan Makam Keramat	1.2, 1.3, 2.3, 6	3.965	Total		142.168	
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5.2.2	<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>Management plans and monitoring plan as documented in Conservation Management Plan. Its developed based on the HCV recommendations and review regularly.</p> <p>The conservation management plan covers area enhancement, socialization to workers and local communities, prohibition of chemical regime near the area and river buffer zone' restoration.</p> <p>Plan for monitoring and patrol has been incorporated into the management and monitoring plan. Another effort planned was to have HCV sign board and "no-hunting" sign boards placed near identified HCV areas – on progress.</p> <p>PT Inti Indosawit Subur is also having procedure to monitor the protected/conservation area "SOP Pemantauan Areal Lindung" No.AA-PL-08-EFP – describing procedure for vegetation monitoring, wildlife monitoring (path and rapid method), conservation area inspection procedure, vegetation enhancement procedure and data analysis procedure.</p>	Comply																														

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>PT Inti Indosawit Subur has policy forbid capture, harm, collect and kill RTE's species. The training program is covering the training and communication plan to all level of employee related to HCV importance. Program pelatihan Environmental & Sustainability, HCV training refreshment and socialization to workers have been planned for year 2015. Based on field inspection to worker housing, no RTE species being captured, harmed or collected by worker.</p>	Comply
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>PT Inti Indosawit Subur is able to demonstrate implemented record of HCV management plan.</p>	Comply
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>There is no HCV area identified upon existing rights of local communities.</p>	Comply

Criterion / Indicator		Assessment Findings	Compliance
Criterion 5.3			
Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.			
5.3.1	All waste products and sources of pollution shall be identified and documented. - Major compliance –	Waste products have been identified and documented under the “Evaluasi Aspek-Dampak Lingkungan” (Environmental Aspect impacts). This document is updated once a year. PT Inti Indosawit Subur has a waste management plan, identifying type and source of waste and the disposal plan.	Comply
5.3.2	All chemicals and their containers shall be disposed of responsibly. - Major compliance –	PT Inti Indosawit Subur has a procedure to handle hazardous waste under “Prosedur Penanganan Limbah B3” No.AA-KL-06-EFP explains mechanism to collecting the waste, recording and disposal to licensed third party. The company store hazardous waste in temporary storage with permit, The hazardous waste is sent to the registered collector which approved by Environmental Ministry, namely PT Elmuson Setindo.	Comply
5.3.3	A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented. - Minor compliance –	A waste management plan has been developed. However, a minor nonconformity is identified: <i>A number of findings related to disposal plan to avoid or reduce pollution:</i> <ol style="list-style-type: none"> 1. The infectious medical waste was stored in hazardous waste store (Gudang TPS B3) exceeds time limit allowed by current license (180 days); 2. Based on field visit to Soga Estate, the implementation of domestic waste management was not in line with company waste management plan. Domestic waste was collected in gunny bag; 3. The oil trap under fuel tank in Soga Estate found to be inadequate to contain the oil spillage during high rainfall; 	NC Minor
Criterion 5.4			
Efficiency of fossil fuel use and the use of renewable energy is optimised.			
5.4.1	A plan for improving efficiency of the use of fossil fuels and to optimise renewable energy shall be in place and monitored. - Minor compliance –	PT Inti Indosawit Subur has a programme for energy management. The program has covers plan to use renewable energy from fiber/shell and from fossil fuel/HSD oil. Based on energy use data, palm oil mill has utilized more fiber/shell, up to 95% - as energy compared to use of HSD oil use. Ukui I POM shows “Laporan Unit Pabrik” up to November 2014. Based on data of energy production, shows increase.	Comply
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.			

Criterion / Indicator		Assessment Findings	Compliance
5.5.1	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. - Major compliance -	Company is able to demonstrate zero-burning policy as pointed out in point 5 Company policy "melakukan praktek tanpa bakar dalam kegiatan pembangunan perkebunan dan secara aktif mendukung inisiatif mencegah dan mengawasi kebakaran hutan dan asap" – practicing zero burning in plantation activity and actively support initiative to prevent and monitor fire and smog. This is reflected from the procedure for land preparation and integrated pest management. Land preparation and/or replanting are conducted through mechanical method.	Comply
5.5.2	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. - Minor compliance –	Based on document review and interview with stakeholders, there is no land preparation and/or replanting using fire.	Comply
Criterion 5.6			
Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.			
5.6.1	An assessment of all polluting activities shall be conducted, including gaseous emissions; particulate/soot emissions and effluent (see Criterion 4.4). - Major compliance -	The source of waste and pollution has been identified at each palm oil mill and estate activities, as listed in environmental aspect-impact and environmental management and monitoring plan. Types of pollution identified i.e.: motor vehicle emission, palm oil mill effluent gas emission, palm oil mill effluent, etc.	Comply
5.6.2	Significant pollutants and greenhouse gas (GHG) emissions shall be identified, and plans to reduce or minimise them implemented. - Major compliance -	PT Inti Indosawit Subur has identified source of pollution and green house gas from palm oil mill effluent, use of HSD oil fro FFB and CPO transportation, application of empty fruit bunch, use of fiber and shell for boiler fuel – along with estimated emission. Each estate and mill has prepared a plan to reduce GHG emission from significant pollutants has not been made available and implemented.	Comply

Criterion / Indicator		Assessment Findings	Compliance
		Example: Ukui I POM has been able to demonstrate identification of significant pollutant and greenhouse gas emission. Plan to minimize the GHG emission is available under "Program Manajemen Lingkungan Pabrik Ukui I -2015". The plan to reduce the GHG is construction of Biogas plant in 2015; In order to reduce the water usage through saving water 1m ³ per day in kernel heater silo by feeds back the water as boiler feed water, another effort is to constructing circulation tank for condensator water cooling from laboratory extraction process.	
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. - Minor compliance –	Ukui I POM is able to demonstrated "Program Manajemen Lingkungan 2015", detailing plan to reduce significant green house gases that has been identified equipped with a monitoring plan, with explanation of appropriate tools to monitor the effectiveness of the mitigation measures.	Comply
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 -	PT Inti Indosawit Subur is able to demonstrate Social Impact Assesment by Faculty of Forestry – IPB datum 2010. In addition, AMDAL document or social and environmental impact assessment as per "SK Menteri Pertanian No.013/ANDAL/HA/V/95" dated 5 th May 1995 for area of study 17,781.47 Ha for Buatan and 19,247.64 Ha for Ukui. Another document environmental management and monitoring plan RKL/RPL as per "Surat Keputusan Menteri Pertanian No.03/RKL-RPL/BA/IV/1996" dated 4 th April 1996. Evidence of consultation with affected parties is available in the document.	Comply
6.1.2	There shall be evidence that the assessment has been done with the participation of affected parties. - Major compliance -	Company is able to demonstrate effort to capture social impact assessment in participatory manner. Company asked local community to fill in a questionnaire, identifying impact from PT IIS plantation operation.	Comply

Criterion / Indicator		Assessment Findings	Compliance
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 -	PT Inti Indosawit Subur is able to demonstrate environmental and social impact management program, in order to mitigate negative impact. The program covers type of activity and the significant impact/risk, purpose of activity, target, person in charge and time frame for implementation. In addition, company shows report of environmental management and monitoring report – RKL/RPL period of January – June 2014. This report is submitted to environmental body.	Comply
6.1.4	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. - Minor compliance –	PT Inti Indosawit Subur is able to demonstrate environmental and social impact management program, in order to mitigate negative impact. In addition, company shows report of environmental management and monitoring report – RKL/RPL period of January – June 2014. This report is submitted to environmental body. However, a minor nonconformity is identified: <i>Based on document review upon SIA document and Laporan Pelaksanaan RKL/RPL period I/2014, social management and monitoring plan has not been reviewed, with participation of affected parties.</i>	NC Minor
6.1.5	Particular attention shall be paid to the impacts of smallholder schemes (where the plantation includes such a scheme). - Minor compliance –	The SIA document covers social impact on development of scheme smallholders.	Comply
Criterion 6.2			
There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.			
6.2.1	Consultation and communication procedures shall be documented. - Major compliance -	Company has a communication/consultation mechanism with local communities and other affected or interested parties, as per SOP AA-GL-509.1-R0, effective 22 nd August 2011. The document explains communication mechanism through letters and/or direct communication.	Comply
6.2.2	A management official responsible for these issues shall be nominated. - Minor compliance -	PT Inti Indosawit Subur has appointed official responsible for social issues based on Memorandum No.227/HRD/AA/TL/XI/2014 dated 7 th November 2014 for Mr. Danton Ranap Sitompul (public relation).	Comply

Criterion / Indicator		Assessment Findings	Compliance
6.2.3	A list of stakeholders, records of all communication, including confirmation of receipt and that efforts are made to ensure understanding by affected parties, and records of actions taken in response to input from stakeholders, shall be maintained. - Minor compliance -	Company holds and maintained list of stakeholders. The list of stakeholders is current as of 1 st January 2015. The list comprise of twenty (20) stakeholders representing local community, thirty-two (32) stakeholders representing governments, two (2) non-government organization. Meeting with stakeholders on 29 th March 2014 discussing third party FFB suppliers, attendance list and minutes of meeting available.	Comply
Criterion 6.3 There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all affected parties.			
6.3.1	The system, open to all affected parties, shall resolve disputes in an effective, timely and appropriate manner, ensuring anonymity of complainants and whistleblowers, where requested. - Major compliance -	There is a mechanism for handling complaint and grievance, SOP AA-GL-5005-R0 01 related to "Penanganan Keluhan dari Eksternal"/external complaint handling and SOP AA-HR-308 0.5-R0 related to "Mekanisma Penyampaian Keluhan dan Penyelesaian Keluhan Karyawan"/internal grievance mechanism, for employee. Company also provides comment box at each unit office. There is a mechanism for land dispute resolution, SOP AA-GL-5003.1-R1 related to "Penanganan Konflik Lahan" effective 22 nd August 2011. The procedure covers land dispute handling mechanism, negotiation process, and verification upon legal ownership evidence up to land compensation. Should negotiation process fails, any land dispute will be processed through legal/litigation mechanism. During the process, a complete record is maintained. Based on mechanism, public relation officer will receive information of any complaint, grievance and land dispute/claims and records under the logbook.	Comply
6.3.2	Documentation of both the process by which a dispute was resolved and the outcome shall be available. - Major compliance -	Company is able to demonstrate a record of grievance resolution process. The records accommodates grievance from internal and external concerned-parties, both communicated through verbal and/or written. Sample taken: Complaint from employee Mr. S dated October 2014 related to leaked roof has been responded and repaired, closed on November 2014; Request for harvesting permission near Air Hitam river dated September 2014 responded on same date.	Comply
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..			

Criterion / Indicator		Assessment Findings	Compliance
6.4.1	A procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, shall be in place. - Major compliance –	PT IIS Ukui 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.	Comply
6.4.2	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. - Minor compliance –	PT IIS Ukui 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. However, a minor nonconformity is identified: <i>Company is not able to demonstrate the current procedure for land compensation is taking 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.</i>	NC Minor

Criterion / Indicator		Assessment Findings	Compliance
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>PT IIS Ukui did not acquire any additional land and not involved in any land compensation payments. No legal or customary rights within company legal boundary, this was confirmed during stakeholder consultation meeting.</p> <p>Based on interview with Ukui, Kampung Baru and Lubuk Kembang Sari village and result from stakeholder consultation meeting, there has been no land conflict noted or other conflict resulting in compensation claim from communities. Village head states no land claim since the scheme smallholder and PT IIS plantation development is PIR-Trans system and has been certified by land office.</p> <p>This information supported with document review upon incoming letters. The incoming letters did not indicates land conflict and/or other conflict with compensation claim from surrounding communities to company.</p>	Comply
<p>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.</p>			
6.5.1	<p>Documentation of pay and conditions shall be available.</p> <p>- Major compliance -</p>	<p>As written in 2.1.4, company updated the latest minimum wage standard on annual basis and adjusted the minimum salary accordingly.</p> <p>Document seen:</p> <ul style="list-style-type: none"> - Peraturan Gubernur Riau No.62/2013 related to minimum wage for Riau province at Rp.1,710,000/month. - Minutes of concensus BKS-PPS No.95/GAPKI/BKS-PPS/III/2014 related to 2014 minimum wage for plantation/agriculture sector of Rp.1,875,000/month. <p>Based on document review and verification against employee payroll December 2014, employee's salary paid above the provincial minimum wage standard.</p>	Comply

Criterion / Indicator		Assessment Findings	Compliance
6.5.2	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. - Major compliance -	Company holds onto collective agreement "Perjanjian Kerja Bersama (PKB)" between "Badan Kerjasama Perusahaan Perkebunan Sumatera (BKS-PPS)" with "Pengurus Pusat Federasi Serikat Pekerja Pertanian dan Perkebunan Serikat Pekerja Seluruh Indonesia (PP.FSP. PP-SPSI)" dated 2012. The collective agreement approved and validated by Ministry of Manpower and Transmigration No.191/PHIJSK-PKKAD/PKB/XII/2012. The said collective agreement covers: working hours, salary, deduction, overtime, annual leave/holiday entitlement, maternity leave, terms and condition related to premium, social insurance, etc. Each employee has a work agreement, referring to the collective agreement. The work agreements are counter-signed by employees as confirmation of understanding. For temporary workers, company prepared "Perjanjian Kerja Waktu Tertentu" – working agreement for specific timeframe. This agreement is in compliance with relevant regulation.	Comply
6.5.3	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. - Minor compliance –	PT Inti Indosawit Subur is providing adequate housing with electrical and clean water supply, medical clinic, sport facilities, religious facilities, education facilities and other amenities. Based on field inspection, the facilities found to be in good condition.	Comply
6.5.4	Growers and millers shall make demonstrable efforts to monitor and improve workers' access to adequate, sufficient and affordable food. - Minor compliance –	Company is able to demonstrate effort in providing access to adequate, sufficient and affordable food: provision of rice benefit – aside from monthly salary to all eligible workers, cooperative organization for employee providing basic food necessities. Company is also accommodating weekly market for each estate: Sunday for Ukui estate, Wednesday for Soga estate.	Comply

Criterion / Indicator		Assessment Findings	Compliance
Criterion 6.6			
The employer respects the rights of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.			
6.6.1	A published statement in local languages recognising freedom of association shall be available. - Major compliance –	Company has a policy recognizing freedom of association under Company Policy – to respect each employee’s right to form and join worker union of their choice and to bargain collectively.	Comply
6.6.2	Minutes of meetings with main trade unions or workers representatives shall be documented. - Minor compliance –	Company is able to demonstrate regular meeting with Serikat Pekerja Seluruh Indonesia (SPSI) on 3 monthly bases. Minutes of meetings are maintained: Meeting with SPSI dated 15 th December 2014 discussing end-of-year performance, where 30 members participated; Meeting with SPSI dated 17 th October 2014 where 32 members participated, discussing request to replace harvesting tools every 6 months, request to accept worker’ children as employee, etc.	Comply
Criterion 6.7			
Children are not employed or exploited.			
6.7.1	There shall be documentary evidence that minimum age requirements are met. - Major compliance –	Company has a set of regulation related to minimum working age as per relevant laws and regulation: Company policy to prohibit children to work on any company activities; Memorandum No.21/II/HRD/INT/VII/2009 related to “no underage worker” dated 6 th June 2009; SOP for employee recruitment and selection AA-HR-305.2-R0 which stating minimum working age (to be recruited) is 18 years old. Based on verification upon employee registers from Ukui I POM, Ukui estate and Soga estate – it is confirm no worker under 18 years old was recruited/worked for PT Inti Indosawit Subur.	Comply
Criterion 6.8			
Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.			
6.8.1	A publicly available equal opportunities policy including identification of relevant/affected groups in the local environment shall be documented. - Major compliance –	A non discrimination policy is available under Company Policy. This policy is publicly available.	Comply

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 –	Company is able to demonstrate the employee recruitment process does not discriminate based on religion, sex and/or ethnicity. Based on interview with local communities, company opens opportunity for local people with relevant skills/competency to apply for job vacancy.	Comply
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 –	PT Inti Indosawit Subur is able to demonstrate the recruitment process, promotion process is only based on skills, capabilities and medical fitness result. Recruitment process for harvester and upkeep personeel based on skill and medical checkup. Promotion based on employee appraisal/evaluation mechanism by the line managers, where criterion is adjusted for each type of work.	Comply
Criterion 6.9			
There is no harassment or abuse in the work place, and reproductive rights are protected.			
6.9.1	A policy to prevent sexual and all other forms of harassment and violence shall be implemented and communicated to all levels of the workforce. - Major compliance –	PT Inti Indoswait Subur has a policy to prevent sexual harassment and violence as lined out under Company Policy “Mencegah pelecehan seksual dan berbagai bentuk kekerasan terhadap perempuan serta melindungi hak-hak produksinya – to prevent sexual harassment and any kind of violence against women and to protect their reproductive rights”. A gender committee has been established for period of 2014-2015, chaired by Mrs. Kholizah Saragih. The gender committee comprise of training for women rights, counseling for victim of violence, children’ day care, etc. Based on interview with female worker and verification with grievance records, there is no sexual harassment case/violence case noted. Company is able to demonstrate communication of policy related to protection of reproductive rights to member of gender committee on 18th September 2014, attended by 27 members.	Comply

Criterion / Indicator		Assessment Findings	Compliance
6.9.2	A policy to protect the reproductive rights of all, especially of women, shall be implemented and communicated to all levels of the workforce. - Major compliance –	PT Inti Indosawit Subur has a policy to prevent sexual harassment and violence as lined out under Company Policy “Mencegah pelecehan seksual dan berbagai bentuk kekerasan terhadap perempuan serta melindungi hak-hak produksinya – to prevent sexual harassment and any kind of violence against women and to protect their reproductive rights”. Company is able to demonstrate communication of policy related to protection of reproductive rights to member of gender committee on 19 th November 2014, attended by 89 participants. Based on document review and interview with female workers – maternal leave and period leave are given, with notes from doctor/midwife.	Comply
6.9.3	A specific grievance mechanism which respects anonymity and protects complainants where requested shall be established, implemented, and communicated to all levels of the workforce. - Minor compliance –	Company has a mechanism to prevention and handling of sexual harassment issues, as available under SOP AA-HR-309.01-R0 effective per 1 st February 2010. The procedure covers prevention plan, specific reporting mechanism, investigation, sanction, victim handling and victim protection mechanism. Company is able to demonstrate communication of sexual harassment prevention and handling policy to member of gender committee. Cross check through interview with female workers, understanding upon specific mechanism is good.	Comply
Criterion 6.10			
Growers and millers deal fairly and transparently with smallholders and other local businesses.			
6.10.1	Current and past prices paid for Fresh Fruit Bunches (FFB) shall be publicly available. - Minor compliance –	Current and past prices paid for Fresh Fruit Bunches (FFB) is available for public. Current FFB price is written on Ukui I POM. Another effort is to send text message to cooperative and/or other FFB supplier. FFB price for scheme smallholders period of 18 - 24 th March 2015 is Rp.1,783.06/kg (oil palm >10 years). This is based on “Berita Acara Hasil Rapat Tim Penetapan Harga Pembelian TBS Kelapa Sawit Provinsi Riau” No.11/TPH/TBS-III/2015 dated 17 th March 2015.	Comply
6.10.2	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) - Major compliance -	The Head of KUDs 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. The Head of KUDs meet with PT IIS weekly and are involved in the negotiation of prices for FFB transport and premium for FFB quality. Current FFB price circulated through copies of the FFB price decision and/or text message. Furthermore, some of scheme smallholder member/FFB supplier was representative in the meeting.	Comply

Criterion / Indicator		Assessment Findings	Compliance
6.10.3	Evidence shall be available that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent. - Minor compliance -	Based on document review, contract/agreement prepared with consent from both parties. Contracts are countersigned by both parties as proof of understanding. Contract/agreement sampled: 1. Work agreement with local contractor Mr. JB, No.038/P2/KUK/14/10 dated 1 st October 2014 related to EFB transportation; 2. Work agreement of partnership between PT IIS and Asosiasi Petani Sawit Amanah No.01/PKDPS/VIII/2012 dated 31 st August 2012. The work agreement regulates rights and obligation of both parties, FFB purchase mechanism, FFB grading, FFB payment mechanism, independent smallholder's plot management, time frame. 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.	Comply
6.10.4	Agreed payments shall be made in a timely manner. - Minor compliance -	PT Inti Indosawit Subur is able to demonstrate that payment is made on time. Based on document review, payments over contract/agreements were done as per requirement under the signed agreement. Verification to receipts, payment made on time. Based on interview with KUD Trani Maju and KUD Sawit Subur, payment for FFB purchased from scheme smallholder are paid on timely manner. Interview with representative of Asosiasi Amanah, payment for FFB purchased from independent smallholder are paid on timely manner.	Comply
Criterion 6.11			
Growers and millers contribute to local sustainable development where appropriate			
6.11.1	Contributions to local development that are based on the results of consultation with local communities shall be demonstrated. - Minor compliance -	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 in 2014 is 106%, for example: PT IIS provides school fence in Ukui village. The CSR program for 2015 has been prepared including information on type of contribution, location, financial budget and time frame for implementation. However, a minor nonconformity is identified: <i>There is not adequate evidence the contributions to local development are based on the results of consultation with local communities.</i>	NC Minor

Criterion / Indicator		Assessment Findings	Compliance
6.11.2	Where there are scheme smallholders, there shall be evidence that efforts and/or resources have been allocated to improve smallholder productivity. - Minor compliance –	PT Inti Indosawit Subur prepared specific budget to manage the scheme smallholder (plasma). This would include the program to educate, train, provide technical assistance and develop smallholder. PT IIS provides sufficient resources to improve smallholder productivity. The appointed plasma (scheme smallholder) manager is Mr. Juansyah Purba. Plasma management is responsible to develop the smallholder for details related to plantation upkeep, agrochemical handling and application, pest and disease monitoring, harvesting quality, HCV and environmental monitoring and capacity building. PT IIS management is also providing help in fertilizer recommendation, fertilizer provision and heavy machinery for road maintenance.	Comply
Criterion 6.12 No forms of forced or trafficked labour are used.			
6.12.1	There shall be evidence that no forms of forced or trafficked labour are used. - Major compliance -	PT Inti Indosawit Subur is able to demonstrate no forms of forced or trafficked labour are used. Company is able to shows contract/work agreement for each workers sampled. Most of the workers come from Riau province, Indonesia. In addition, there is no migrant worker in PT Inti Indosawit Subur.	Comply
6.12.2	Where applicable, it shall be demonstrated that no contract substitution has occurred. - Major compliance –	Company is able to shows contract/work agreement for each workers sampled. Based on interview with workers and representative of trade union, no contract substitution ever happened.	Comply
6.12.3	Where temporary or migrant workers are employed, a special labour policy and procedures shall be established and implemented. - Minor compliance –	There is no migrant worker in PT Inti Indosawit Subur. For temporary workers, company prepared “Perjanjian Kerja Waktu Tertentu” – working agreement for specific timeframe. This agreement is in compliance with relevant regulation. Based on document review against sampled workers, each holds signed-copy of work agreement.	Comply

Criterion / Indicator		Assessment Findings	Compliance
Criterion 6.13			
Growers and millers respect human rights			
6.13.1	A policy to respect human rights shall be documented and communicated to all levels of the workforce and operations (see Criteria 1.2 and 2.1). - Major compliance – -	Company has a policy, recognizing basic human right i.e. freedom for religious activity, freedom to speak freely, freedom to organize and form union, right for fair treatment, etc. This bill established since 26 th November 2012. Based on interview with workers, representative of gender committee and representative of trade union, these policies to respect human rights are implemented and uphold.	Comply
PRINCIPLE 7: RESPONSIBLE DEVELOPMENT OF NEW PLANTINGS			
There is no new planting development on any estate included in the scope of assessment.			

Criterion / Indicator	Assessment Findings	Compliance	
PRINCIPLE 8: COMMITMENT TO CONTINUAL IMPROVEMENT IN KEY AREAS OF ACTIVITY			
Criterion 8.1			
Growers and millers regularly monitor and review their activities, and develop and implement action plans that allow demonstrable continual improvement in key operations.			
8.1.1	<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; <p>- Major compliance –</p>	<p>PT Inti Indosawit Subur - Ukui reviewed and updated the continuous improvement plan, which lists the improvements for the company's strategic objectives. The company has achieved improvement in FFB yield from its estates and OER for the mills in the current year.</p> <p>PT Inti Indosawit Subur planned to optimize the use of renewable energy through development of biogas plant. The biogas plant will utilized methane gases from palm oil mill effluent to generate electricity for worker housing.</p> <p>PT Inti Indosawit Subur has continued to support its Smallholders through the Farmer Development Department. In particular, company has been working with smallholders to improve their FFB yields as well as to maintain their RSPO Certification.</p> <p>Master Plan Continuous Improvement – 2015, Ukui 1 POM.</p> <p>Plan to improve preventive maintenance efficiency: to expand the loading ramp B;</p> <p>To minimize environment pollution: to build isolation in blowdown area of sterilizer No.3;</p> <p>To improve health and safety performance: to repair road inside palm oil mill;</p> <p>To improve material efficiency in warehouse: to arrange material according to type and life-cycle;</p>	Comply

3.1.2 RSPO SWG 2009 for Scheme Smallholders

Criterion / Indicator	Assessment Findings	Compliance	
Principle 1: Commitment to Transparency			
Criterion 1.1: Scheme manager provide adequate information to other stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages & forms to allow for effective participation on decision making.			
1.1.1	<p>Requests of information and responses given to stakeholders are recorded and maintained for a period determined by existing regulations and to serve its purpose</p> <p>- Major compliance -</p>	<p>Visit to sampled KUDs, KUD Sawit Subur and KUD Bakti; found that the log book of information request and response to stakeholder are maintained. The log book comprise of information request and response, social request and donation. Retention time sets as 3 years. The response time for any complaint sets as maximum 14 working days.</p> <p>Review on Log Book confirmed all of responses to information request are within 14 days.</p>	Comply
Criterion 1.2: Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.			
1.2.1	<p>Information and responses provided covers documents (that are publicly available) which shall be in accordance with current laws and regulations as follows:</p> <ul style="list-style-type: none"> • Legal: Evidence of legal ownership of the land or land-use rights;(certificate) • Environmental:SEIA document (AMDAL), available at the smallholders organization. • Social: smallholders organisation has documents of organisational and social activities. <p>- Major compliance –</p>	<p>All sampled KUDs have determined the publicly available document, upon request. The management documents such as legal document: establishment deed, rules and regulations, land certificates, social and environmental impact assessment report, organizational structure information, policy and procedures, accountability reports are publicly available in all sampled KUDs.</p>	Comply

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 essential regulations relevant and related to oil palm cultivation. - Major compliance –	Each KUD sampled is able to demonstrate their legal documents. Scheme manager and its assistant will inform the scheme smallholders (cooperative) if there are any changes in laws. Scheme manager conduct meetings with the cooperative members to ensure they comply. KUD Sawit Subur: 1. Establishment as legal entity: No.28/BH/P.AD/KWK.4/5.1/II/1996 dated 2 nd February 1996; 2. Cooperative registration number/Tanda Daftar Perusahaan No.041624750008 dated 21 st October 2014 up to 21 st October 2019; 3. Trade Permit/Surat Izin Usaha Perdagangan No. 137/BPMP2T/SIUP-K/2014/308 dated 21 st October 2014 up to 21 st October 2019; 4. Agreement between PT IIS and smallholder: SPK No.58/SPKB/UKUI/XI/1992 dated 1 st November 1992 between farmer group/Kelompok Tani Sumber Harapan (KT 58) acknowledged by plantation office and regent of Kampar.	Comply
Criterion 2.2 :			
The right to use the land can be demonstrated and is not legitimately contested by local communities with demonstrable rights.			
2.2.1	Smallholders are able to show legal ownership of the land or land-use rights - Major compliance -	Document review on three sample KUDs, found that Smallholders are able to show legal ownership of the land or land-use rights (land certificate). Scheme smallholders head keeps copy of the land title of all cooperative members. Maps are available at the KUD offices. Boundary among smallholder and cooperative level are clearly identified and available in field. Smallholders are able to show the boundary during the field inspection and operate within their boundary. KUD Sawit Subur: KUD can show a list and copy of all land certificates from KT 48, KT 53 and KT 64.	Comply

2.2.2	Where there are or have been disputes, records of resolution or progress towards resolution are available - Minor compliance -	Based on interview with cooperative member and smallholders, there is no land dispute in area of KUD Sawit Subur and KUD Bakti. Each KUD has a mechanism to handle land conflict under Communication and Consultation Emchanism, involving KUD chairman and meeting with all KUD members.	Comply
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Criterion 2.3 :
 Use of the land for oil palm does not diminish the legal rights or customary rights, of other users, without their free, prior and informed consent.

2.3.1	Where other’s customary or legally owned lands have been obtained, records of process and/or negotiated agreements between previous customary land owners and the smallholders are available and complemented with a sketch in appropriate scale. - Major compliance –	Based on stakeholder consultation and interview with the PT. IIS - Ukui Group Scheme Manager, Head of Scheme Smallholders, surrounding community and members revealed that the land was not a customary land. Originally the land was from the government and allocated to the smallholders since late 1980s.	Comply
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Principle 3: Commitment to long-term economic and financial viability

Criterion 3.1:
 There is an implemented management plan that aims to achieve long-term economic and financial viability.

3.1.1	A documented operational work plan for a minimum 3 years. - Major compliance-	KUD Sawit Subur is able to demonstrate working plan “Rencana Operasional KUD”. The document describe the 3 years production estimation and productivity increase plan 2015 -2017, 3 years fertilizer cost 2015 – 2017, 3 years cost estimation (upkeep, pest and disease, weed control, harvesting and FFB transportation).	Comply
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Principle 4: Use of appropriate best practices by scheme manager

Criterion 4.1:
 Operating procedures are appropriately documented and consistently implemented and monitored

4.1.1	A documented procedure or manual of Good Agriculture Practices (GAP) in key activities (use of superior seeds, fertilizer application, IPM techniques and harvesting) is available. -Major compliance -	KUDs refer to Agricultural Policy Manual issued by PT IIS - Ukui. 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.	Comply
4.1.2	Evidences of implemented procedures are available. - Minor compliance -	Scheme Manager assisted by their own field assistant and assistant from PT IIS to conduct daily inspection and monitoring to ensure the procedures is implemented and there are records for fertilizing, spraying, pest and disease census, etc. However, an observations are identified: <i>1. Care should be taken to consistently implement and monitor the oil palm upkeep - as per Agriculture Policy Manual for pruning and weed control standard;</i> <i>2. Scheme management needs to improve scheme smallholder's understanding on zero-burning policy;</i>	Comply
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	Records of type and volume of fertiliser supplied to smallholder. -Major compliance -	Record of distribution of fertilizer from Scheme Manager to cooperative and further distributed to scheme smallholders/members through cooperative is available. KUD Sawit Subur shows "Rekomendasi Pemupukan Kelapa Sawit 2014". KT 64 planting year 1988, 40Ha applied 11,520kg ZA in February 2014; 5,120kg Dolomite in March 2014; 7,860kg RP in June 2014 and 8,960kg MOP in August 2014. KT 48 planting year 1988, 34Ha applied 9,792kg ZA in February 2014 and 8,704kg in Agustus 2014; 5,120kg Dolomite in March 2014.	Comply
4.2.2	Records of land productivity in the last 3 years -Major compliance -	Production records for the past 3 years available, shows the production for 2012 – 2014 and projection for 2014.	Comply

4.2.3	Records of EFB and/or organic fertilizer application on the land, if such practices are of regular operation by the smallholders. - Minor compliance -	Smallholder member does not apply EFB and/or organic fertilizer.	Comply
Criterion 4.3: Practices minimise and control erosion and degradation of soils.			
4.3.1	Evidence of terracing or other conservation efforts for plantings on sloping terrains at or before replanting. - Major compliance -	Field visit to sample KUD, KUD Bakti and KUD Sawit Subur has mostly flat areas. Best practices to minimize and control erosion were sighted, for example: proper terraces and U-shape frond stacking in smallholder plot KUD Sawit Subur. Interview with smallholder member showed understanding on control erosion using terrace system. Furthermore, smallholders members are also explained the function of U-Shape frond stacking to control erosion in slope area, and they have implemented on their plots.	Comply
4.3.2	Evidence of ground cover crops establishment during immature plantings. - Minor compliance -	There is no immature oil palm. KUD Sawit Subur planted in 1988. However natural vegetation as ground cover is maintained, sprayer team does not perform blanket spraying.	Comply
4.3.3	Proof of drainage system construction on peat and low lands. - Minor compliance -	There is not peat lands in Scheme Smallholder sample plots visited. Smallholder in KUD Trani Maju and KUD Sawit Subur maintain the road side drain construction assisted by the PT IIS's Scheme Manager to ensure rain water goes into the drain and no water log on the road.	Comply
Criterion 4.4: Practices maintain the quality and availability of surface and ground water			

4.4.1	Records of training on soil and water conservation. - Major compliance -	Training programme includes training on soil and water conservation and training was conducted by the scheme manager. Record seen: KUD Sawit Subur: Training on water and soil conservation dated 23 rd June 2014, attended by 15 smallholder members.	Comply
4.4.2	Evidence of efforts to prevent erosion and maintain natural water resources. - Minor compliance -	Based on field visit to KUD Trani Maju, KUD Sawit Subur and KUD Bakti, frond stacking is implemented.	Comply
4.4.3	Records of fertiliser and pesticides application. - Minor compliance –	Record of fertilizer application at each KUD is available, as seen for indicator 4.2.1. There is no pesticide application.	Comply
Criterion 4.5: Pests, diseases, weeds and invasive introduced species are effectively managed through using appropriate integrated Pest Management (IPM) techniques.			
4.5.1	Records of monitoring and control of pests and diseases. - Major compliance -	Records of monitoring and control of pests and diseases is available. The pest and disease monitoring is conducted by PT Inti Indosawit Subur. Record seen: KUD Sawit Subur: KUD shows Laporan Pengamatan dan Pengendalian Hama Penyakit – census of leaf eating caterpillar in KT 48, KT 53 and KT 64. Formulir sensus burung hantu – barn owl box monitoring, monitored on monthly basis.	Comply

4.5.2	<p>Smallholders shall be able to demonstrate adequate knowledge on IPM and are able to implement it.</p> <p>- Minor compliance -</p>	<p>Scheme smallholder members are able to explain the IPM and pest control measures including census of leaf eating pest (nettle caterpillar). They are also aware of the benefit of barn owl. Beneficial plants (<i>Turnera</i> and <i>Antigonon</i>) are planted and evidence noted during inspection of the smallholders block. No serious pest attack detected during field visits.</p> <p>Evidence seen: KUD Sawit Subur planted <i>Turnera subulata</i> in KT 51-KT 52, KT 62-KT 63, KT 67-KT 68-KT 69, KT 54-KT 55;</p>	Comply
Criterion 4.6:			
<p>Agrochemicals are used in a way that does not endanger health or the environment. There is no prophylactic use and if agrochemicals, which were categorised as World Health Organisation Type 1A or 1B, or are listed by the Stockholm or Rotterdam Conventions, were used, growers are actively seeking to identify alternatives, and this is documented.</p>			
4.6.1	<p>Evidence of registered and permitted agrochemicals use as regulated by the Minister of Agriculture and no use of agrochemicals categorized as WHO Type 1A or 1B or are listed by the Stockholm or Rotterdam Conventions.</p> <p>- Major compliance -</p>	<p>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>	Comply
4.6.2	<p>Evidence of use of pesticide is using in accordance with targeted species, appropriate dosage, method and time of application.</p> <p>- Major compliance -</p>	<p>Record of pesticide used for the targeted weeds with appropriate dosage as per the recommendation on the label. Quantity used, method and time of application is advised and monitored by the scheme manager.</p> <p>Evidence seen: KUD Sawit Subur: KUD shows Rencana Kerja Harian Tim Unit Semprot – KT 47, programme path dated 14th October 2014, target species woody for 34 Ha. Using Kenlon (Trichlopyr) 2.1 liters. Dosage 250cc/Ha.</p>	Comply
4.6.3	<p>Sufficient working safety equipment is available.</p> <p>- Major compliance -</p>	<p>Herbicide is applied by trained personnel to apply oil palm pest and disease control measure through agrochemical approach called Tim Unit Semprot (TUS). PPE is implemented and given by the cooperative to spraying team. TUS team from PT Inti Indosawit Subur equipped with hat, goggle, respirator, apron, hand gloves, overall and rubber boot.</p>	Comply

4.6.4	Evidence of pesticides storage and disposal of their containers in accordance with existing regulations. - Major compliance -	The smallholder does not store any agrochemical.	Comply
4.6.5	Records of treatment for pesticides operators, where toxicity cases have occurred. - Minor compliance -	Plasma management is able to show Rekapitulasi Hasil Medical Check Up dated 10-13 th June 2014. There are 15 sprayers examined and the result shows no signs of intoxication.	Comply
4.6.6	Records of training on the use of limited pesticides. - Minor compliance -	There is no use of limited pesticide. KUD shows record of training on limited pesticide dated back in 2012.	Comply
4.6.7	Records of type and volume of pesticide supplied to the smallholders. - Minor compliance –	There is no herbicide supply to smallholders.	Comply
Criterion 4.7:			
An occupational health and safety plan is documented and effectively communicated and implemented			
4.7.1	Health and safety guideline for smallholders is in place, which may be developed by nucleus estate, smallholders organisation or other relevant institution. - Major compliance -	PT Inti Indosawit Subur provides a health and safety guideline under Rencana Kesehatan dan Keselamatan Kerja – indicating the risk assessment and risk control. There is also a guideline for emergency situation such as earthquake, flood, landslide, fire break and spillage. This document is available at four KUD sampled. An observation identified: <i>Care should be taken to identify risk on KUD office location and activities; example: in KUD Sawit Subur – risk from fuel store has not been identified.</i>	Comply

4.7.2	Evidence of having received training on safe working practices. - Major compliance -	Complete training records checked and verified at the scheme smallholder office. Interview with the members of the scheme and seasonal harvesters confirmed that they have attended trainings and able to explain the safe working procedures. Record seen: Pelatihan Tanggap Darurat dan Basic Fire dated 18 th November 2014, attended by 5 person – representative of KUD Sawit Subur. KUD Bakti: Pelatihan Tanggap Darurat dan Basic Fire dated 18 th November 2014, attended by 3 persons – representative of KUD Bakti, a total of 75 representatives from 15 KUDs attended the training.	Comply
4.7.3	Records of accidents, if any. - Minor compliance -	Accident record for is available; however there is no accident in 2014. Interview with smallholder members and worker at smallholder blocks – confirmed no accident throughout 2014.	Comply
4.7.4	Record of meetings regarding occupational health and safety. - Minor compliance -	KUD Sawit Subur is not able to demonstrate records of meeting regarding occupational health and safety. Minor non conformity is identified: <i>Based on document review, KUD Sawit Subur is not able to demonstrate records of meeting regarding occupational health and safety.</i>	NC Minor
4.7.5	Safety working equipment is available. - Minor compliance -	KUD Sawit Subur: PPE hand over record (Serah Terima APD) 150 hemlet and goggles provided for harvester on 7 th January 2014.	Comply
Criterion 4.8: All staff,workers, smallholders and contractors are appropriately trained			
4.8.1	Programme and training held for smallholders organisation, tailored to the smallholder' needs. - Major compliance -	KUD Bakti and KUD Sawit Subur: Training programme is available, training tailored for balanced fertilizer, integrated pest management, use of PPE, basic fire, first aid, water and soil conservation, SIA and SEIA, HCV and OHS training.	Comply

4.8.2	Records of implementation of training. - Major compliance -	Record of training is available. Record seen: Fertilizer application training dated 11 th January 2014, attended by 25 smallholder members; Integrated Pest Management training dated 8 th October 2014 for 39 smallholders; Basic Fire training on 18 th November 2014, attended by 75 smallholders.	Comply
Principle 5: Environmental responsibility and conservation of natural resources and biodiversity			
Criterion 5.1:			
Aspects of plantation and mill management which have environmental impacts are identified, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continuous improvement.			
5.1.1	A documented SEIA, available at smallholders organisation. The document shall be made known to all members. - Major compliance -	Social-Environmental Impact Assessment (SEIA-AMDAL) incorporated with the estate documents and prepared separate section for the scheme smallholders. Document of SEIA available in place, PT. IIS Scheme Manager explains about AMDAL through training to smallholders. In KUD Sawit Subur, SEIA and HCV has been communicated to smallholder members back in 18 th June 2013, where 26 members attended the meeting.	Comply
5.1.2	Environmental impact assessment involves smallholder participation. - Major compliance -	Based on verification upon four sampled cooperatives, process of the SEIA involves scheme smallholders through consultation.	Comply

5.1.3	Records of implementation and report on management of environmental impacts, kept at smallholders organization. - Minor compliance –	Copy of the SEIA (AMDAL) is kept at the cooperative office. Environmental Management and Monitoring Plan prepared by scheme manager. Latest report dated January – June 2014 includes Plasma Smallholder is available at each cooperative office.	Comply
Criterion 5.2: The status of rare, threatened or endangered species and 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 their conservation taken into account in management plans and operations.			
5.2.1	Smallholders are able to list protected flora and fauna in their local areas. - Major compliance -	All sampled cooperative members is able to demonstrate a list of protected flora and fauna. KUD Sawit Subur conducted dissemination of protected species list on 3 rd September 2014.	Comply
5.2.2	Where protected species exist within the plantation, a dedicated person in smallholders organisation structure shall be appointed to train smallholders on conservation including how to mitigate conflict with relevant protected species. - Minor compliance –	Each sampled cooperative has appointed dedicated person to monitor the wildlife and train smallholder members on conservation and mitigating conflict with protected species.	Comply
5.2.3	Results of high conservation value identification kept at the smallholders organisation (see also criterion 5.1). - Minor compliance –	HCV assessment conducted by the RSPO approved assessors from Bogor Agriculture University dated May 2010. Copy of HCV identification report is available at each cooperative sampled.	Comply
Criterion 5.3: Waste is reduced recycled, re-used and disposed of in an environmentally and socially responsible manner.			

5.3.1	<p>An agrochemical waste management plan is available.</p> <p>- Major compliance -</p>	<p>Sampled cooperative does not apply and/or store agrochemical for the oil palm blocks. However, sampled cooperative is able to demonstrate agrochemical waste management plan.</p> <p>In order to monitor irresponsible disposal of agrochemical container to oil palm blocks, scheme manager appointed FFB checker to perform inspection during FFB quality monitoring at oil palm blocks.</p>	Comply
5.3.2	<p>Smallholders can explain measures to dispose hazardous chemicals and their containers in accordance to instruction labels as stated by the manufacturer.</p> <p>- Major compliance -</p>	<p>Scheme smallholders are able to explain clearly of measures to dispose hazardous chemical empty containers.</p>	Comply
5.3.4	<p>Records of complaints from local communities related to disposal of hazardous chemicals and its resolution, if any.</p> <p>- Minor compliance -</p>	<p>Based on interview with local communities adjacent to smallholder's oil palm block; there is no complaint related to disposal of hazardous chemical.</p>	Comply
<p>Criterion 5.4: Efficiency of energy use and use of renewable energy is maximised</p>			
5.4.1	<p>An appropriate guidance for improving the efficiency of energy use by scheme smallholders, prepared by scheme manager.</p> <p>- Minor compliance –</p>	<p>Cooperative has a guidance to improve the efficiency of energy use, prepared with guidance from the Scheme Manager. The guidance including fossil fuel efficiency, electricity efficiency for cooperative office, water saving in office and housing.</p> <p>Cooperative started to record the diesel fuel and electricity use.</p>	Comply
<p>Criterion 5.5: Use of fire for waste disposal and for preparing land for replanting is avoided except in specific situations, as identified in the ASEAN guidelines or other regional best practice.</p>			

5.5.1	<p>During replanting, smallholders shall be able to prove that fire was not used to prepare land and disposal of waste. Fire is only permitted in special cases which involves elimination of pest and diseases where recommendation from relevant government agencies must be in place prior to use of fire.</p> <p>- Major compliance -</p>	<p>PT Inti Indosawit Subur provides a guideline for replanting without burning. The replanting will be done with mechanical method, no fire will be use.</p>	Comply
5.5.2	<p>Smallholders understand emergency responses procedure against forest fires (Prosedur Tanggap Darurat Kebakaran Lahan).</p> <p>- Major compliance -</p>	<p>Interview with smallholder members, they understand the emergency response procedure against forest fire. Scheme manager has facilitated training for fire fighting.</p> <p>Evidence seen: KUD Sawit Subur conducted Emergency reponse and Basic Fire – dated 18th November 2014, with RAPP.</p>	Comply
5.5.3	<p>Smallholders organisation owns simple fire control equipments.</p> <p>- Minor compliance -</p>	<p>Simple fire control equipment is available at each cooperative visited. The fire control typically consist of portable water pump, hose, shovel, axe and bush knife.</p>	Comply
5.5.4	<p>Smallholders receive extension services on zero-burning techniques in land preparation.</p> <p>- Minor compliance -</p>	<p>PT Inti Indosawit Subur provides extension services in form of "Pelatihan Pertanian Terpadu Petanii Plasma Binaan PT Inti Indosawit Subur untuk Persiapan dalam Menghadapi Replanting Generasi Kedua" dated 26-27th September 2014. KUD is participating in financial replanting preparation under Idapertabun. KUD shows list of participating member in the Idapertabun scheme.</p>	Comply

Criterion 5.6:

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

5.6.1	Identification of pollution sources in smallholders' plantation is available. - Minor compliance -	Identification of pollution is carried out by the Scheme Manager with the participation of the smallholders. Copy of the identification is available at the scheme office and cooperative/KUD office.	Comply
5.6.2	An emission reduction plan is available. - Minor compliance –	An emission reduction plan is available to mitigate the emission from smallholder activities.	Comply
Principle 6: Responsible consideration of employees and of individuals & communities affected by scheme smallholder			
Criterion 6.1:			
Aspects of plantation and mill management that have social impacts are identified in a participatory way and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continuous improvement.			
6.1.1	Social impact assessment documents is available at smallholders organisation and is made known to the members. - Major compliance -	The Social Impact Assessment document available and mentioned within frame references of AMDAL documents.	Comply
6.1.2	Smallholders own records of management and monitoring of social impacts (RKL/UPL) which are available at smallholders organization. - Minor compliance –	PT Inti Indosawit Subur provides copy of social impact management and monitoring plan/Rencana Pengelolaan Lingkungan (RKL) and Rencana Pemantauan Lingkungan (RPL) in KUD offices. The time table for management of impact has been determined in the plan.	Comply
6.1.3	An implementation timetable for management of impacts is available, which is in accordance with AMDAL. - Minor compliance –	PT Inti Indosawit Subur provides copy of social impact management and monitoring plan/Rencana Pengelolaan Lingkungan (RKL) and Rencana Pemantauan Lingkungan (RPL) in KUD offices. The time table for management of impact has been determined in the plan.	Comply

Criterion 6.2:			
There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.			
6.2.1	Smallholders organisation has records on communication and consultation with local communities. - Major compliance -	Based on visit to cooperative/KUD offices, the smallholders' organization has records on communication and consultation with local communities. Regular communication and consultation with local communities conducted by Smallholders organisation and recorded in Logbook.	Comply
6.2.2	Records of periodic meeting between smallholders' organisation and its members. - Major compliance -	Minutes of farmer group communication through forum, coordination meeting and annual meeting. Smallholders have a periodic meeting, known as annual general assembly. Record seen: KUD Sawit Subur shows General Assembly attendance list dated 22 nd February 2014 where 108 members participated in.	Comply
6.2.3	Smallholders organisation has records on communities' aspiration and their responses or follow-up actions. - Minor compliance -	All cooperative/KUD sampled is able to demonstrate records of internal meeting. Record seen: KUD Sawit Subur holds meeting on 22 nd November 2014 related to FFB transport cost adjustment.	Comply
6.2.4	A dedicated person appointed in smallholders organisation responsible for communication and consultation with stakeholders. - Minor compliance -	Each cooperative/KUD sampled has appointed a dedicated personnel to communicate and in consultation with local communities. KUD Bakti appointed Mr.J as per appointment letter No.001/SK/KUD-B/I/2012 dated 5 th January 2012.	Comply

Criterion 6.3:			
There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all parties.			
6.3.1	A system for complaints are in place at smallholders organisation. - Major compliance -	A system for complaints is in place at the smallholder organisation. The system has been described in mechanism resolution flow chart. Records are kept in logbook, minutes of meeting and respond recorded in the complaint and grievances book.	Comply
6.3.2	Smallholders organisation has records on complaints/grievances, and reports on steps to address them. - Minor compliance -	Each cooperative/KUD sampled has a form to record complaint/grievance. However, there is no complaint since 2014.	Comply
6.3.3	A documented process and outcome of resolution of disputes, if any. - Minor compliance -	Each cooperative/KUD sampled has a form to record complaint/grievance. However, there is no complaint since 2014.	Comply
Criterion 6.4:			
Any negotiations concerning compensation for loss of legal or customary rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.			
6.4.1	Records of negotiation processes and/or outcome of agreed compensation are in place, if any. - Minor compliance -	Each cooperative/KUD sampled has a form to record compensation. However, there is no compensation since smallholder oil palm blocks established. Based on stakeholder consultation with village authorities, it is confirmed no complaint/compensation related to land ownership in the area.	Comply

Criterion 6.5:			
Wage and conditions for employees and for employees of contractors always meet at least legal or minimum industry standards and are sufficient to meet basic needs of personnel and to provide some discretionary income.			
6.5.1	Proof of wage payments to workers. - Major compliance -	Based on document review, sampled cooperative/KUD is able to demonstrate payment to worker. Payment made to staff in office found to be above minimum wage. Record seen: KUD Sawit Subur paid Mr.S Rp.1,715,000 as clerk in December 2014.	Comply
6.5.2	A work contract is in place for permanent employee, if any. - Minor compliance -	Based on document review, sampled cooperative/KUD is able to demonstrate work agreement with the worker. Record seen: KUD Sawit Subur has appointment letter with Mr. R as per document No.25/KPTS/KUD-SS/IV/2013 datum 2013.	Comply
Criterion 6.6:			
The employer respects the right of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.			
6.6.1	Evidence of no restriction for workers and contractors to join unions. - Minor compliance -	Each cooperative/KUD has the policy of freedom to join worker union. Based on interview with employees, they understand their rights and freedom to form and join union. Document seen: KUD Trani Maju has a letter acknowledge the freedom to to form and join trade unions of their choice and to bargain collectively, as per "Surat Keputusan Pengurus No.SKP/KUD-TM/VIII/2006" signed back in August 2006.	Comply
Criterion 6.7:			
Child labour is not used. Children are not exposed to hazardous working conditions. Work by children is acceptable on family farms, under adult supervision, and when not interfering with education programmes.			
6.7.1	Smallholders can show that use of child labour is in accordance with the regulation. - Major compliance –	Based on document verification against staff register and field worker of each cooperative/KUD, no employee under age of 18 years old. Example: In KUD Sawit Subur the youngest worker is Mr.A – 27 years old.	Comply

Criterion 6.8:			
The employer shall not engage in or support discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age.			
6.8.1	Evidence that all employees and employee groups, including migrant workers are treated equally. - Major compliance -	Each cooperative/KUD has the policy to equal treatment and against discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership or political affiliation. Based on interview with employees, they understand their the policy and confirm there is no discrimination. Currently there is no migrant worker.	Comply
Criterion 6.9:			
A policy to prevent sexual harassment and all other forms of violence against women and to protect their reproductive rights is developed and applied.			
6.9.1	Smallholders organisation has established documents that advise its members against sexual harassments and forms of violence against women and to protect their reproductive rights. - Major compliance –	Prevention of Sexual Harassment policy is extended to the schemes by the management of PT Inti Indosawit Subur – Ukui Group and the information is briefed to the members by the Scheme Manager and the Group Heads. Female employees in the office aware of the policy and confirmed they aware of the grievances procedure.	Comply
Criterion 6.10:			
Scheme managers deal fairly and transparently with smallholders and other local businesses.			
6.10.1	Records of no repetition of complaints from nucleus estate (partner companies) and/or other local business partners to smallholder. - Major compliance -	Each cooperative/KUD has a logbook to record complaint/grievance. There is no complaint from nucleus estate recorded. Based on interview with scheme smallholder manager, the relationship and communication between company and cooperative/KUD is relatively good. Inquiries from both party is responded in timely manner.	Comply

6.10.2	Records of FFB price determination mechanism from the Price Determination Team (Tim Penetapan Harga) to smallholders' organisation and receipt of FFB payments issued by the mills. - Major compliance -	FFB Pricing was established through the committee meeting comprised of government Agriculture Department (Dinas Perkebunan), smallholder cooperative representatives and palm oil producers. Flow chart of the FFB pricing is available at the scheme smallholder office. The weekly FFB price is posted on the notice board at the cooperative office and this information is available to all the scheme members. FFB price, calculation of the payment and summary of the payment by scheme smallholder manager is posted on the notice board and available to all the scheme members. Interview with the smallholder members revealed that they understand the mechanism.	Comply
6.10.3	Smallholders organisation has documented contracts with their business partners, if any. - Minor compliance -	Each cooperative/KUD is able to demonstrate work agreement/contract with their business partner. Work agreement between each cooperative/KUD and/or Kelompok Tani/Smallholder groups is available at scheme smallholder office. Contract between each cooperative with the FFB transport contractor is als available. Document seen: KUD Bakti shows work agreement with Mr. Tarimin which signed on 2 nd December 2012 and contract renewal dated 20 th November 2014.	Comply
6.10.4	Evidence that contract payment is made on-time. - Minor compliance -	Each cooperative/KUD is able to demonstrate contract payment with their business partner. Record seen: KUD Bakti paid Mr.Tarimin Rp.33,816,400 on 5 th February 2014 for work in month of January 2014.	Comply
6.10.5	Evidence of credit payment, if any. - Minor compliance -	There is no credit payment due. All loan re-payment have been done.	Comply
6.10.6	Evidence of road maintenance and transportation if smallholders pay related levies. - Minor compliance -	Each cooperative/KUD is able to demonstrate road maintenance from levy deduction. The levy collected by "Wadah Kerja Antar Kelompok Tani/WKAK", then the road maintenance work is performed.	Comply

6.10.7	Replanting plan is prepared in adequate time. - Minor compliance -	PT Inti Indosawit Subur provides extension services in form of "Pelatihan Pertanian Terpadu Petanii Plasma Binaan PT Inti Indosawit Subur untuk Persiapan dalam Menghadapi Replanting Generasi Kedua" dated 26-27 th September 2014. KUD is participating in financial replanting preparation under Idapertabun. KUD shows list of participating member in the Idapertabun scheme.	Comply
Criterion 6.11: Scheme manager contribute to local sustainable development wherever appropriate.			
6.11.1	Records of smallholders organisation and/or individual smallholders' contribution to the local development. - Minor compliance -	Each cooperative/KUD is able to demonstrate record of contribution to local development. Record seen: KUD Bakti shows deduction of Rp.5/kg FFB sales to build masjid. KUD Sawit Subur shows deduction Rp.4.5/kg FFB sales to contribute to village facility development.	Comply
Principle 7: Responsible development of new plantings			
Criterion 7.1: A comprehensive and participatory independent social and environmental impact assessment is conducted prior to establishing new plantings or operations, or expanding existing ones, and the results incorporated into planning, management and operations.			
7.1.1	SEIA document is in place prior to establishing new plantations. For scheme smallholder, SEIA is prepared by nucleus estate. - Major compliance -	There is no new development after November 2005. This principle is Not Applicable.	N/A

7.1.2	Evidence of impact assessments made with participation of local communities. - Major compliance -	There is no new development after November 2005. This principle is Not Applicable.	N/A
7.1.3	Evidence of results of impacts analysis are referred when plans are made to establish new plantations. - Minor compliance -	There is no new development after November 2005. This principle is Not Applicable.	N/A
Criterion 7.2: Soil surveys and topographic information are used for site planning in the establishment of new plantings, and the results are incorporated into plans and operations.			
7.2.1	A result of topography and land suitability survey is available, prepared by nucleus estate. - Major compliance -	There is no new development after November 2005. This principle is Not Applicable.	N/A
7.2.2	Planting on peatlands shall be in accordance with existing regulation. - Major compliance –	There is no new development after November 2005. This principle is Not Applicable.	N/A
Criterion 7.3: New plantings since November 2005 (which was the date of adoption of these criteria by the RSPO membership), have not replaced primary forest or any area containing one or more High Conservation Values.			
7.3.1	Smallholders can show that the lands for new plantings have not derived from primary forest or area with high conservation value (HCV). - Major compliance -	There is no new development after November 2005. This principle is Not Applicable.	N/A

Criterion 7.4:			
Extensive planting on steep terrain, and/or on marginal and fragile soils, is avoided.			
7.4.1	When limited planting on steep terrain, and/or marginal land is unavoidable, nucleus estate shall give technical guidance. - Minor compliance -	There is no new development after November 2005. This principle is Not Applicable.	N/A
Criterion 7.5			
No new plantings are established on local peoples' land without their free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.			
7.5.1	Smallholder can show that there are no rejection from indigenous people and local communities on the development of new plantings. (Evidence may be in the form of agreement letter from indigenous people and local communities, which is acknowledged or approved by Head of indigenous people/Head of village or in accordance with local regulations). - Major compliance -	There is no new development after November 2005. This principle is Not Applicable.	N/A
Criterion 7.6:			
Local people are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.			
7.6.1	Evidence of agreement settled (e.g agreed compensation for land acquisitions etc) prior to the establishment of new plantings (letter of agreement). - Major compliance -	There is no new development after November 2005. This principle is Not Applicable.	N/A

Criterion 7.7:			
Use of fire in the preparation of new plantings is avoided other than in specific situations, as identified in the ASEAN guidelines or other regional best practice.			
7.7.1	Smallholders can show that they have knowledge on and are able to implement zero-burn techniques in land preparation for new plantings. - Major compliance -	There is no new development after November 2005. This principle is Not Applicable.	N/A
Principle 8: Commitment to continuous improvement in key areas of activity			
Criterion 8.1:			
Scheme managers regularly monitor and review their activities and develop and implement action plans that allow demonstrable continuous improvement in key operations.			
8.1.1	Scheme manager, together with smallholders, prepares action plans for continuous improvement, based on consideration of the main social and environmental impacts and opportunities for improvement. - Major compliance -	KUD Sawit Subur is able to demonstrate Continuous Improvement Planning. The planning including Replanting preparation (May 2015), Training Program for Limited Pesticide Use (March 2015), Pest and Disease Identification (September 2015), HCV refreshment training (April 2015), First aid training (October 2015), Basic Fire training (August 2015).	Comply

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. Most of the palm oil mills been brought forward and audited in 2014. Audit team sees this as a strong commitment from PT Inti Indosawit Subur.

There are a number of changes noted, where KKPA Penarikan and KKPA Gunung Sahilan moved to 2016, from initial plan to be certified in 2014. PT IIS management is able to provide clear justification. PT IIS management reason was to put resources to certify company-owned estate, then only to certify the smallholders. Audit team suggest the management justification for the changes is sufficient, considering the management commitment towards RSP0 certification for the entire entities.

Audit team consider the time bound plan is challenging and still relevant to their management. BSI Audit team found that the company comply with the time bound plan.

BSI is in communication with other CB performing certification for PT Inti Indosawit Subur, to understand the partial certification status. BSI assessed PT Inti Indosawit Subur against partial certification requirement and concluded that there is no unresolved significant land disputes, no replacement of primary forest or loss of HCV, no labour disputes that are not being resolved through an agreed process and no evidence of noncompliance with law noted.

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 & Pangkalan Kerinci Village, 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 / 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 / Pematang Pauh District, Batang Hari Regency, Jambi	2011	Certified on 28 August 2012
Topaz	Petapahan Village, Tapung District, Kampar Regency, Riau	2013	Main Audit in January 2014. Finalize Report by Peer Review
Taman Raja	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 / Soto Village, 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	Main Audit in February 2014. Finalize Report by Peer Review
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	Main Audit in February 2014. Finalize Report by Peer Review

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	Main Audit in December 2014.
Tanjung Selamat	Kampung Padang Village, Bilah Hilir District, Labuhan Batu Regency, North Sumatra	2017	Main Audit in December 2014.
Gunung Melayu I	RahuningVillage, Bandar Pulau District, Asahan Regency, North Sumatra	2017	Main Audit in December 2014.
Gunung Melayu II	GontingMahalaVillage, Bandar Pulau District, Asahan Regency, North Sumatra	2017	Main Audit in December 2014.
Negri Lama I	Negri Lama Seberang Village, Bilah Hilir District, Labuhan Batu Regency, North Sumatra	Brought Forward from 2018 to 2013	Main Audit in February 2014. Finalize Report by Peer Review
Negri Lama II	Negri Lama Seberang Village, Bilah Hilir District, Labuhan Batu Regency, North Sumatra	2018	-
Name of Plantation	Address	Time bound for certification	Status as of March 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/Pemayung 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	Main Audit in January 2014. Finalize Report by Peer Review
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	Public Notification conduct in December 2013. Main Audit in Feb 2014
Tanah Datar	Tanah Datar Petatal Village, Talawi District, Asahan Regency, North Sumatra	Brought Forward from 2015 to 2013	Public Notification conduct in December 2013. Main Audit in Feb 2014
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	Public Notification conduct in December 2013. Main Audit in Feb 2014
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	Public Notification conduct in October 2014. Main Audit in Dec 2014
Peranap (Plasma)	Simelinyang / Pauh Ranap / Sengkilo Village, Peranap District, Indragiri Hulu Regency, Riau	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	Public Notification conduct in October 2014. Main Audit in Dec 2014
Pangkatan	Sennah Village, Bilah Hilir District, Labuhan Batu Regency, North Sumatra	Brought Forward from 2017 to 2014	Public Notification conduct in October 2014. Main Audit in Dec 2014
Sentral & Batu Anam	Gonting Mahala Village, Bandar Pulau District, Asahan Regency, North Sumatra	Brought Forward from 2017 to 2014	Public Notification conduct in October 2014. Main Audit in Dec 2014
Pulau Maria	Rahuning Village, Bandar Pulau District, Asahan Regency, North Sumatra	Brought Forward from 2017 to 2014	Public Notification conduct in October 2014. Main Audit in Dec 2014
Negri Lama	Negri Lama Seberang Village, Bilah Hilir District, Labuhan Batu Regency, North Sumatra	Brought Forward from 2018 to 2013	Public Notification conduct in December 2013. Main Audit in Feb 2014
Aek Kuo	Aek Korsik Village, Aek Natas District, Labuhan Batu Regency, North Sumatra	Brought Forward from 2016 to 2013	Public Notification conduct in December 2013. Main Audit in Feb 2014

3.3. Details of findings

3.3.1. Review of previous assessment finding.

3.3.1.1. Major Nonconformities

No outstanding major nonconformity from previous assessment.

3.3.1.2. Minor Nonconformities

There are two (2) minor nonconformities from previous assessment. These minor nonconformities have been closed during 4th annual surveillance assessment.

Non-Conformity		
NCR #	Description	Category (Major / Minor)
1028777N3	Use of Appropriate Best Practices by Growers and Millers – RSPO P & C SWG Indicator 4.2.3	Minor
	Requirements: Records of EFB and/or organic fertilizer application on the land, if such practices are of regular operation by the smallholders.	
	Evidence of Nonconformity: Based on field visit to KUD Bina Usaha Baru and KUD Karya Bersama, found farmer utilizing compost without appropriate record.	
	Statement of Nonconformity: Compost were utilized as organic matter at oil palm plantation, however there is not adequate evidence the recording are done.	
	Actions: KUD Bina Usaha Baru and KUD Karya Bersama is able to shows "Rekaman Aplikasi Pupuk Organik-Pupuk Kompos 2013". Example: Farmer plot No.65 from KT 06 applied 256 sacks/8,960 kg of poultry manure in 2013. There was no application of compost from poultry manure in 2014. There is no planning for application of compost in 2015. Nonconformity closed.	
	Closed?: Yes	

Non-Conformity		
NCR #	Description	Category (Major / Minor)
1028777N4	Environmental Responsibility and Conservation of Natural Resources and Biodiversity RSPO P & C SWG Indicator 5.6.1	Minor
	Requirements: 5.6.1 Identification of pollution sources in smallholders' plantation is available 5.6.2 An emission reduction plan is available.	
	Evidence of Nonconformity: Field visit to KUD Bina Usaha Baru, KT 23 and KT 23A found pollution of oil and diesel fuel from individual workshop and poultry to environmental furthermore, plastic waste also found around the premises.	
	Statement of Nonconformity: KUD has not identified individual farmer activities at oil palm plantation which cause pollution and there is not adequate evidence of implementation upon action plan to mitigate the pollution.	
	Actions: KUD Bina Usaha Baru has identified the pollution sources in smallholder plantation - from activities at oil palm plantation. KUD has updated the emission reduction plan and also prepared a guideline to minimize environmental impact from similar business takes place on oil palm plantation.	

	<p>The farmer plot with workshop and poultry has prepared sealed flooring for diesel generator with oil trap as effort to minimize oil pollution. Saw dust has been prepared for emergency situation such as oil spillage, etc. Nonconformity closed.</p>	
	<p>Closed?: Yes</p>	

3.3.1.3 Observation from previous assessment

There were twelve (12) observations identified for RSP0 P&C – Estate and mills; and four (4) observations identified for scheme smallholders. Company followed up all observations.

Observation	
OBS #	Description
	Commitment to Transparency - RSP0 P&C Indicator 1.1.2
1	<p>Company could improve monitoring performance on response upon information request from stakeholders through updating the latest status of action plan.</p> <p>Actions: PT Inti Indosawit Subur has improved the provision of first response upon request from stakeholders. Status of action plan has been recorded in the logbook.</p>

Observation	
OBS #	Description
	Compliance with applicable laws and regulations - RSP0 P&C Indicator 2.1.3
2	<p>Palm oil mills shall improve record keeping in term of availability regulation, such as copy of Permenkes No.416 tahun 1990 and PP No.82 tahun 2001.</p> <p>Actions: PT Inti Indosawit Subur has update all new regulation. Ukui I POM and Ukui II POM are able to demonstrate copy and evaluation of new regulation, including Peraturan Menteri Kesehatan No.416 tahun 1990 and Peraturan Pemerintah No.82 tahun 2001.</p>

Observation	
OBS #	Description
	Use of appropriate best practices by growers and millers - RSP0 P&C Indicator 4.7.8
3	<p>Safety officer needs to improve monitoring on first-aid kits in term of expiry date and adequacy of medicines.</p> <p>Actions: Based on field visit and check into first-aid kits available in estates and mills, no expired medicine found. Complete medicine is available in the box, as required under Peraturan Menteri Tenaga Kerja No.15 tahun 2008.</p>

Observation	
OBS #	Description
	Environmental responsibility and conservation of natural resources and biodiversity - RSP0 P&C Indicator 5.2.4
4	<p>Field visit to field block number B88a (riparian of Pemantang River) found the signboard was slightly broken. It is company responsibility to ensure the signboard is properly maintained.</p> <p>Actions: Based on field visit to block B88a – buffer zone of Pemantang river, PT Inti Indosawit Subur has reinstate the signboard saying no hunting, no poaching, no use of electric or poison to catch fish.</p>

Observation	
OBS #	Description
	Responsible consideration of employees and of individuals and communities affected by growers and mills - RSPO P&C Indicator 6.8.2
5	Care should be taken to improve the effort that all stakeholders could gain information access related with opportunity to work in the company.
	Actions: PT Inti Indosawit Subur has circulated job vacancy to notice board in surrounding village.

Observation	
OBS #	Description
	Responsible consideration of employees and of individuals and communities affected by growers and mills - RSPO P&C Indicator 6.10.2
6	Company could improve the stakeholder understanding related with FFB pricing mechanism for out grower FFB supplier.
	Actions: Based on interview with smallholder member, the understanding related to FFB pricing mechanism for outgrower FFB supplier is better.

Observation	
OBS #	Description
	Responsible consideration of employees and of individuals and communities affected by growers and mills - RSPO P&C Indicator 6.11.1
7	PT IIS need to review the CSR programme planning where the achievement of CSR programme for period of January-November 2013 is 12.51%.
	Actions: PT Inti Indosawit Subur demonstrates improvement related to achievement of CSR programme for 2014. The CSR fund achievement in 2014 is 106% from initial budget. For example: PT Inti Indosawit Subur provides school fence in Ukui village.

Observation	
OBS #	Description
	Commitment to continuous improvement in key areas of activity - RSPO P&C Indicator 8.1.1
8	PT IIS could consistently monitor the environmental and social parameters as per Environmental Impact Assessment such as water quality, air emission, air ambience, BOD, etc.
	Actions: Water quality, air emission, air ambience, BOD monitoring have been consistent. Report of monitoring and management of environmental impact seen.

Observation	
OBS #	Description
	Compliance with applicable laws and regulations - RSPO SWG 2009 Indicator 2.2.1
9	KUD could improve the documentation system of land ownership certificate copies, and to maintain status of ownership (for instance land acquisition, accuracy between certificate detail/land parcel and maps).
	Actions: During ASA4, all sampled KUD shows improvement in documentation system of land certificates, status of ownership is updated whenever land acquisition occurs; each land certificate matches with map details.

Observation	
OBS #	Description
	Use of appropriate best practices by scheme manager - RSPO SWG 2009 Indicator 4.3.1
10	Care should be taken to consistently implement U-letter frond stacking at slope planting area as regulated under Agriculture Manual Procedure.
	Actions: The implementation of U-shape frond stacking at slope area found to be consistent in sampled KUD.

Observation	
OBS #	Description
	Use of appropriate best practices by scheme manager - RSPO SWG 2009 Indicator 4.7.6
11	Consideration should be given to consistently enforce the use of PPE for all workers at the smallholder plantation, including FFB transporter.
	Actions: Based on field visit to smallholder blocks, FFB transporter currently using helmet to protect from falling FFB.

Observation	
OBS #	Description
	Environmental responsibility and conservation of natural resources and biodiversity - RSPO SWG 2009 Indicator 5.5.3
12	KUD could improve the maintenance of the fire controls equipment and ensure the equipment condition and readiness.
	Actions: Based on inspection to cooperative/KUD warehouse, fire control equipment is in good condition and ready-to-use.

3.3.2. Nonconformities and Observation Was Raised during this surveillance

3.3.2.1 Major Nonconformities

There were two (2) major nonconformities raised during 4th Annual Surveillance Assessment. These major nonconformities have been closed out.

There is another major nonconformity for Ukui 1 Palm Oil Mill and its supply bases from the certification separation assessment. The major nonconformity has been closed out.

Non-Conformity		
NCR #	Description	Category (Major / Minor)
114537M1	<p style="text-align: center;">Environmental responsibility and conservation of natural resources and biodiversity - RSP0 P&C Generic 2013 Indicator 5.3.2</p> <p>Requirements: All chemicals and their containers shall be disposed of responsibly.</p> <p>Evidence of Nonconformity: Based on document review, the latest hazardous waste transported with manifest dated 9th June 2014. There has been no transport of empty pesticide container ever since while no time extension evident.</p> <p>Statement of Nonconformity: Empty chemical containers treated as hazardous waste and stored in temporary hazardous store, however the storage time exceeds the time limit allowed by current license; 180 days.</p> <p>Actions: PT Inti Indosawit Subur has apply for time extension for the storage of empty pesticide container based on Letter from Badan Lingkungan Hidup Kabupaten Pelalawan No.660/BLH/2015/239 dated 9th February 2015. The allowed time extension to storage the hazardous waste is given 180 days. Furthermore, PT Inti Indosawit Subur has improve the monitoring through updated hazardous waste balance. This major non conformity closed in 28th February 2015.</p> <p>Closed?: Yes</p>	Major

Non-Conformity		
NCR #	Description	Category (Major / Minor)
1142537M2	<p style="text-align: center;">Environmental responsibility and conservation of natural resources and biodiversity - RSP0 P&C SWG 2009 Indicator 5.3.1</p> <p>Requirements: An agrochemical waste management plan is available.</p> <p>Evidence of Nonconformity: Based on field visit to KT 64 - KUD Sawit Subur, it was found that empty herbicide containers disposed off in the field No.1188 with improper handling. During document review, it was found that no agrochemical waste management plan is available.</p> <p>Statement of Nonconformity: It was found empty herbicide containers disposed off in plot No.1188 - KT 64 - KUD Sawit Subur. Based on document review, it was also found no agrochemical waste management plan is available.</p> <p>Actions: PT Inti Indosawit Subur and KUD have prepared the agrochemical waste management plan. The agrochemical management plan has been communicated to the smallholder member through letter dated 16th February 2015. In addition, PT Inti Indosawit Subur demonstrates effort to improve monitoring through</p>	Major

	<p>preparing checklist incorporating inspection during FFB quality checks to each block. PT Inti Indosawit Subur is able to demonstrate no agrochemical waste disposed off in oil palm block for period 1-6th February 2015. This major non conformity closed in 2nd March 2015.</p>	
	<p>Closed?: Yes</p>	

Non-Conformity		
NCR #	Description	Category (Major / Minor)
116878M1	<p style="text-align: center;">RSPO Supply Chain Certification Standard Module D - CPO Mills: Identity Preserved</p> <p>Requirements: D.6.2 The objective is for 100% segregated material to be reached.</p> <p>Evidence of Nonconformity: Ukui 1 Palm Oil Mill implemented the physical separation of raw material, process and certified product during audit. However the mill have a plan to process certified and uncertified FFB up to certificate issuance (based on agreement letter between company and loader worker dated 19th March 2015). Therefore palm oil mill cannot assure 100% material segregation carried out consistently. If a mill processes certified and uncertified FFB without physically separating the material then only Module E is applicable.</p> <p>Statement of Nonconformity: Ukui 1 Palm Oil Mill implemented the physical separation of raw material, process and certified product. However the mill have a plan to process certified and uncertified FFB up to certificate issuance. Therefore palm oil mill cannot assure 100% material segregation carried out consistently.</p> <p>Actions: PT Inti Indosawit Subur is able to demonstrate that social impact from supply chain system changes have been mitigated. The social impacts have been mitigated through meeting between all affected party with PT Inti Indosawit Subur. There is an agreement stating that all affected and interested party will support the implementation of Identity Preserved supply chain system. All parties guarantee that Ukui 1 POM will only process the certified FFB. The Major NC is closed on 6th April 2015.</p> <p>Closed?: Yes</p>	Major

3.3.2.2 Minor Nonconformities

There are nine (9) minor nonconformities from the 4th annual surveillance assessment in January 2015. PT Inti Indosawit Subur has submitted the Corrective Action Plan and BSI have approved the plan submitted.

There are two (2) minor nonconformities for Ukui 1 Palm Oil Mill and its supply bases from the certificate separation assessment.

BSI will verify the effectiveness of corrective action plans in the subsequent assessment visit.

Non-Conformity		
NCR #	Description	Category (Major / Minor)
	Commitment to Transparency - RSP0 P&C Generic 2013 Indicator 1.3.1	
1142537N1	<p>Requirements: 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>Evidence of Nonconformity: Based on interview with sampled workers, they have not received communication/dissemination of such policy.</p> <p>Statement of Nonconformity: Company is able to shows company policy - Kebijakan Perusahaan signed 12th October 2012; However the policy does not stated the policy to uphold code of ethical conduct. Furthermore, based on interview with sampled workers, they have not received communication/dissemination of such policy.</p>	Minor

Non-Conformity		
NCR #	Description	Category (Major / Minor)
	Use of appropriate best practices by growers and millers - RSP0 P&C Generic 2013 Indicator 4.6.4	
1142537N2	<p>Requirements: 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>Evidence of Nonconformity: Based on document review upon "Dokumen Budget dan Realisasi Penggunaan Paraquat Kebun Ukui Tahun 2010 – 2014".</p> <p>Statement of Nonconformity: During period of 2010 - 2014, Ukui Estate has established budget for paraquat - showing declining trend on yearly basis. However in 2014, the actual use of paraquat increased significantly, exceeding budget and compared to 2013.</p>	Minor

Non-Conformity		
NCR #	Description	Category (Major / Minor)
	Use of appropriate best practices by growers and millers - RSPO P&C Generic 2013 Indicator 4.7.5	
1142537N3	<p>Requirements: 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>Evidence of Nonconformity: The nurse in company clinic has been trained with first aid handling; however cannot demonstrate first aider license as required by PerMeNaKer No.15 tahun 2008.</p> <p>Statement of Nonconformity: Company was not able to demonstrate presence of licensed first aider, as required by PerMeNaKer No.15 tahun 2008.</p>	Minor

Non-Conformity		
NCR #	Description	Category (Major / Minor)
	Use of appropriate best practices by growers and millers - RSPO P&C Generic 2013 Indicator 4.7.6	
1142537N4	<p>Requirements: All workers shall be provided with medical care, and covered by accident insurance.</p> <p>Evidence of Nonconformity: Out of 151 workers in Ukui I POM, only 46 workers have undergone medical check up on 10-13th June 2014.</p> <p>Statement of Nonconformity: Company cannot demonstrate provision of medical check up for all workers, once a year - at minimum; as required under regulation.</p>	Minor

Non-Conformity		
NCR #	Description	Category (Major / Minor)
	Environmental responsibility and conservation of natural resources and biodiversity - RSPO P&C Generic 2013 Indicator 5.3.3	
1142537N5	<p>Requirements: A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented.</p> <p>Evidence of Nonconformity: Based on field visit, it was found: 1. The infectious medical waste was stored in hazardous waste store (Gudang TPS B3) exceeds time limit allowed by current license (180 days); 2. Based on field visit to Soga Estate, the implementation of domestic waste management was not in line with company waste management plan. Domestic waste was collected in gunny bag; 3. The oil trap under fuel tank in Soga Estate found to be inadequate to contain the oil spillage during high rainfall;</p> <p>Statement of Nonconformity: A number of findings related to disposal plan to avoid or reduce pollution: 1. The infectious medical waste was stored in hazardous waste store (Gudang TPS B3) exceeds time limit allowed by current license (180 days); 2. Based on field visit to Soga Estate, the implementation of domestic waste management was not in line with company waste management plan; 3. The oil trap under fuel tank in Soga Estate found to be inadequate to contain the oil spillage during high rainfall;</p>	Minor

Non-Conformity		
NCR #	Description	Category (Major / Minor)
	Responsible consideration of employees and of individuals and communities affected by growers and mills - RSPO P&C Generic 2013 Indicator 6.1.4	
1142537N6	<p>Requirements: 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>Evidence of Nonconformity: Based on document review upon SIA document and Laporan Pelaksanaan RKL/RPL period I/2014, social management and monitoring plan has not been reviewed, with participation of affected parties.</p> <p>Statement of Nonconformity: Company is not able to demonstrate adequate evidence that social impact management and monitoring plans are monitored and reviewed, with participation of affected parties.</p>	Minor

Non-Conformity		
NCR #	Description	Category (Major / Minor)
	Responsible consideration of employees and of individuals and communities affected by growers and mills - RSPO P&C Generic 2013 Indicator 6.4.2	
1142537N7	<p>Requirements: 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>Evidence of Nonconformity: Based on document review upon procedure.</p> <p>Statement of Nonconformity: Company is not able to demonstrate the current procedure for land compensation is taking 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>	Minor

Non-Conformity		
NCR #	Description	Category (Major / Minor)
	Responsible consideration of employees and of individuals and communities affected by growers and mills - RSPO P&C Generic 2013 Indicator 6.11.1	
1142537N8	<p>Requirements: Contributions to local development that are based on the results of consultation with local communities shall be demonstrated.</p> <p>Evidence of Nonconformity: Based on document review upon "Program CSR tahun 2014 dan 2015", record of consultation with local communities to prepare contribution program was not available.</p> <p>Statement of Nonconformity: There is not adequate evidence the contributions to local development are based on the results of consultation with local communities.</p>	Minor

Non-Conformity		
NCR #	Description	Category (Major / Minor)
	Use of appropriate best practices by growers and millers - RSP0 P&C Generic 2013 Indicator 4.7.4	
1142537N9	<p>Requirements: Record of meetings regarding occupational health and safety.</p> <p>Evidence of Nonconformity: Based on document review, KUD Sawit Subur was not able to demonstrate records of meeting regarding occupational health and safety.</p> <p>Statement of Nonconformity: KUD Sawit Subur was not able to demonstrate records of meeting regarding occupational health and safety.</p>	Minor

Non-Conformity		
NCR #	Description	Category (Major / Minor)
	Environmental responsibility and conservation of natural resources and biodiversity: RSP0 P&C Generic 2013 Indicator 5.2.4	
1168678N1	<p>Requirements: 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>Evidence of Nonconformity: Conservation Management Plan and "Rencana Program Replanting Ukui Estate tahun 2015".</p> <p>Statement of Nonconformity: Based on document verification against Conservation Management Plan - Ukui Estate and Replanting Program Ukui Estate 2015, shows company has yet taking into consideration the HCV management as part of replanting plan commence in 2015.</p>	Minor

Non-Conformity		
NCR #	Description	Category (Major / Minor)
	Use Responsible consideration of employees and of individuals and communities affected by growers and mills: RSP0 P&C Generic 2013 Indicator 6.1.4	
1168678N2	<p>Requirements: 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>Evidence of Nonconformity: Based on public consultation and mill access blockade by worker dated 19th March 2015 shows PT IIS cannot provide adequate mitigation plan upon social impact from supply chain system changes from Mass Balance into Identity Preserved.</p> <p>Statement of Nonconformity: Based on public consultation and condition during audit it was known that company cannot provide adequate mitigation plan upon social impact from supply chain system changes from Mass Balance into Identity Preserved. The social impact affecting stakeholder such as worker in Ukui 1 Palm Oil Mill and third party-outgrower which could affecting the implementation of new supply chain and palm oil mill operation.</p>	Minor

3.3.2.3 Observation

There are five (5) observations from the 4th annual surveillance assessment in January 2015. These observations will be followed up during subsequent assessment.

Observation	
OBS #	Description
	Use of appropriate best practices by growers and millers - RSPO P&C Generic 2013 Indicator 4.7.2
1	Care should be taken to consistently identify all activities, all location and determination of consequences in HIRADC, to review the residual risk after implementation of risk control;

Observation	
OBS #	Description
	Use of appropriate best practices by growers and millers - RSPO P&C Generic 2013 Indicator 4.8.2
2	Care should be taken to update the training record in Ukui II POM.

Observation	
OBS #	Description
	Commitment to Transparency - RSPO P&C SWG 2009 Indicator 1.1.1
3	It is nice to consistently provides response to all correspondences, inquiries and request to KUD.

Observation	
OBS #	Description
	Use of appropriate best practices by scheme manager - RSPO P&C SWG 2009 Indicator 4.1.2
4	Observations noted: 1. Care should be taken to consistently implement and monitor the oil palm upkeep - as per Agriculture Policy Manual for pruning and weed control standard; 2. Scheme management needs to improve scheme smallholder's understanding on zero-burning policy;

Observation	
OBS #	Description
	Use of appropriate best practices by scheme manager - RSPO P&C SWG 2009 Indicator 4.7.1
5	Care should be taken to identify risk on KUD office location and activities; example: In KUD Trani Maju – risk from storage of LPG has not been identified.

3.4 Positive Finding

Positive Findings	
PF	Description
1	Good implementation of oil palm plantation' best management practices
2	Positive comments from local communities for the company operation.

3.5 Issues raised by Stakeholders

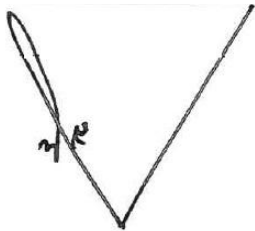

Issues raised by Stakeholders			
No.	Stakeholder comments	Company Response	Auditor Finding
1	<p>Village Head Kampung Baru</p> <ol style="list-style-type: none"> 1. Aid from company: road and infrastructure maintenance, sanitation infrastructures, 2. Job vacancy is not widely available 3. Company prepared demonstration plot for replanting of 8.5 Ha. Study to Yogyakarta back in 2014 for 12 villagers 4. The 8.5 Ha intended to support village cashflow. 	<ol style="list-style-type: none"> 1. Job vacancies through notice board have been practiced, not continuous. Company planned to actively display the job vacancy for public. 2. The CSR planning has involving local village government, however not documented. 3. In order to instigate village cashflow, company helps the replanting of 8.5 Ha of "tanah kas desa". 	Will be verified during subsequent visit.
2	<p>Village Head Lubuk Kembang Sari, Camat Ukui, Police Head Ukui</p> <ol style="list-style-type: none"> 1. Company is generous in providing help and aid for villagers 2. Worker recruitment and job vacancy was not through notice board, need more transparent 3. Request for honor for village head and staffs 4. Company has not fully involving local community in preparing CSR plan 5. Company has not communicating and coordinating the CSR programme with local government 	<ol style="list-style-type: none"> 1. Job vacancies through notice board have been practiced, not continuous. Company planned to actively display the job vacancy for public. 2. The CSR planning has involving local village government, however not documented. 	The CSR programme should be based on consultation with local community. Progress will be verified during subsequent assessment.
3	<p>Village Head Ukui II</p> <ol style="list-style-type: none"> 1. Request for asphalt road at high school entrance road. 2. Company gave donation in form of school fence. 	<ol style="list-style-type: none"> 1. The road maintenance on the way to school entrance has been done. Road are sprinkled during dry season to reduce dust. 2. Company planned to fortified the road with better stone material. 	The response from company is fair.
4.	<p>Cooperative chairmans as supply base to PT Inti Indosawit Subur: KUD Bina Sejahtera, KUD usaha Tani, KUD Trani Maju, KUD Bina Usaha Maju, KUD Bina Sejahtera, KUD Karya Bersama, KUD Bukit Potalo, KUD Sawit Subur, KUD Usaha Baru, KUD Sumber Bahagia and Asosiasi Petani Sawit Swadaya Amanah</p> <ul style="list-style-type: none"> - The certificate separation was too fast. Formal communication dated 12th March 2015; - Company is in rush to implement new supply chain system for Ukui 1 POM by 18th March 2015; 	<ul style="list-style-type: none"> - Company have met with the cooperative and produced an agreement letter; - The letter states that cooperative members and all interested parties are in agreement – once Ukui 1 POM 	Audit team accepts the company explanation and will check/verify the continuous implementation

	<ul style="list-style-type: none"> - Technically there is no issue from cooperatives, with regards to implementation of Identity Preserved system, but company need to carried out the social impact for the local community; - Company need to ensure the volume of FFB from Soga estate, channelled to Ukui 1 POM is in balance with outgrowers FFB coming into Ukui 2 POM – therefore the systematic changes does not affect the FFB queue in Ukui 2 POM. - Company has not communicating and coordinating the CSR programme with local government 	<p>certified with Identity Preserved system, non-certified FFB will be processed in Ukui 2 POM;</p> <ul style="list-style-type: none"> - Company agrees to add additional cost of transport to channels the non-certified FFB from Ukui 1 POM to Ukui 2 POM; <p>Company has arranged crop from Division IV and V - Soga Estate to be processed in Ukui 1 POM. This will reduce the queue in Ukui 2 POM;</p>	<p>during subsequent assessment.</p>
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3.6 Status of Non Conformities

Reference	Category	Issued	Closed
AS01/2011/UkuiSH4.6.4	Major Smallholder	23/12/2011	20/02/2012
AS02/2011/UkuiSH6.5.1	Major Smallholder	23/12/2011	20/02/2012
AS01/2012/UkuiASA01 2.2.5	Minor	23/02/2012	09/02/2013
AS02/2012/UkuiASA01 6.1.2	Minor	23/02/2012	09/02/2013
AS03/2011/UkuiASA01 5.2.2	Minor Smallholder	23/02/2012	09/02/2013
AS04/2011/UkuiASA01 6.1.3	Minor Smallholder	23/02/2012	09/02/2013
A845131/1 2.1.1	Major	09/02/2013	02/04/2013
A845131/2 2.2.1	Major	09/02/2013	08/04/2013
A845131/3 4.8.2	Major	09/02/2013	02/04/2013
A845131/4 5.3.2	Major	09/02/2013	08/04/2013
A845131/5 6.3.1	Major	09/02/2013	08/04/2013
A845131/6 6.5.1	Major	09/02/2013	08/04/2013
A845131/7 4.6.2	Major Smallholder	09/02/2013	02/04/2013
A845131/8 E.1.1 SCC	Major SCC	09/02/2013	02/04/2013
A845131/9 E.3.1 SCC	Major SCC	09/02/2013	02/04/2013
A845131/10 E.5.1 SCC	Major SCC	09/02/2013	08/04/2013
A845131/1 4.1.4	Minor	09/02/2013	30/11/2013
A845131/2 4.4.2	Minor	09/02/2013	30/11/2013
A845131/3 4.7.5	Minor	09/02/2013	30/11/2013
A845131/4 4.7.8	Minor	09/02/2013	30/11/2013
A845131/5 4.7.10	Minor	09/02/2013	30/11/2013
A845131/6 4.6.6	Minor Smallholder	09/02/2013	30/11/2013
A845131/7 6.2.4	Minor Smallholder	09/02/2013	30/11/2013
A845131/8 6.10.3	Minor Smallholder	09/02/2013	30/11/2013
998107M17 5.3.2	Major	30/11/2013	30/01/2014
998107N15 4.3.2	Minor	30/11/2013	10/01/2015
998107N14 6.5.1	Minor	30/11/2013	10/01/2015
1142537M1 5.3.2	Major	10/01/2015	28/02/2015
1142537M2 5.3.1	Major Smallholder	10/01/2015	02/03/2015
1142537N1 1.3.1	Minor	10/01/2015	Open
1142537N2 4.6.4	Minor	10/01/2015	Open

1142537N3 4.7.5	Minor	10/01/2015	Open
1142537N4 4.7.6	Minor	10/01/2015	Open
1142537N5 5.3.3	Minor	10/01/2015	Open
1142537N6 6.1.4	Minor	10/01/2015	Open
1142537N7 6.4.2	Minor	10/01/2015	Open
1142537N8 6.11.1	Minor	10/01/2015	Open
1142537N9 4.7.4	Minor Smallholder	10/01/2015	Open
116878M1 D.6.2	Major SCC	20/03/2015	06/04/2015
116878N1 5.2.4	Minor	20/03/2015	Open
116878N2 6.1.4	Minor	20/03/2015	Open

Acknowledgement of Assessment Findings	Report Prepared by
Name: Mr. Welly Pardede	Name: Pratama A Sedayu
Company name: PT. Inti Indosawit Subur	Company name: PT. BSI Group Indonesia
Title: Director	Title: Lead Auditor
Date: 14 th August 2015	Date: 14 th August 2015
Signature: 	Signature: 

Appendix "A"
RSPO Certificate Details

PT Inti Indosawit Subur – Ukui I
Jalan MH Thamrin No.31
Jakarta – 10230
Indonesia

Certificate Number : SPO 633774
 Date of Certificate : 01 March 2011
 End of certificate : 29 February 2016

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

UKUI I PALM OIL MILL AND SUPPLY BASE					
Location Address		Ukui Village, Ukui District, Pelalawan Regency, Riau			
GPS Location		102°05'33"E - 00°13'34"S			
FFB Tonnage Total		357,465 MT			
CPO Tonnage Total		75,401 MT			
PK Tonnage Total		19,661 MT			
Certified CPO Tonnage Total		63,636 MT			
Certified PK Tonnage Total		16,086 MT			
Certified Own estates FFB Tonnage		111,229 MT			
Certified Smallholder FFB Tonnage		181,236 MT			
PT Inti Indosawit Subur's Estate	Infrastructure & Other incl. HCV (Ha)	Mature (Ha)	Immature (Ha)	Total land-use titles (Ha)	Annual FFB Production (MT)
Ukui Estate	196	4,271	0	4,467	111,229
Subtotal	196	4,271	0	4,467	111,229
Scheme Smallholder	Number of Smallholder	Mature (Ha)	Immature (Ha)	Total land-use titles (Ha)	Annual FFB Production (MT)
KUD Sumber Makmur	781	1,562	0	1,562	38,213
KUD Bina Usaha Baru	308	616	0	616	11,527
KUD Bakti	224	448	0	448	8,411
KUD Karya Bersama	432	864	0	864	17,771
KUD Sawit Subur	454	908	0	908	23,469
KUD Bina Sejahtera	618	1,236	0	1,236	31,786
KUD Sumber Bahagia	603	1,206	0	1,206	30,215
KUD Bukit Potalo	247	494	0	494	9,925
KUD Usaha Baru	247	494	0	494	9,919
Subtotal	3,914	7,828	0	7,828	181,236
TOTAL		12,099	0	12,295	292,465

Appendix "B"
Audit plan

Audit Plan for Annual Surveillance Assessment/ASA 4

Audit Plan					
Date	Time	Subjects	PS	NM	WS
Monday, 05/01/2015	08.35 – 10.20	Auditors travel from Jakarta – Pekanbaru Accommodation from airport to site by PT IIS	√	√	√
	10.30 – 13.30	Travelling to site (Ukui)	√	√	√
	13.30 – 14.30	Break/Lunch/Pray	√	√	√
	14.30 – 15.30	Opening Meeting <ul style="list-style-type: none"> • Presentation by the Estate and mill managers, Supply Chain related to the FFB supplied to the mill, progress of Time Bound Plan). • Presentation by Audit team leader and confirmation of assessment scope. Finalize Audit schedule, including stakeholder consultation. Other business	√	√	√
	15.30 – 17.00	Document review at Mill and Estate (General Documentation e.g. Legal, Manual and Procedure, HCV identification, SEIA documents, Health and Safety, Time bound plan verification, verify status of previous Non Conformity, etc).	√	√	√
Tuesday, 06/01/2015	08.00 – 12.00	Site Visit at Ukui I Mill , inspection of processing, warehouse, workshop, mill wastes management, Effluent Ponds, OSH, Environment issues, POME application, workers interview, Supply chain for CPO mill, Review on SEIA documents and records, Document review, etc.	√	-	-
	08.00 – 12.00	Ukui Estate inspection, harvesting, spraying, fertilizer application, HCV area, river riparian, warehouse, workshop, housing, review on SEIA documents and records, document review, OSH, Environment issues, workers	-	√	-
	08.00 – 12.00	Stakeholder Consultation Meeting – Mill, Estate, and Scheme Smallholders: Meeting and interview with stakeholders from Local government, head of village, NGO, contractors, etc.	-	-	√
	12.00 – 14.00	Break/Lunch/Pray	√	√	√
	14.00 – 17.00	Continue Mills Audit - Mill inspection, warehouse, workshop, mill wastes management, Effluent Ponds, OSH, Environment issues, POME application, workers interview, housing, Supply chain for CPO mill, Review on SEIA documents and records, Document review, etc.	√	-	-
	14.00 – 17.00	Continue Estate Audit: Inspect workers housing and interview residents, infrastructure, Social issues, waste management, Clinic, review pay documents, visit local community, SEIA etc	-	√	-
	14.00 – 17.00	Continue Stakeholder Consultation Meeting – Mill, Estate, and Scheme Smallholders: Meeting and interview with stakeholders from Local government, head of village, NGO, contractors, etc.	-	-	√
Wednesday, 07/01/2015	08.00 – 12.00	Site Visit at Ukui II Mill , inspection of processing, warehouse, workshop, mill wastes management, Effluent	√	-	-

		Ponds, OSH, Environment issues, POME application, workers interview, Supply chain for CPO mill, Review on SEIA documents and records, Document review, etc.			
	08.00 – 12.00	Soga Estate inspection, harvesting, spraying, fertilizer application, HCV area, river riparian, warehouse, workshop, housing, review on SEIA documents and records, document review, OSH, Environment issues, workers	-	√	-
	08.00 – 12.00	Social Criteria Audit for Ukui I Mill, Ukui II Mill, Ukui Estate and Soga Estate	-	-	√
	12.00 – 14.00	Break/Lunch/Pray	√	√	√
	14.00 – 17.00	Continue Mills Audit - Mill inspection, warehouse, workshop, mill wastes management, Effluent Ponds, OSH, Environment issues, POME application, workers interview, housing, Supply chain for CPO mill, Review on SEIA documents and records, Document review, etc.	√	√	-
	14.00 – 17.00	Continue Estate Audit: Inspect workers housing and interview residents, infrastructure, Social issues, waste management, Clinic, review pay documents, visit local community, SEIA etc	-	-	-
	14.00 – 17.00	Continue Social Criteria Audit for Ukui I Mill, Ukui II Mill, Ukui Estate and Soga Estate	-	-	√
Thursday, 08/01/2015	08.00 – 10.00	Scheme Smallholder Audit: KUD 1 Inspections e.g. Office (Document review), Landfill, Chemical store and mixing, Fertilizer application, field spraying & harvesting, HCV area, farmer plots. Etc.	√	√	√
	10.00 – 12.00	Scheme Smallholder Audit: KUD 1 Inspections e.g. Office (Document review)	√	√	√
	12.00 – 14.00	Break/Lunch/Pray	√	√	√
	14.00 – 15.30	Scheme Smallholder Audit: KUD 2 Inspections e.g. Office (Document review), Landfill, Chemical store and mixing, Fertilizer application, field spraying & harvesting, HCV area, farmer plots. Etc.	√	√	√
	15.30 – 17.00	Scheme Smallholder Audit: KUD 2 Inspections e.g. Office (Document review)	√	√	√
Friday, 09/01/2015	08.00 – 10.00	Scheme Smallholder Audit: KUD 3 Inspections e.g. Office (Document review), Landfill, Chemical store and mixing, Fertilizer application, field spraying & harvesting, HCV area, farmer plots. Etc.	√	√	√
	10.00 – 12.00	Scheme Smallholder Audit: KUD 3 Inspections e.g. Office (Document review)	√	√	√
	12.00 – 14.00	Break/Lunch/Pray	√	√	√
	14.00 – 15.30	Scheme Smallholder Audit: KUD 4 Inspections e.g. Office (Document review), Landfill, Chemical store and mixing, Fertilizer application, field spraying & harvesting, HCV area, farmer plots. Etc.	√	√	√
	15.30 – 17.00	Scheme Smallholder Audit: KUD 4 Inspections e.g. Office (Document review)	√	√	√
Saturday, 10/01/2015	08.00 – 10.00	Compile outstanding information, prepare report for closing meeting	√	√	√
	10.00 – 12.00	Closing meeting	√	√	√
	12.00 – 15.00	Travelling to Pekanbaru	√	√	√
	18.40 – 20.25	Auditor travel to Pekanbaru - Jakarta	√	√	√

*PS: Pratama Sedayu, NM: Nanang Muallib, WS: Warsito

Audit Plan for Certificate Separation in March 2015

Audit Plan				
Date	Time	Subjects	PS	NM
Wednesday, 18/03/2015	06.00 – 07.45	Auditors travel from Jakarta – Pekanbaru Accommodation from airport to site by PT IIS	√	√
	07.45 – 10.00	Travelling to site (Ukui)	√	√
	10.00 – 11.00	Opening Meeting <ul style="list-style-type: none"> • Presentation by the Estate and mill managers, Supply Chain related to the FFB supplied to the mill, progress of Time Bound Plan). • Presentation by Audit team leader and confirmation of assessment scope. Finalize Audit schedule, including stakeholder consultation. Other business	√	√
	11.00 – 12.00	Document review at Mill and Estate (General Documentation e.g. Legal, HCV identification, SEIA documents, Health and Safety, etc).	√	√
	12.00 – 14.00	Break/Lunch/Pray	√	√
	14.00 – 17.00	Document review at Mill and Estate (General Documentation e.g. Legal, HCV identification, SEIA documents, Health and Safety, etc).	√	√
Thursday, 19/03/2015	08.00 – 10.00	Site Visit at Ukui I Mill , inspection of processing, Supply chain for CPO mill, Review on SEIA documents and records, Document review, etc.	√	-
	08.00 – 12.00	Stakeholder Consultation Meeting – Mill, Estate, and Scheme Smallholders: Meeting and interview with stakeholders from Local smallholders, contractor, etc.	-	√
	08.00 – 12.00	Document review at Mill (General Documentation for CPO supply chain, processing record, docket, sales invoice, delivery order, etc).	√	-
	12.00 – 14.00	Break/Lunch/Pray	√	√
	14.00 – 17.00	Continue Mills Audit - Document review at Mill (General Documentation for CPO supply chain, processing record, docket, sales invoice, delivery order, etc).	√	-
	14.00 – 17.00	Estate Audit: Inspect workers housing and interview residents, infrastructure, Social issues, waste management, Clinic, review pay documents, visit local community, SEIA etc	-	√
Wednesday, 20/03/2015	08.00 – 10.00	Site Visit at Ukui II Mill , inspection of processing, workers interview, Supply chain for CPO mill, Review on SEIA documents and records, Document review, etc.	√	-
	08.00 – 10.00	Soga Estate review on SEIA documents and records, document review, OSH, Environment issues, workers;	-	√
	10.00 – 11.00	Report Preparation	√	√
	12.00 – 12.00	Closing Meeting	√	√
	12.00 – 14.00	Break/Lunch/Pray	√	√
	14.00 – 17.00	Travelling to Pekanbaru	√	√
	18.40 – 20.25	Auditor travel to Pekanbaru - Jakarta	√	√

*PS: Pratama Sedayu, NM: Nanang Muallib,

Audit Plan for Special Assessment in August 2015

Audit Plan			
Date	Time	Subjects	PS
Saturday, 15/08/2015	08.00 – 08.30	Opening Meeting <ul style="list-style-type: none"> • Presentation by the management • Presentation by Audit team leader and confirmation of assessment scope. Finalize Audit schedule. • Other business 	√
	08.30 – 12.00	Document review Module E: Mass Balance	√
	12.00 – 14.00	Break/Lunch/Pray	√
	14.00 – 16.00	Document review Module E: Mass Balance	√
	16.00 – 17.00	Report preparation and Closing Meeting	√

**PS: Pratama Sedayu*

Appendix "C"

RSPO SCCS PT. Inti Indosawit Subur Ukui – Module E (Mass Balance)

RSPO SCCS PT. Inti Indosawit Subur – Ukui
Ukui I Palm Oil Mill - Module E (Mass Balance)

Requirements	
E.1. Definition	
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>PT Inti Indosawit Subur – Ukui holds current RSPO P&C Certificate No.SPO 633774. In the current certificate, PT Inti Indosawit Subur implemented Identity Preserved, but wishes to downgrade into Mass Balance supply chain system. The changes in the system based on Company Memorandum No.63/MI/MEMO/07/2015 – dated 28th July 2015, related to downgrade from Identity Preserved into Mass Balance system per 31st July 2015. The Memo signed by Technical Controller.</p> <p>PT Inti Indosawit Subur only claimed the FFB proportion from certified supply bases which is company-own estate and scheme smallholder cooperatives.</p>
E.2. Explanation	
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.	PT Inti Indosawit Subur demonstrates the estimate of certified CPO and PK products. BSI verifies the estimate of CPO and PK products during each assessment.
E.2.2 The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).	PT Inti Indosawit Subur hold e-trace account.
E.3. Documented procedures	
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; 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>Ukui I POM has a written documented procedure for the chain of custody with MB model covering certified and non-certified FFB. The company shows Procedure "Mass Balance" No.AA-MPM-OP-1400.18 and procedure "Traceability" No.AA-MPM-OP-1400.17.</p> <p>The marketing and mill managers have the responsibility to ensure implementation of supply chain procedure.</p>
E.3.2 The site shall have documented procedures for receiving and processing certified and non-	Ukui I POM has a documented procedure for the incoming FFB, processing and outgoing palm products (CPO and PK). Marking

certified FFBs.	<p>is made on the receiving documents to differentiate the certified and non-certified FFB received. Records: Procedure AA-SM-405.1-R1 (Traceability Storage tank/warehouse); Procedure AA-MPM-OP-1400.17-R3 (traceability) and Procedure AA-MPM-OP-1400.18-R2 (Mass Balance).</p> <p>SOP Traceability shows the procedure traceability CPO & PK, Despatch of CPO & PK, LHP PMKS, Procedure Traceability CPKO – receiving of PK, despatch of CPKO and Laporan Harian Produksi KCP.</p>
E.4. Purchasing and goods in	
<p>E.4.1 The site shall verify and document the volumes of certified and non-certified FFBs received.</p>	<p>According to relevant procedure as above (E.3.1 and E.3.2), daily records are prepared at the entry point at the weighbridge. Daily summary and monthly summary documented for all the certified and non-certified FFB. Records verified through internal and external audit. Record available under "Laporan Penerimaan TBS" from Ukui 1 POM. The record sampled dated 31st July 2015, still under IP module; 1st August 2015 where Ukui I POM began to received non-certified FFB and 7th August 2015 where MB module implemented for a week.</p> <p>Record seen: FFB weighbridge ticket dated 31st July 2015: Surat Pengantar TBS marked "TBS Sustainable" - Kartu Timbangan Inti No.A115114298 from Ukui Estate division 3, block C89c (177 bunches) and C89b (28 bunches), weigh 4,970 kg, RSPO Cert.No.633774 dated 31st July 2015; Bon Pengantar TBS KT Semangat Baru dated 31st July 2015, 250 bunches, marked RSPO Certified No.633774 - Kartu Timbangan No.A2151152804 KT 47 Semangat Baru, total 5,780kg.</p> <p>FFB weighbridge ticket dated 1st August 2015: Kartu Timbangan Inti No.A115114381 from Ukui Estate division 4, block D89b (170 bunches), weigh 5,190 kg, RSPO Cert.No.633774 dated 1st August 2015; Bon Pengantar TBS KT Rukun Jaya dated 1st August 2015, 260 bunches, marked RSPO Certified No.633774 - Kartu Timbangan No.A215112848 KT 86 Rukun Jaya, total 7,620kg; Tiket Timbangan No.A515102786 from KUD Air Hitam Jaya, non-certified, 666 bunches – total 9,420 kg;</p> <p>FFB weighbridge ticket dated 7th August 2015: Kartu Timbangan Inti No.A115114793 from Ukui Estate division 1, block A88a (160 bunches), weigh 5,550 kg, RSPO Cert.No.633774; Bon Pengantar TBS KT Maju Bersama – KUD Sumber Bahagia dated 7th August 2015, 275 bunches, marked RSPO Certified No.633774 - Kartu Timbangan No.A215113344 KT 121 Maju Bersama, total 8,060kg; Tiket Timbangan No.A515103069 from Amanah, non-certified, 478 bunches – total 9,980 kg;</p>
<p>E.4.2 The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.</p>	<p>The marketing and sustainability officer will inform the CB should there is a projected overproduction of certified tonnage. Currently no projected overproduction for Ukui 1 POM.</p>
E.5. Record keeping	
<p>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</p>	<p>According to Procedure AA-MPM-OP-1400.18.R2 (Mass Balance) All the inventory records are maintained and updated on three monthly reports. Mill and marketing office maintain the record</p>

basis.	<p>and balance of CPO and PKO sold.</p> <p>Mill shows three-monthly base record (before upgrade into Identity Preserved): January – March 2015, indicating the FFB received (certified and non-certified), initial stock (certified and non-certified), CPO output (certified and non-certified), CPO despatch (ISCC, ISCC Plus, RSPO and non-certified), balance CPO; initial stock, output and despatch of PK.</p> <p>Status as at 31st July 2015: FFB certified today 1,021 tonnes, non-certified 0 tonnes; CPO certified today 240 tonnes, CPO non-certified 0 tonnes; PK certified 56 tonnes, PK non-certified 0 tonnes;</p> <p>Status as at 7th August 2015: FFB certified today 1,356 tonnes, non-certified 348 tonnes; CPO certified today 258 tonnes, CPO non-certified 68 tonnes; PK certified 58 tonnes, PK non-certified 18 tonnes;</p>
E.5.1 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.	Computerized system in place with the delivery deducted accordingly.
E.5.1 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.)	<p>Only positive stock if delivered. No short selling.</p> <p>Per 1st August 2015, the CPO delivery has changed into MB. Record seen: Delivery Order No.07327/SS10/02/15 for PT Sari Dumai Sejati totalling 1,500 tonnes indicating Mass Balance. Kartu Timbangan No.C115201696 dated 1st August 2015 for sending CPO to PT Sari Dumai Sejati of 25,170 kg CPO Mass Balance ISCC.</p>
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.	There is no outsourcing activities.

Certified FFB received monthly in previous year

Month	Ukui Estate (MT)	Scheme Smallholders (MT)	Total FFB/month (MT)
January 2014	9,745	14,774	24,519
February 2014	7,511	12,934	20,445
March 2014	8,828	13,853	22,681
April 2014	9,154	15,028	24,182
May 2014	9,497	14,427	23,923
June 2014	9,687	14,997	24,684
July 2014	8,893	13,065	21,958
August 2014	11,920	16,906	28,826
September 2014	10,542	15,008	25,550
October 2014	9,963	14,324	24,287

November 2014	9,324	14,455	23,779
December 2014	9,653	13,522	23,175
TOTAL	114,717	173,290	288,009

Sales of CPO and PK by e-Trace

No.	Date	Name of Buyer	CPO (MT)	PK (MT)
1.	March 2014 – February 2015	Buyer A	7,656.43	-
TOTAL			7,656.43	-

**) There have been no sales of Certified PK in 2014*

Sales of CPO and PK by GreenPalm*

No.	Date	Name of Buyer	CPO (MT)	PK (MT)
1.	April 2014	GreenPalm	1,573	-
2.	May 2014	GreenPalm	1,465	-
3.	June 2014	GreenPalm	867	-
4.	August 2014	GreenPalm	19,297	-
5.	September 2014	GreenPalm	11,294	-
6.	December 2014	GreenPalm	7,451	-
7.	January 2015	GreenPalm	9,276	-
8.	February 2015	GreenPalm	7,020	-
TOTAL			58,243	-

**This is combined sales data, as previously Ukui 1 POM and Ukui 2 POM under single certificate*

Appendix "D"
Abbreviation used

AMDAL	Analisis Mengenai Dampak Lingkungan (Social and Environmental Impact Assessment)
B3	Hazardous, Dangerous and Poisonous Substance
BOD	Biological Oxygen Demand
BPN	Badan Pertahanan Nasional (National Land Authority)
BSI	British Standard Institution
COD	Chemical Oxygen Demand
CPO	Crude Palm Oil
CSR	Corporate Social Responsibility
EFB	Empty Fruit Bunch
FFB	Fresh Fruit Bunch
FSC	Forestry Stewardship Council
GPS	Global Positioning System
HCV	High Conservation Value
HGU	Hak Guna Usaha (Land) title for commercial use
HO	Head Office
IP	Identity Preserved
IPM	Integrated Pest Management
IRCA	International Registration of Certified Auditors
ISO	International Standards Organisation
ISPO	Indonesia Sustainable Palm Oil Foundation
IUCN	International Union for Conservation of Nature
IUP	Izin Usaha Perkebunan (Plantation Licence)
K3	Kesehatan Dan Keselamatan Kerja (see OHS)
KER	Kernel Extract Ratio
KMD	Kebun Masyarakat Desa (Village Estate)
MB	Mass Balance
MSDS	Material Safety Data Sheet
NGO	Non-Government Organisation
OER	Oil Extract Ratio
OHS	Occupational Health and Safety
PK	Palm Kernel
PKB	Perjanjian Kerja Bersama (Worker Agreement)
POME	Palm Oil Mill Effluent
PPE	Personal Protective Equipment
PT	Perseroan Terbatas (Limited Company)
QMS	Quality Management System
RKL	Rencana Pengelolaan Lingkungan (Environmental Management Plan)
RPL	Rencana Pemantauan Lingkungan (Environmental Monitoring Plan)
Plasma	Scheme Smallholders
RSPO	Rountable Sustainable Palm Oil
RTEs	Rare, Threatened and Endangered Species
SEIA	Social & Environmental Impact Assessment
SIA	Social Impact Assessment
SOP	Standard Operation Procedure
SG	Segregation
SP	Satuan Pemukiman Transmigrasi (Settlement Unit location in Transmigrasi project in Indonesia)
UKL	Upaya Pengelolaan Lingkungan (Environmental Management Effort)
UPL	Upaya Pemantauan Lingkungan (Environment Monitoring Effort)